

Annual Report

2018-2019



Mildura Rural City Council

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Acknowledgement of Country

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

Part 1: Report of Operations

Introduction

Welcome to the Report of Operations 2018-2019

As a Council, we are committed to transparent reporting and accountability to our community and the Report of Operations 2018–2019 is the primary means of advising the Mildura Rural City Council community about our operations and performance during the financial year.

Snapshot of Mildura Rural City Council

Demographic profile*:

- Land area: 22,330km²
- Major townships: Mildura, Irymple, Red Cliffs and Merbein
- Other rural townships: Ouyen, Meringur, Werrimull, Cullulleraine, Cardross, Nangiloc, Colignan, Murrayville, Nichols Point, Cowangie, Underbool and Walpeup
- Estimated resident population: 55,515
- Estimated Mildura population: 32,738
- Estimated Indigenous population: 2,519
- The majority of the Mildura region's population were born in Australia (77 per cent), 1.5 per cent were born in England, 1.2 per cent in Italy, 0.9 per cent in India, 0.9 per cent in New Zealand and 0.8 per cent in Afghanistan.
- Level above sea level: 50m
- Climate: Dry summers and mild winters
- Key industries: Dryland farming, irrigated horticulture (table grapes, wine grapes, dried grapes, citrus, vegetables and nuts), tourism, food and beverage manufacturing, transport and logistics, retail, health and community services
- Emerging industries: Renewable energy generation, aquaculture, mineral sands mining and recycling

** Source: Figures based on 2019 update to Australian Bureau of Statistics data.*

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

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

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

Fast facts:

- 89 groups assisted by annual community grants totalling \$488,934 (GST exclusive)
- 1,048km of local sealed roads maintained
- 4,110km of unsealed local roads maintained
- 29,354 rateable properties comprised of 23,533 residential, 2,391 business, 1,545 dryland farming, 1,796 irrigated farming and 89 cultural and recreation properties.
- 1,185 applications received for 128 recruitment processes
- 48,623 hours of ageing and disability care support provided
- 237,515 attendees at aquatic facilities
- 292,630 library items borrowed
- 60,999 calls answered by the customer service call centre
- 597 planning applications received
- 1,038 building permits issued for building works totalling \$174,118,599
- 28,216 rubbish bins collected each week
- 28,216 recycling bins collected each fortnight
- 20 recreation reserves maintained

- 26 school crossings supervised
- 236,633 aeroplane passengers
- 420kW solar panels installed on Mildura Rural City Council buildings
- 248kW solar panels installed on six commercial properties through Environmental Upgrade Agreements

Highlights of the Year

See section on Our Performance for more details.

Strategic Objective 1: Community

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

Achievements:

- Appointed Aligned Leisure to manage all eight of our public swimming pools under a five-year contract offering efficiencies and savings in addition to meeting local needs and outcomes identified in our *Health and Wellbeing Plan*.
- Paving the way for final planning and work to start on the Mildura South Regional Sporting Precinct, progressed a major step forward in our *Mildura Future Ready* advocacy and funding strategy by securing \$17.5 million in Federal Government funding through two rounds of the Building Better Regions funding initiative.
- In July 2018, formally announced Denis Ryan AM Freeman of the City in recognition of his selfless acts uncovering and seeking justice for victims of institutional abuse in the Sunraysia area in the 1970s. In October 2018, announced Mallee resident Jocelyn Lindner, who has selflessly dedicated almost 50 years to the Tute, Cowangie and Murrayville district and the many essential community organisations and services in the district, Freeman of the City.
- Made possible through a \$200,000 grant from the Australian Government's Building Better Regions Fund and a \$100,000 contribution from the 444 Foundation, which is overseen by the Mildura Arts and Culture Advisory Committee, Federal Member for Mallee Andrew Broad officially opened the Mildura Arts Centre forestage lift in July 2018, paving the way for the Mildura Arts Centre to host more performances.
- Hosted Opera Australia John Bell's highly acclaimed production of Puccini's classic *Madame Butterfly* at the Mildura Arts Centre in July 2018.
- Along with 20 other Victorian councils, agreed to become a signatory to the Joint Statement against changes to the Status Resolution Support Services Program for people seeking asylum.
- Approved the Grants Policy, updated to reflect changes in eligibility and assessment criteria for our community grants programs.
- Adopted the Municipal Emergency Management Plan 2018, updated in response to and following a scheduled audit by the State Emergency Services.
- Reinforcing our commitment to putting an end to violence against women, achieved reaccreditation in 2019 as a White Ribbon Workplace.
- Showed our strong support for White Ribbon Australia by entering a team of Council staff in the City-Bay Fun Run in Adelaide in September 2018 under the White Ribbon banner, and hosting a White Ribbon Community Walk on 23 November 2018 "kicked off" by Richmond Football Club Chief Executive and White Ribbon Ambassador Brendon Gale, who walked with Sunraysia residents.

- Following the receipt in December 2018 of more than \$80,000 in Victorian Government funding as part of the state-wide Free from Violence program, announced plans to increase the focus over the next 12 months on early parenting as a way of deepening the community's understanding of the gendered drivers of violence against women.
- Signed the Age-Friendly Victoria declaration in October 2018, signalling our Council's commitment through better state and local planning to enhance the quality of life for people as they age.
- Hosted well known Fairfax media columnist Jane Gilmore at a public Q and A event, *Gender Equity in Sunraysia – Let's achieve it together*, at the Mildura Rowing Club on Friday 26 October 2018.
- Melbourne Recital Centre, in association with Mildura Arts Centre, presented one of Australia's leading pianists Piers Lane for one performance only at the Mildura Arts Centre on Saturday 27 October 2018.
- Commenced a new era in library outreach services for the Mallee Track and Millewa townships with the replacement of the weekly Mobile Library truck library service with more efficient services including a new, permanent library operating in Ouyen and weekly outreach services visiting the Walpeup Hall, Underbool-Linga Hall, Werrimull Hall and former Lake Cullulleraine Tennis Club.
- Approved grant applications totalling \$71,431 for funding through the Community Project Grants Program 2018-2019 to assist local not-for-profit organisations and groups with innovative projects or service enhancements that target recognised high need groups in our community.
- Approved grant applications totalling \$107,634.37 (\$40,576.40 in the February Round and \$67,057.97 in the August Round) for funding through the Recreation Grants Program 2018-19 to assist local sport and recreation groups to maintain and develop their facilities and the programs they offer to the community.
- Approved grant applications totalling \$2,223 for funding through the Rural Access Grants Program 2018-2019 to assist local non-profit organisations and groups to deliver locally-based projects that meet the needs of people with a disability, their carers and families, and to achieve infrastructural responses to access barriers that affect people with a disability.
- Approved grant applications totalling \$12,385 for funding through the Arts Development Grants Program 2018-2019 to assist local community organisations to participate in and experience the arts, be it performing or visual arts.
- As part of International Day of People with Disability, celebrated the contributions of people with disabilities in our region with a special event at Nowingi Place on Monday 3 December 2018 featuring entertainment, a barbecue and a range of activities for people with disabilities.
- Awarded the 2018 Elliott Award to Mavis Francis for her outstanding contribution to arts, culture and heritage in our region.
- Adopted a new Closed Circuit Television (CCTV) Policy to provide a robust framework for the operation of our current CCTV systems.

- Made possible through a \$234,000 funding injection from the Victorian Government's Community Crime Prevention Program, installed 17 new CCTV cameras and upgraded lighting to boost public safety along Mildura's riverfront precinct and areas of the CBD.
- Announced the recipients of our 2019 Australia Day Awards (Citizen of the Year – Dr Anne Webster; Young Citizen of the Year – Tanika Thorne; Community Event or Project of the Year – Ouyen Lake Project) at celebrations at the Nowingi Place.
- Introduced *Sunday Jazz* featuring free regular Sunday afternoon live jazz sessions in the Mildura Arts Centre foyer, providing a smooth, relaxing way for Sunraysia residents to round out their weekends.
- Hosted best-selling Australian author Fiona McCallum at the Mildura and Wentworth libraries, providing a unique opportunity for members of the community to hear what inspires her literary works of art.
- Held a rainbow flag raising ceremony at the Langtree Connection on 17 May 2019, followed by a community barbecue at Jaycee Park, in recognition of International Day Against Homophobia Transphobia and Biphobia.
- Held a two-day *Celebrate Ageing Expo* providing people of all ages with the chance to enjoy, free, a range of healthy activities including Tai Chi, ballroom dancing and cooking that they may have been interested in but had been hesitant to try.
- Officially opened the new Murray Pines Cemetery Support Centre, a \$320,000 building funded by the Department of Health and Human Services, Mildura Rural City Council and the Mildura Cemetery Trust that enables all matters related to both Murray Pines and Nichols Point cemeteries to be handled at the Centre and families to receive more focused care and attention.
- Unveiled design plans for the Mildura South Regional Sporting Precinct.
- Hosted the launch of *Making Home: Mildura Migration Stories*, an exhibition celebrating the integral role migration plays in shaping Mildura, at the Mildura Arts Centre.
- Celebrated National Reconciliation Week on 31 May 2019 with an Elders Morning Tea and Community Barbecue in the Langtree Mall.
- Introduced *Write-ability*, an eight-month program based around a series of monthly workshops and overseen by a local writing mentor, aimed at providing opportunities for people with a disability in our region to express themselves through writing.

Strategic Objective 2: Environment

We will create and promote sustainable natural and built environments.

Achievements:

- As part of our *Imagine Mildura CBD in 2035* initiative, combined with a series of workshops launched Social Pin Point, an innovative online forum featuring an interactive map of the CBD allowing the community to have their say on what they would like to see in our city's CBD between now and 2035 in terms of land use and building development, public spaces, transport, the look and feel of the CBD and environmental sustainability.
- As part of a worldwide initiative to cut the amount of plastic waste going to landfill, reduce our eco footprint and help the environment, encouraged locals to join in *Plastic Free July* by choosing to refuse single-use plastic items for a day, a week or even the entire month of July 2018.
- Launched two new flyers to educate land managers and the broader community on the requirements when considering native vegetation clearing on both rural roadsides and private property.
- Completed the reconstruction and resealing of Madden Avenue between Ninth and Eleventh Streets, Mildura, replacing existing parallel parking with angle parking to provide an additional 20 car parking spaces and increasing the number of trees in the centre median to improve the overall amenity of the road.
- Reconstructed an 80-metre section of Eighth Street between Madden and Orange avenues to address the ongoing and worsening condition of the road.
- Undertook Stage 2 of the biggest upgrade in Mildura's history to the iconic Deakin Avenue centre median, replacing sugar gums posing a risk to the public between Eighth and Ninth streets in preparation for a completely new landscape design, which will complement the existing themes established in Stage 1 between Ninth and Tenth Streets.
- Announced plans to introduce a kerbside Food Organics and Garden Organics service in July 2020 comprising of a weekly organics bin, a fortnightly rubbish bin and a fortnightly recycling bin.
- Participated for the first time in National Bird Week, holding our own event on the Mildura riverfront in October 2018 with Sunraysia residents taking great interest by joining us in supporting the Aussie Backyard Bird Count.
- Ran a pop-up weed information stall in the Langtree Mall, providing a chance for the community to learn more about the weeds in our region and how to get rid of them, along with information on our Bushland Watch Program and native vegetation clearing, which are important to protect our region's natural environment.
- Approved grant applications totalling \$19,924.05 for funding through the Environmental Project Grants Program 2018-2019 to assist local, not-for-profit organisations and groups with the implementation of innovative environmental projects in our community.
- Began the next phase of a multimillion dollar program of road safety works to improve pedestrian and cyclist safety in Mildura, commencing in November 2018 with the installation of raised safety platforms and pedestrian islands at key intersections in the first of 19 built-up residential areas along with the introduction of 40km/h speed zones.

- Following a period of public exhibition, approved the Mildura Riverfront Stage 2 Revised Master Plan, which includes a number of key development opportunities.
- Approved an application for \$121,217.80 in funding under the Community Plan Support Fund for the Merbein District Historical Society to refurbish a vacant Council building in Merbein to which they will relocate their operations.
- Approved an application for \$26,116.02 in funding under the Community Plan Support Fund for the Underbool Progress Group Inc to upgrade the existing War Memorial and park gates at the entrance to Outen Park, Underbool.
- Established a small drainage basin with overflow capability towards Main Avenue North, Merbein, to help mitigate stormwater flooding of the residential area north of the Calder Highway at Main Avenue North during major rain events.
- Approved the revised Central Murray Regional Transport Strategy 2018, which provides a framework for ensuring a 'fit for purpose' transport network in the central Murray region.
- Adopted a new Native Vegetation Policy setting out our approach to the management of native vegetation on Council-managed land.
- Adopted the Urban Tree Policy, updated to include detail regarding the propagation and retention of fruit bearing trees in response to the fruit fly threat, and our response to requests to remove trees adjacent to private properties and trees that have been deliberately vandalised or poisoned.
- Coordinated a Clean Up Australia Day community event on 3 March 2019.
- As part of our ongoing push to cut energy consumption, reduce greenhouse emissions and encourage others in our community to do the same, participated in *Earth Hour* on 30 March 2019 between 8.30pm-9.30pm, 'switching off' unnecessary lighting in Council buildings and facilities.
- To celebrate National Tree Day, together with the community, planted 250 trees in the Robbins Wetland on 19 May 2019.
- Adopted the Asset Management Policy and Land Manager's Consent Policy, both of which were updated to include minor changes.
- Supported the sixth Environmental Upgrade Agreement (EUA) in our municipality—oeDigital's (formerly Office Everything) installation of a 32.8kW solar system under the EUA program to help reduce the local business's electricity costs and greenhouse gas emissions.
- Commenced work to implement a system of parallel taxiways at the Mildura Airport to improve traffic control during aircraft arrivals and departures.

Strategic Objective 3: Economy

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

Achievements:

- Endorsed the Mildura Regional Development Annual Business Plan 2018-2019.
- Adopted the Events Funding and Support Policy, updated to include changes to eligibility criteria for funding and support for events that aim to provide social and economic benefits for the region.
- Adopted the International Relations Policy, updated to define how requests for new international relationships will be considered and include new International Relationship Principles and criteria to assist with deciding on the acceptance (or otherwise) of Council hosted delegations or international invitations.
- Approved the Mildura City Heart Annual Business Plan 2019-2020 and the half-yearly report on the Mildura City Heart Annual Business Plan 2018-2019.
- Undertook one of the biggest refurbishments to the Mildura Wharf in its 127-year history, completing a raft of structural and aesthetic works to bring the popular tourist feature and vital piece of infrastructure for our river-based tourism sector back to its original condition with improvements.
- Welcomed the Federal Government's commitment to extend the Drought Communities Program to provide \$1 million funding to enable us to provide options to improve the outlook for our farmers whose work opportunities have been impacted by the drought.
- Celebrated our city's official 'birthday' *Mildura Day* and our special 50-year friendship with sister-city Upland, USA, on 31 May 2019 with three main events – a historical walk down Deakin Avenue starting at the Carnegie Centre, the Mildura Station Homestead Open Day and a gala dinner aboard paddle vessel Mundoo.
- Endorsed, in principle, the *Murray Regional Economic Growth Strategy*, which is designed to assist in focusing action and advocacy efforts on activities that will benefit the economy of the Mallee Region.
- Mildura Regional Development secured a total of \$48,000 in state and federal government grants for continuation of the Walpeup Silo Art Project.
- Mildura Regional Development negotiated an agreement with Channel 9 to again film a Mildura episode of the *Postcards* television program, which will air in 2020.
- For the year ended March 2019, recorded 580,000 domestic visitors to the Mildura region, who stayed a total of 1.8 million nights – an increase of 12 per cent and 35 per cent respectively in comparison with the previous year.
- Approved the updated Mildura Airport Pty Ltd Annual Business Plan 2019-2020.
- Endorsed the Mildura Airport Pty Ltd Constitution, and the Airport Operations and Management Deed, both of which were updated to improve the governance arrangements between Mildura Rural City Council and Mildura Airport Pty Ltd.

- Together with the Mildura Airport Pty Ltd, opened a new large international flying academy, which is expected to provide a range of significant benefits, including economic, to the Mildura region.

Strategic Objective 4: Council

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

Achievements:

- Supported the Study Mildura International Education Scholarships Program with a contribution of \$5,000 toward the program.
- Adopted the Chief Executive Officer Appointment Policy, updated to recognise the establishment of a CEO Employment Matters Committee that will undertake the duties of the selection panel.
- Adopted the Customer Complaints Policy, updated to align with a new best practice guideline released by the Victorian Ombudsman's Office.
- Administered by a network of Australian Taxation Office-trained community volunteers, ran the Tax Help program from our Deakin Avenue Service Centre, providing assistance to people who earned around \$60,000 or less in the last financial year to complete their tax returns.
- Adopted the Leasing and Licensing of Facilities Policy, updated to further improve consistency, equity and transparency in the management of our community facilities and to maximise community benefit.
- Adopted the Administration of Rates Policy, updated to better define the criteria for the application of penalty interest.
- Adopted the Rate Debt Management Policy, and Road Discontinuance and Sale Council Policy, both of which were updated to include minor changes.
- Adopted a new Workplace Violence Policy outlining our approach to ensuring a safe workplace, free from violence and aggression.
- Adopted the Mildura Rural City Council Rating Strategy 2019-2023.
- Adopted the Procurement of Goods, Services and Works Policy, updated to include improvements to the examples of how suppliers can provide social outcomes to enhance our existing procurement activities.
- Adopted a new Refunds Policy, developed to ensure a consistent and equitable approach to customer requests for refunds of payments made to Mildura Rural City Council.
- Noted the Community Satisfaction Survey results for 2018 and 2019; in particular the increase in respondents' overall level of satisfaction with Council when compared with the previous year's results.

- Resolved to introduce a Mildura City Heart Special Rate Scheme, effective for the period 1 July 2019 to 30 June 2024, for the purpose of deriving funds for marketing and business development of the Mildura City Heart area.

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 organisational sustainability reviews
- Asset renewal
- Increase community awareness of our services
- Reform of the *Local Government Act*
- Continue to roll out the Mildura Riverfront Precinct Redevelopment project
- Constrained capacity to provide matching funding for major project development

The Year in Review

Mayor's Message

Mildura Rural City Council's 2018-2019 Annual Report details Council's achievement of the 2017 to 2021 Council Plan strategic objectives for the 2018-2019 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

The past 12 months have seen our organisation, and our community, make significant progress on a range of important projects and initiatives.

We've secured the majority of funding for the Mildura South Regional Sporting Precinct (MSRSP), including \$17.5 million in Australian Government funding through two rounds of the Building Better Regions Fund. We also secured \$3 million through the Victorian Government's Better Indoor Stadiums Fund. Combined with Council's \$8 million contribution, this will enable work to start on the MSRSP in the 2019 calendar year. This is one of four Mildura Future Ready (MFR) advocacy and funding strategy projects aimed at improving our community's social and economic wellbeing. The three remaining projects are the Mildura Motorsports and Community Precinct, Stage 2 of the Riverfront Redevelopment and advocating for the return of passenger rail services to our region.

Council has made progress on Stage 2 of the Riverfront Redevelopment, completing a revised master plan for the precinct which, after public consultation and input, was endorsed by Council earlier this year, paving the way for the next phase of this project.

We've also seen our highest honour – Freeman of the City – bestowed on two very worthy and selfless members of our community over the past 12 months. Denis Ryan AM received the honour in July last year, while Jocelyn Lindner was announced as our latest Freeman of the City in October.

Another highlight has been the introduction of a new era for library services along the Mallee Track and the Millewa, transitioning away from the mobile library that has traditionally serviced these areas. It's resulted in a more comprehensive model, combining a new permanent library at Ouyen with outreach services at other locations, ultimately providing better library services for more residents.

We've also either progressed or put into motion several major new initiatives and projects that will benefit our community. They include a commitment to introduce a new three-bin Food Organics and Garden Organics service from next calendar year, and a multimillion dollar suite of road safety measures aimed at improving pedestrian and cyclist safety, funded largely by the Victorian Government.

More broadly, there are many positive signs of progress and confidence in our region when you look at some of the major developments either approved or already operating – they include the new Weilong Winery near Red Cliffs, the international pilot training academy at Mildura Airport and the Cann Group medicinal cannabis growing facility. These significant projects create employment and contribute to the long-term sustainability of our region.

Another important step for Council over the past 12 months was a decision to commit 100 per cent of our organisation's electricity load to the Local Government Power Purchase Agreement tender stage, which would see our electricity supplied through existing and/or renewable energy facilities in Victoria from mid-2021. This would not only offer substantial cost-savings for Council, but provide significant environmental benefits.

Advocacy and Engagement

During the past year we've continued to advocate strongly on behalf of our community on a raft of important issues.

They include the health and future of the Murray Darling Basin, ongoing challenges around waste recycling, the need for more and better drug rehabilitation services, and the continuing push for the return of passenger rail services in our region as part of our Mildura Future Ready advocacy and funding strategy.

We've also been working closely with our local state and federal government representatives to improve the plight of our farmers, tackling issues including changes to farm visas in a bid to ensure the workforce required by our growers, and planning restrictions on farmland.

Another challenge we need to address is the ongoing drought, which is hitting our farmers hard, and the impending increase in water prices, which will present major challenges for some of our horticulture areas.

We're not alone in many of these issues and as a result continue to work closely with bodies including the Municipal Association of Victoria, Regional Cities Victoria and the Murray River Group of Councils.

Thank you

I would like to thank my fellow Councillors for their support, passion and commitment to our community over the past 12 months. While there may be differences of opinion from time to time, they all have the best interests of our region and our residents at heart. Similarly, a big thank-you must go to our residents, business owners, volunteers, community groups and Council officers for their support, feedback and hard work.

Cr Simon Clemence
Mayor

CEO's Message

On behalf of Mildura Rural City Council, it is my great pleasure to present our Annual Report for the year 2018–2019. 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

While I have only been CEO for a few weeks, all in 2019-2020, I have been delighted to read the Annual Report and reflect on the great achievements of the community and Council over the past 12 months.

Our Community Health and Wellbeing Plan 2017-2021, which was completed last year, has continued to drive our efforts to improve health and wellbeing outcomes for our more than 53,000 residents and visitors at its core, prioritising issues including prevention of violence and injury, improving mental health, reducing the harmful impact of alcohol and drug abuse, and encouraging healthier and active living. Council does not do this work alone. Key community partnerships including with Hands Up Mallee, Northern Mallee Community Partnership, Sunraysia Community Health Services and Headspace Mildura have seen us advocate strongly for drug and rehabilitation, early education and general health services.

And the overall experience of our community, in terms of a strong economy and supportive community, has been the reason we developed and continue to focus on Mildura Future Ready. While it is easy to see Mildura Future Ready as a wish list of projects, at its heart is the clear intention that through investment in major infrastructure projects in our region, we can make a long-term difference to a diversified economy, which helps provide people with jobs, training and educational opportunities. We know this makes a difference to quality of life. So Council was thrilled to achieve significant funding from the Commonwealth Government and a contribution from the Victorian Government to progress one of these projects; the Mildura South Regional Sporting Precinct. We will continue to advocate for the remaining \$8-10 million required to make the whole project a reality.

While we are talking about economic growth, Council has continued to work in partnership with key bodies such as Mildura Airport Pty Ltd, Mildura Regional Development and Mildura City Heart to advance economic development and tourism within the region. But we also know that many of our traditional industry sectors, such as horticulture, are facing very difficult times with water shortages and worsening natural disasters, and so we have spent some time this year working on our rating strategy, and recognising the impact of these events by changing our differential rates, to reduce the burden on dryland farming. We have also spent some time talking about how we re-energise and reinvigorate our central

business district, and I am looking forward to us working together to create new places and experiences that encourage us to come together and experience connections with each other in interesting spaces.

There have also been many projects that support local communities and build pride in this wonderful place we live. Examples include restoration of the Mildura Wharf and Homestead Wharf, library services provided via the Ouyen Service Centre and along the Mallee Track, upgrades to playground equipment and parks across our municipality and new sporting facilities. Council has also been proud to once again partner with a host of dedicated community groups, clubs and organisations over the past 12 months as part of our grants program, providing more than \$190,000 to eligible recipients.

Another massive achievement over the past 12 months was acknowledgement at the highest levels of local government in Victoria with a 2019 Local Government Professionals Award for Excellence. We took out the Community Assets and Infrastructure Initiative Award (projects over \$2 million) for Stage 1 of the Riverfront Redevelopment. This was an outstanding achievement and the first time Mildura Council has won such an award, highlighting just what we're capable of as an organisation

Council also reinforced its commitment to end violence against women achieving re-accreditation as a White Ribbon-accredited workplace. I have been encouraged by the passion and enthusiasm of Council's team about this important issue, and look forward to continuing our support, and our role in raising community awareness.

Organisational Performance

At the end of June 2019, Council's financial position remains strong with more than \$800 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 2018-2019 was 5.6 per cent below the Annual Budget adopted in June 2018. Council's operating income was 13.68 per cent above the Annual Budget and this is largely due to the forward payment of 50 per cent of Victorian Grants Commission funding.

In 2018-2019, Council achieved a surplus of \$17.69 million, which was slightly lower than that achieved in 2017-2018. The difference is mainly due to the timing of the receipt of grant funding. Council's long-term financial strategy projects that 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 the numerous successful projects, plans and strategies over the past 12 months. I am particularly excited to be joining this team and this community at the beginning of a new financial year, and look forward to contributing to a community that is already rich in culture, strong in spirit and courageous in the face of adversity. In my very short time here, I have been welcomed to this place, and feel honoured to reflect on the

great work achieved by the team at Council for the past year. I can say without hesitation that the staff and Councillors care about improving the quality of life for all. I thank them for being such strong advocates and ambassadors for our community, and I thank you, our community, for making this a great place to live.

Sarah Philpott
Chief Executive Officer

Financial Summary

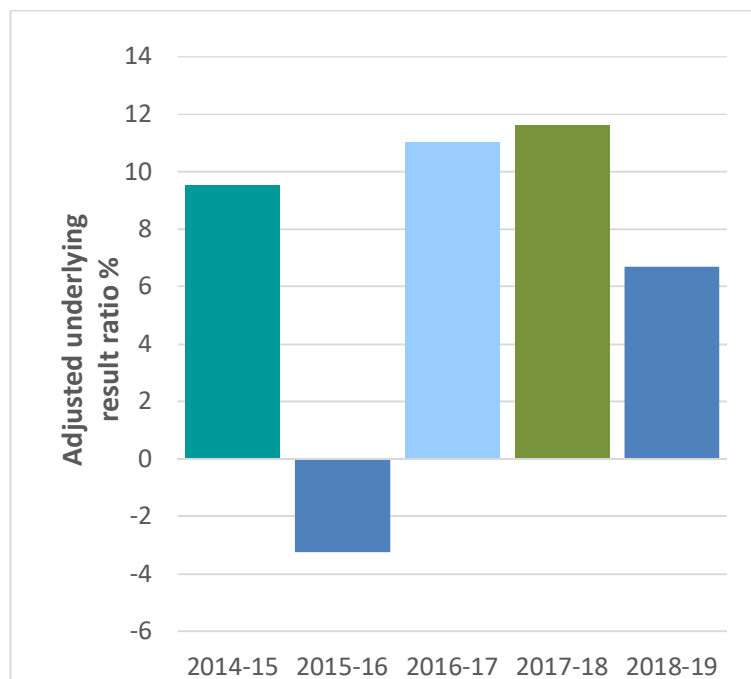
Our financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to financial performance is included within the Financial Statements and Performance Statement sections of this Annual Report.

Operating Position

We achieved a surplus of \$17.69 million in 2018–2019. This compares with a surplus of \$20.40 million in 2017–2018.

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

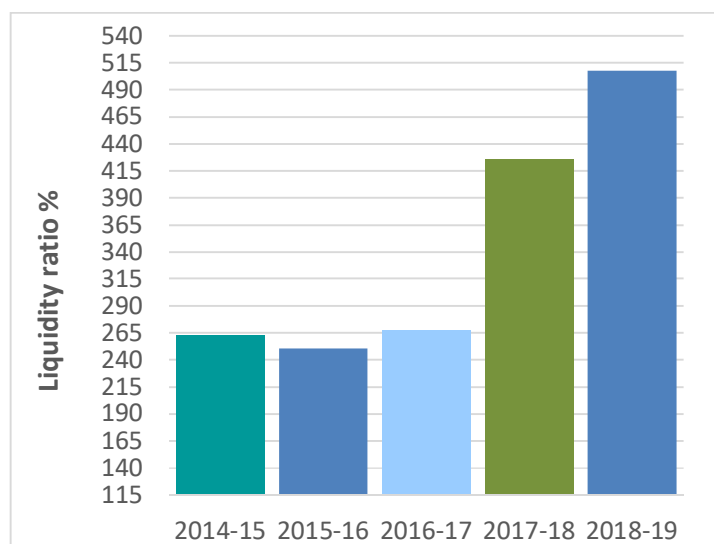
But it is important that we have a reserve of funds. We have lots of assets that we look after on behalf of our community. We use our surplus to top up our reserves, so that we can pay attention to our assets.



Liquidity

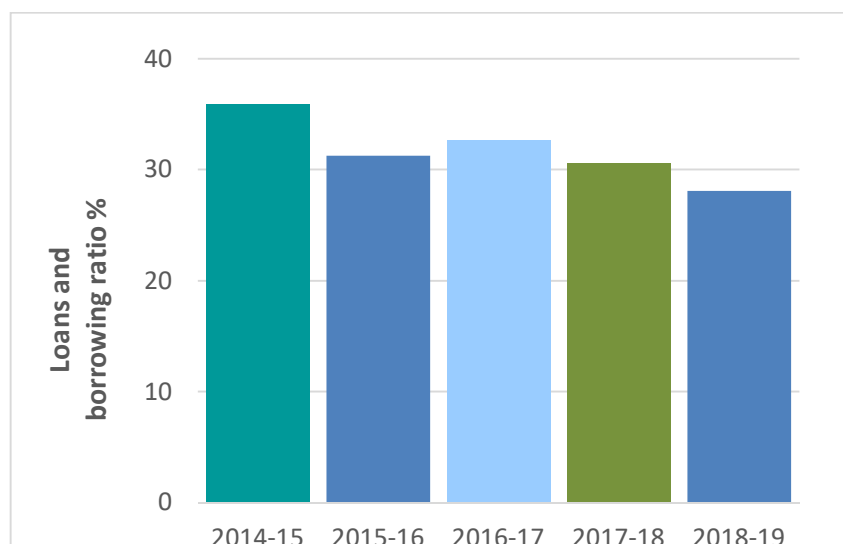
Cash and financial assets have increased by \$18.37 million from the previous financial year. The increase is mainly due to the forward payment of 50 per cent of the Financial Assistance Grant and the timing associated with financial completion of capital works projects, some of which are large scale and may span multiple financial years.

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

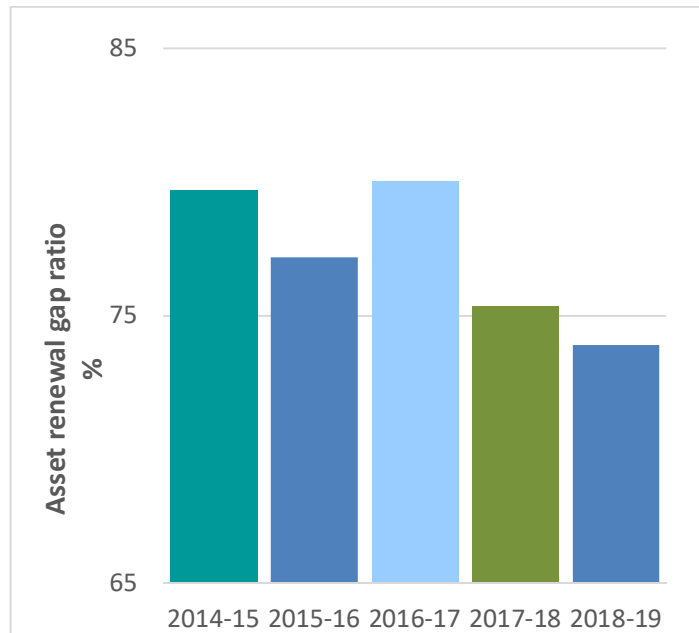


Obligations

At the end of the 2018-2019 year, our debt ratio, which is measured by comparing interest bearing loans and borrowings to rate revenue, was 28.10 per cent, which is within the expected target band of below 40 per cent.

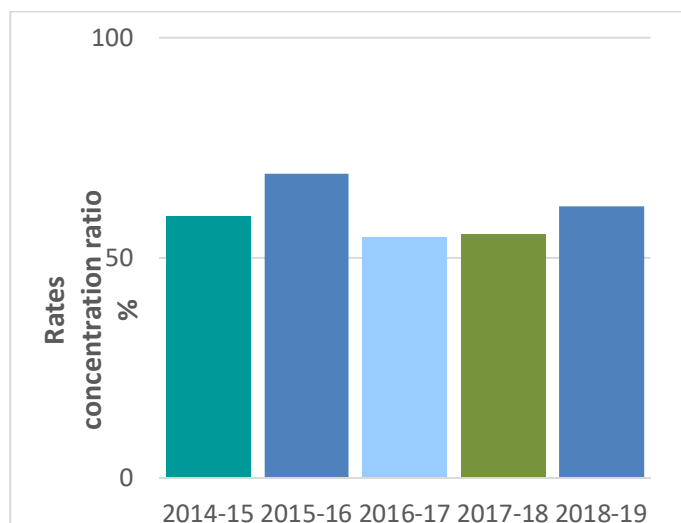


We aim to ensure we are able to maintain our infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. We invested \$20.45 million in capital works during the 2018-2019 year. Asset renewal is forecast to increase over the period of our Strategic Resource Plan 2019-2023.



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 61.67 per cent for the 2018-2019 year, which is within the expected target band of 40 per cent to 80 per cent. This figure is influenced by the forward payment of the Financial Assistance Grant funding. This year Council has been able to keep its rate rise to within the rate cap and still maintain services at similar levels. This has been achieved through sustainability reviews and other initiatives to ensure services are being delivered as efficiently as possible.



Description of Council's Operations

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

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

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

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

Our vision, strategic objectives and strategies to further improve services and facilities are described in our Community and Council Plan 2017 to 2021 and the associated Budget 2018–2019, 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.

The Victorian Government also has introduced a cap on rate increases from 2016-2017. The cap for 2018-2019 was set at 2.25 per cent, which is based on the state-wide CPI forecast for the 2018-2019 year.

Major Capital Works

During 2018–2019, major capital works included the following:

Boiler Replacement at the Alfred Deakin Centre's Mildura Waves Complex

Works involved the replacement of six modular condensing boilers for heating the indoor lap pool, wave pool and spa facilities.

Replacing the Main Pool Filters at the Mildura Waves Complex

One of the most significant projects undertaken during the 2018-2019 financial year was the replacement of the main pool filters at the Mildura Waves Complex.

Works involved replacing four main pool filters and reconfiguring the associated pipework to allow easy access to the filters for maintenance and repair works.

Works were conducted in conjunction with the pool management.

Merbein Kenny Park Change Rooms

Practical completion of the construction of the Merbein Kenny Park change rooms is to be completed in August 2019. The new construction of the complex significantly improved the amenity at the reserve.

Mildura Arts Centre Gallery Passenger Lift

The completion of the passenger lift at the Mildura Arts Centre has meant people with a disability are now able to easily access the upper floor. The passenger lift also assists staff handling and moving artworks from the ground floor to the upper floor.

Cyclist and Pedestrian Safety

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

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

Upgrade of Cureton Avenue, Ellswood Crescent and Cowra Avenue Roundabouts

The upgrade of the Cureton Avenue, Ellswood Crescent and Cowra Avenue roundabouts was one of the most significant reconstruction projects undertaken during the 2018-2019 financial year.

Works involved significant pavement stabilisation, asphaltting, replacement of centre ring, installation of lighting, and kerb and channel works.

Drainage works were also undertaken with new pipes and pits constructed to cater for road and property stormwater runoff.

Works were conducted in conjunction with PowerCor.

Boomerang Avenue from Dow Avenue to Westcliffs Avenue - Road Shoulder Works

Reconstruction of Boomerang Avenue involved repairing the rutting and deformation of the pavement, renewing the pavement life and resurfacing.

This road embankment and shoulder reinstatement provided stability for Boomerang Avenue from Dow Avenue to Westcliffs Avenue pavement.

Woomera Avenue from Nursery Ridge Road to Cottrell Road - Road Shoulder Works

Reconstruction of Woomera Avenue involved repairing the rutting and deformation of the pavement, renewing of the pavement life, and resurfacing.

This road embankment and shoulder reinstatement provided stability for Woomera Avenue from Nursery Ridge Road to Cottrell Road pavement.

Cocklin Avenue from Calder Highway to Carey Avenue - Road Shoulder Works

Reconstruction of Cocklin Avenue involved repairing the rutting and deformation of the pavement, renewing the pavement life and resurfacing.

This road embankment and shoulder reinstatement provided stability for Cocklin Avenue from Calder Highway to Carey Avenue pavement.

Park for Play - Stage 3

Stage 3 Park for Play works involved replacing the current play equipment, which had reached the end of its useful life.

The renewal of equipment at this playground ensures we continue to offer a range of safe, accessible and appropriate activities for all children and their families.

Mildura Riverfront Shared Path from the Mildura Station Homestead to Hugh King Drive

This project involved the development, renewal and upgrade of the Murray Riverfront reserves for the continuation of the linkage shared path at Lock 11 beside the roadway, shifting and renewing bollards to delineate vehicle traffic, pedestrians, cyclists, and creating a safer entry into Lock 11.

Mildura Riverfront and Central Business District Closed Circuit Television Lighting Installation and Upgrades

The continuation of the installation of closed circuit television lighting and upgrades in the Mildura Riverfront and central business district was a significant project implemented during the 2018-2019 financial year.

Works involved the installation of 17 additional closed circuit televisions, lighting infrastructure and the upgrading of lighting around high public use areas.

Reconstruction of Game Street between Main Avenue North and Railway Avenue

One of the most significant reconstruction projects undertaken during the 2018-2019 financial year was the reconstruction of Game Street (approximately 200 metres of road) between Main Avenue North and Railway Avenue.

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

Rail Pedestrian Crossing - Thirteenth Street, Mildura South on the Western Side

This project involved the construction of a formal crib railway crossing pathway for pedestrians. All construction will be compliant with the *Disability Discrimination Act* standards.

Works involved laying concrete sleepers under the railway lines, concrete pathway within the rail reserve, and asphalt between the tracks.

Offset fences will be used to redirect the path of travel and increase pedestrian awareness.

Netball Courts Upgrade at Henshilwood Recreation Reserve

This project involved the reconstruction of two competition standard netball courts.

The project has improved the amenity of the reserve and increased the capacity of the site.

Fifth Street, Merbein, between River Avenue and Calder Highway Upgrade

Road reconstruction and intersection upgrade on Fifth Street, Merbein (approximately 1.1km of road) between River Avenue and the Calder Highway involved pavement reconstruction, widening, sealing, and kerb and channel works. Significant drainage will also be constructed to cater for road and property stormwater runoff.

Major Changes

In 2018–2019, we made the following major changes to the organisation’s structure and contracts:

- Following the Waste Management Service Review, in an effort to improve service delivery, the management of key service contracts and regulatory requirements associated with landfill management, implemented a revised Waste Management Team structure with three distinct service streams:
 - Weighbridge and reporting
 - Mildura Landfill and rural sites
 - Kerbside garbage collection, street sweeping and litter collection.
- Implemented recommendations of the Recreation Planning & Development Service Review, including:
 - The appointment of one contractor (Aligned Leisure) to manage all eight of Council’s swimming pools for at least the next five years. The new contract management model is expected to result in significant operational savings and increased support for a number of Council plans and strategies.
 - Modifying the Community Recreation Officer Position, which previously had a significant focus on swimming pools, to be more consistent with that of the Recreation Officer. This change is expected to provide greater flexibility and increased business continuity options for the Recreation Unit.

- Following the Asset Services Review:
 - Renamed the Asset Management Unit as Strategic Asset Systems and renamed the positions within the unit to better describe staff roles
 - Reassigned non-core Asset Management functions to more appropriate units
 - Transferred the Property Officer position and associated Administration Officer position (to the Risk and Governance Unit.)
 - The Building and Property Services Review was completed resulting in the Building and Property Services Unit being renamed Facility Services and split into three teams:
 - Reactive Maintenance
 - Programmed Maintenance
 - Building Capital Works teams
- to better reflect the Unit's core functions and activities and improve the delivery of the required services to the organisation and community.

Major Achievements

- Graded 4,110km of unsealed roads
- Widened and sealed 1.1km of Fifth Street, Merbein
- Recorded 580,000 domestic visitors to the Mildura region
- Completed the Mildura Arts Centre gallery lift
- Constructed a rail pedestrian crossing in Thirteenth Street
- Installed 17 additional closed circuit televisions and upgraded lighting in the Mildura Riverfront and central business district
- Reaccreditation of Mildura Rural City Council as a White Ribbon Workplace
- Officially opened the Murray Pines Cemetery Support Centre
- 2019 Local Government Professionals Award for Excellence (Community Assets and Infrastructure Initiative) for Stage 1 of the Mildura Riverfront Redevelopment project
- Approved the Mildura Riverfront Stage 2 Revised Master Plan
- Together with the Mildura Airport Pty Ltd, opened a new international flying academy

Our Council

City Profile



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

The municipality has an estimated resident population of 55,515 which includes 2,519 Aboriginal and Torres Strait Islander people. The structure of the region's economy and a significant transient population for employment purposes sees Mildura serve a regional population across three states – Victoria, New South Wales and South Australia.

Major townships within Mildura Rural City's urban area include Mildura, Irymple, Red Cliffs and Merbein. These irrigation areas formed part of the first irrigation colony established in Australia. Townships within Council's rural area include Ouyen, Meringur, Werrimull, Cullulleraine, Cardross, Nangiloc, Colignan, Murrayville, Cowangie, Underbool and Walpeup.

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

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

Mildura also boasts the largest and busiest regional airport in Victoria with 236,633 passenger movements each year to Melbourne, Sydney and Adelaide.

** Source: Figures based on 2019 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

Website: www.mildura.vic.gov.au

Postal address:

PO Box 105

Mildura Victoria 3502

Councillors

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



Cr Simon Clemence, Mayor

Term: 2016-2020

Portfolio: Governance and Corporate Planning

Cr Simon Clemence joined Council for the first time in 2016. Now retired, Cr Clemence was a police inspector and Local Area Commander for Mildura and lives at Cardross. Cr Clemence is passionate about the region and in his previous work had strong links to the betterment of the community. He has a strong background in crime reduction initiatives, ice education, family violence and improving Aboriginal youth training and employment. With particular interests in the economic development and the growth of our region, Cr Clemence is also keen to support access to services and social justice, improved community safety, and drug and alcohol rehabilitation.



Cr Jason Modica, Deputy Mayor

Term: 2016-2020

Portfolio: Arts and Culture

Cr Jason Modica joined Council for the first time in 2016. A ceramic tile layer, Cr Modica grew up in Gol Gol and now lives in Nichols Point. He is passionate about the region he calls home. 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 62 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

Portfolios: Environment and Farming Sustainability, and Community Safety

Cr Anthony Cirillo joined Council for the first time in 2016. Cr Cirillo grew up in the Mildura region and is a horticulturist who grows table grapes and operates a successful business that markets produce both nationally and globally. Cr Cirillo and his wife Vittoria are currently raising their young family and believe strongly in the wellbeing and future of our region, not only for his generation but future generations.



Cr Mark Eckel

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

Portfolios: Economic Development and Tourism

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 that needs to be addressed commencing with our youth. With wife Denise, they share six children, eighteen grandchildren and are great grandparents of five. The couple

list Mildura's geographical location, lifestyle and multicultural community as highlights. In addition to working as a radio presenter, Cr Eckel is a keen sportsman.



Cr Helen Healy

Term: 2019-2020

Appointed: February 2019 (replaced Cr Ali Cupper)¹

Portfolio: Community Development and Gender Equality

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



Cr Glenn Milne

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

Portfolio: Recreation and Sport

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



Cr Min Poole

Term: 2016-2020

Portfolio: Community Wellbeing and Services

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



Cr Gavin Sedgmen

Term: 2018-2020

Appointed: November 2018 (replaced Cr Max Thorburn)²

Cr Gavin Sedgmen joined Council for the first time in November 2018, following the passing of Cr Thorburn. Cr Sedgmen has lived in Merbein and worked around the Sunraysia region all his life. He has also owned a vineyard for 21 years. He is a passionate advocate for local sports, and has a particular interest in motor sports having been a former competitor, committee member and president of the Mildura Motorcycle Club. Cr Sedgmen has been actively involved with charity events including the Red Cliffs Lions' Debutante Balls, the Masonic Lodge and the Merbein Football Club over the past 30 years.

Outgoing councillors

Note 1: Cr Ali Cupper

Terms: 2012-2016, 2016-2020

Resigned: 7 December 2018

Note 2: Cr Max Thorburn

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

Passed away: 18 October 2018

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 2017 to 2021. Three general managers and the CEO form the Executive Leadership Team (ELT) and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.



Chief Executive Officer

Gerard José

Gerard served as Mildura Rural City Council CEO from October 2014 to February 2019. Gerard's extensive experience includes 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 served on the boards for Zoe Support, Murray Regional Tourism and Chances for Children.

Responsibilities:

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

Note: Following Gerard's resignation, effective 15 February 2019, Chris Parham acted in the CEO's role until the appointment of Allan Bawden as Interim CEO on 4 March 2019. Allan Bawden served in the Interim CEO's role until 2 August 2019. Sarah Philpott was then appointed as Council's new CEO and commenced on 5 August 2019.

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 nine years' management experience in local government, having served in the role of Manager Information Systems prior to his appointment to the General Manager Corporate position. Chris has extensive private sector management, project management, and information and communications technologies experience. Chris has a Masters of Business Administration,

Graduate Certificate in Management, Diploma in Information Technology, PRINCE2 Practitioner, Graduate Australian Institute of Company Directors and Certified Enterprise Architect. In addition, Chris is a White Ribbon ambassador.

Areas of responsibility:

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



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 sixteen 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 Bachelor of Social Science, Graduate Diploma of Gerontology and a Masters of Business Administration.

Areas of responsibility:

- Parks Services

- Waste Management Services
- Infrastructure Services
- Asset Management Services
- Works and Engineering Services
- Development Services
- Building Maintenance Services.



General Manager Community

Martin Hawson

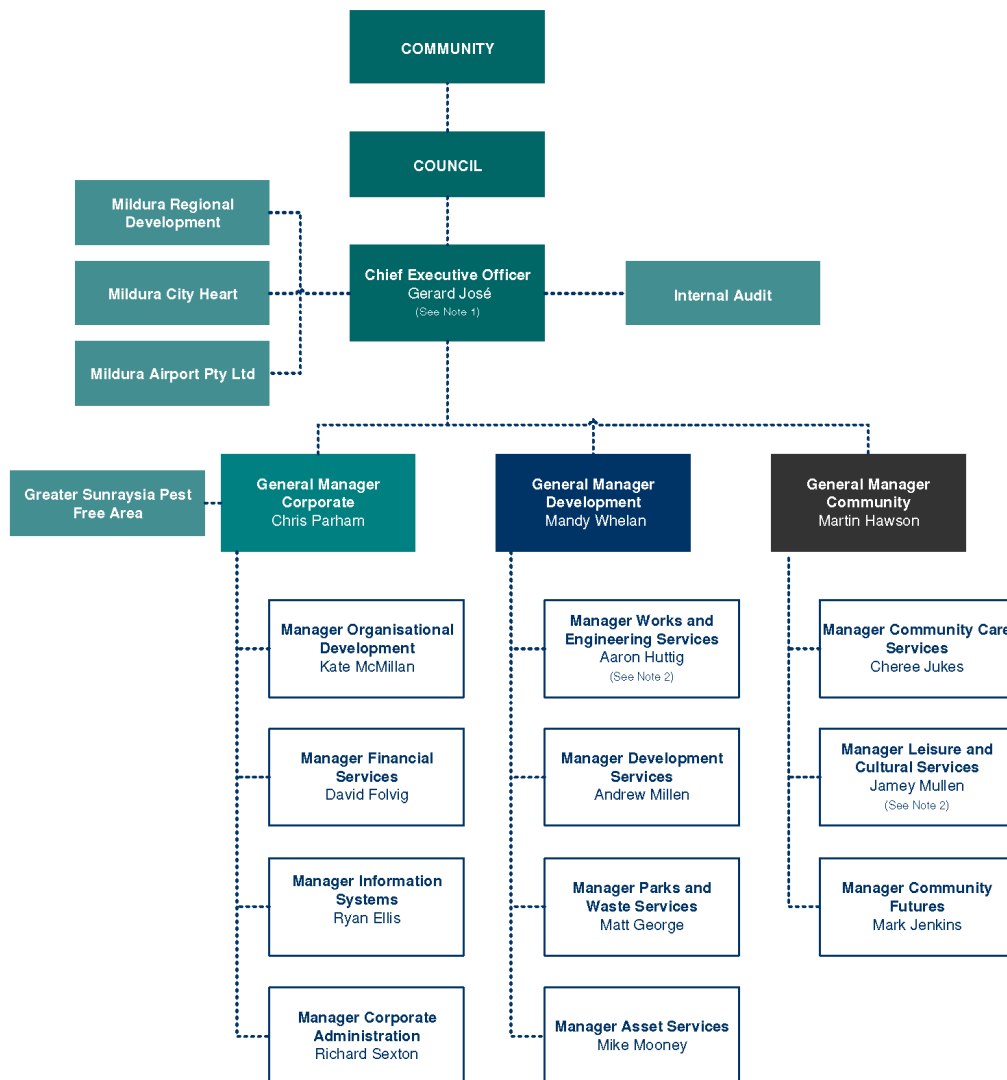
Martin Hawson has a broad and extensive background in community services leadership and management experience in local government.

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:

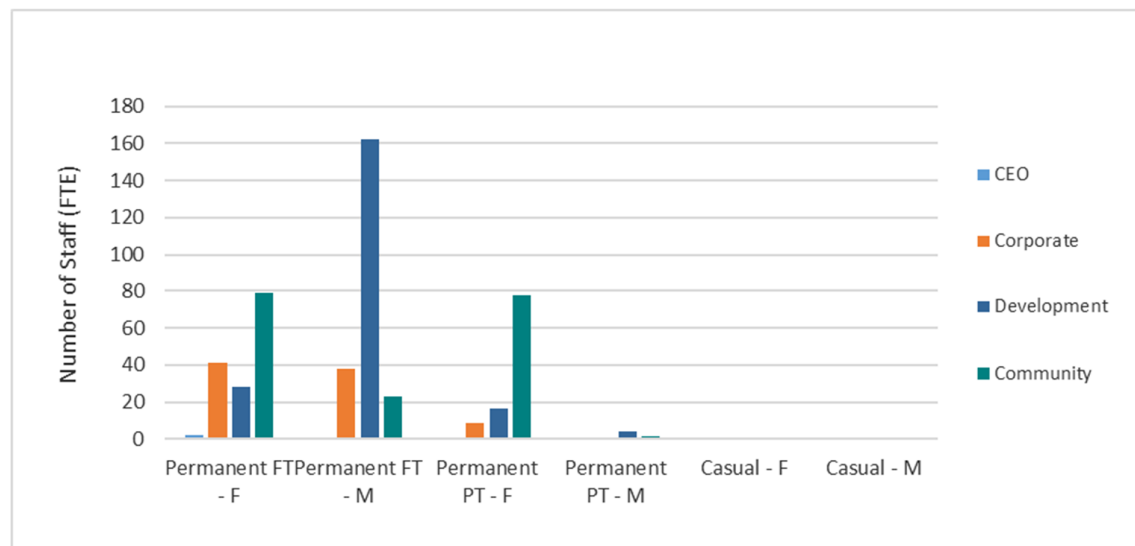
1. Following the resignation and departure of Gerard José on 15 February 2019, Chris Parham acted in the CEO's position until the commencement of Interim CEO, Allan Bawden. Allan Bawden was employed as Interim CEO from 4 March to 2 August 2019. Sarah Philpott commenced as CEO on 5 August 2019.
2. Aaron Huttig was appointed Acting Manager Works and Engineering Services on 19 February 2019 following Jamey Mullen's appointment to the position of Manager Leisure and Cultural Services on the same date. Prior to 19 February 2019, the role of Manager Works and Engineering Services was held by Jamey Mullen, and the role of Manager Leisure and Cultural Services was held by Scott Umback.

Council Staff

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

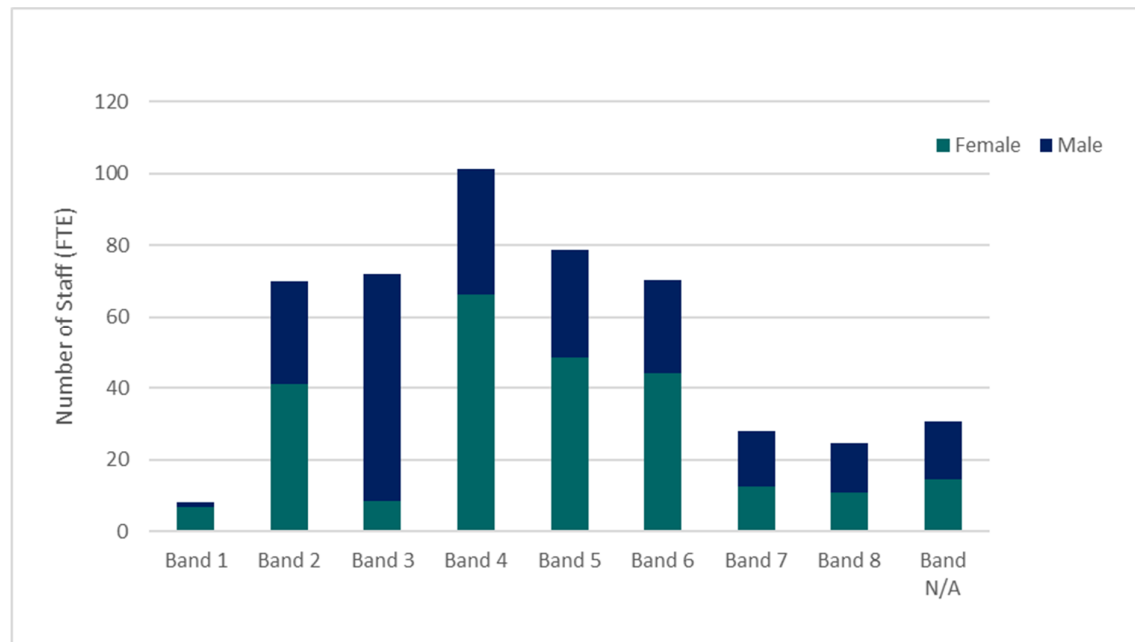
Employee type/gender	CEO FTE	Corporate FTE	Development FTE	Community FTE	Total FTE
Permanent FT - F	2	41	28.01	79.05	150.06
Permanent FT - M		38	162.04	23	223.04
Permanent PT - F		8.49	16.35	77.86	102.7
Permanent PT - M		0.53	3.89	1.52	5.94
Casual - F		0.16	0.14	0.58	0.88
Casual - M	1	0.01	0.08	0.1	1.19
Total	3	88.19	210.51	182.11	483.81

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



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

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	6.86	1.24	8.1
Band 2	41.21	28.70	69.91
Band 3	8.56	63.58	72.14
Band 4	66.32	35.06	101.38
Band 5	48.45	30.13	78.58
Band 6	44.14	26.02	70.16
Band 7	12.69	15.44	28.13
Band 8	10.78	14	24.78
Band not applicable	14.63	16	30.63
Total	253.64	230.17	483.81



Overview of Senior Positions by Gender

Level	Male	Female
Executive Leadership	4.00*	1.00
Management	9.00	2.00
Coordinator and Team Leader	38.02	32.59

* Includes interim CEO, Allan Bawden, who was appointed following Gerard José's resignation.

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 per cent, Result: 97 per cent.
- Indicator: Number of contact officers per number of council employees. Target: 1:50, Result: 1:48.

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
- Provision of training to all staff on domestic and family violence awareness
- Achieving reaccreditation as a White Ribbon Workplace under the White Ribbon Accreditation Program.

Other Staff Matters

Training/Professional development

Study assistance is offered for staff undertaking relevant undergraduate or postgraduate studies. In the past year, 27 staff have accessed this form of support. A comprehensive corporate learning program that supports a broad range of staff development needs is provided. This is developed in alignment with strategic priorities, as well as in response to needs identified through staff performance and development plans. A variety of learning methodologies are used, including e-learning, facilitated workshops and personal coaching.

Preventing Violence against Women

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

Over the past 12 months, we have:

- Achieved reaccreditation as a White Ribbon Workplace
- Continued our internal White Ribbon Accreditation Committee with the inclusion of new members to better represent all areas of Council
- Continued our internal White Ribbon Events Committee to plan, coordinate and manage Council's White Ribbon events
- Conducted awareness raising activities as part of White Ribbon Day
- Included material about the White Ribbon Program in our corporate induction program
- Provided training to all staff on domestic and family violence awareness
- Continued to provide information to staff on the prevention of family violence
- Reviewed policies to ensure they support the prevention of violence against women and people in this situation.

Health and Safety

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

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.

Enterprise Bargaining Agreement

In March 2019, an Enterprise Bargaining Committee comprising management representatives, nominated workplace union delegates and union industrial officers was established to negotiate a new Enterprise Agreement for Council employees. A number of meetings have been held and progress made on the new agreement. It is expected that a new agreement will be reached early in the 2019-2020 financial year and will be voted on by staff. Once an agreement is reached, it will be registered with the Fair Work Commission for approval.

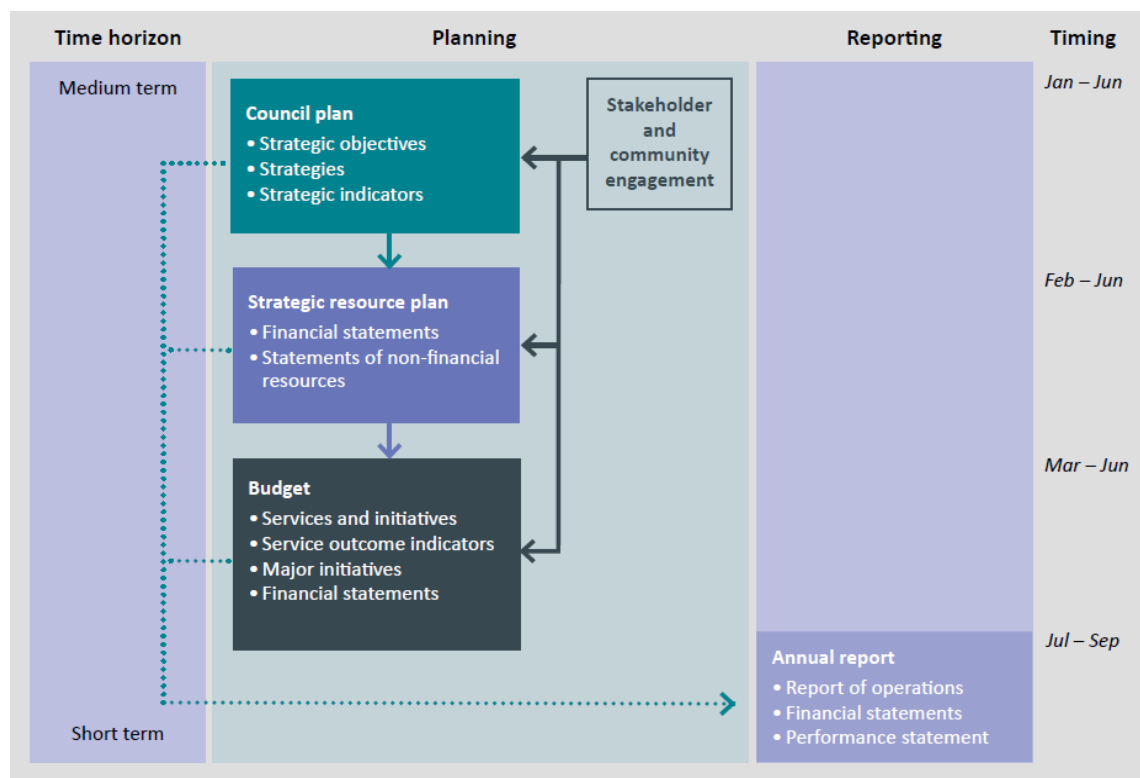
Our Performance

Planning and Accountability Framework

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

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

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



Community and Council Plan

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

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

Performance

Council's performance for the 2018-2019 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2017-2021 Community and Council Plan. Performance has been measured as follows:

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



Strategic Indicators

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

1.1 Community Safety

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community perception of personal safety ¹	54%	47%	54%	61%
Childhood accidents ²	-	-	-	-
Crimes against persons ³	2.02	2.11	-	-
Crimes against property ⁴	5.71	6.24	-	-
Road trauma ⁵	0.22%	0.25%	0.17%	0.13%
Reported public safety incidents ⁶	77	125	98	81
Number of animal attacks ⁷	80	70	70	64
Drug related crime ⁸	-	364	487	-
Community satisfaction with emergency management ⁹	5.58	4.52	5.07	5.19

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

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

³ Number of crimes against the person/Municipal Population (source: Social Indicators Report). Note: Crime statistics data for year ending 30 June 2018 is not released until 20 September 2018.

⁴ Number of crimes against property/Municipal Population (source: Social Indicators Report). Note: Crime statistics data for year ending 30 June 2018 is not released until 20 September 2018.

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

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

⁷ Number of reported dog attacks to Council (source: MRCC CRM data)

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

⁹ Mean performance score out of seven (source: Community Satisfaction Survey)

1.2 Community Development

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with support to people with a disability ¹⁰	5.45	4.30	4.91	5.22
Community satisfaction with equitable access to facilities, services and activities ¹¹	32%	30%	28%	36%
Level of volunteering ¹²	-	-	20.7%	-
Community satisfaction with opportunities for people to be involved in shaping their community ¹³	26%	25%	32%	41%
Education participation rates ¹⁴	-	-	68.8%	-
Year 12 or equivalent completion rates ¹⁵	-	-	88.10%	-

¹⁰ Mean performance score out of seven (source: Community Satisfaction Survey)

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

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

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

¹⁴ Attendance in an educational institution, prep to 24 years old (source: Census)

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

1.3 Community Health and Wellbeing

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Self-reported health ¹⁶	-	-	-	-
Subjective wellbeing ¹⁷	-	-	-	-
Life expectancy – Males ¹⁸	-	-	-	-
Life expectancy – Females ¹⁹	-	-	-	-
Adequate physical exercise ²⁰	-	-	-	-
Fruit consumption ²¹	-	-	-	-
Vegetable consumption ²²	-	-	-	-
Obesity ²³	-	-	-	-
Smoking status ²⁴	-	-	-	-
Risky alcohol consumption ²⁵	-	-	-	-
Psychological distress ²⁶	-	-	-	-
Prevalence of Type 2 Diabetes ²⁷	-	-	-	-
Birth weight ²⁸	-	-	-	-
Communicable diseases ²⁹	235	264	297	459
Family violence ³⁰	-	-	-	-
Children in out of home care ³¹	-	-	-	-
Children on child protection orders ³²	-	-	-	-
Community satisfaction with immunisation programs ³³	5.99	5.23	5.65	5.88
Community satisfaction with health education programs ³⁴	5.29	4.49	4.74	5.02

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

¹⁷ Australian Unity Personal Wellbeing Index (source: Victorian Population Health Survey)

¹⁸ Life Expectancy at Birth (source: Social Indicators Report)

¹⁹ Life Expectancy at Birth (source: Social Indicators Report)

²⁰ 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)

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

²² Percentage of the adult population consuming the recommended intake of three serves of vegetables per day (source: Victorian Population Health Survey)

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

1.4 Community Services

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Birth weight ³⁵	7.3%	-	-	-
Maternal and child health visits ³⁶	100%	100%	100%	100%
Participation in the Maternal and Child Health Service by Aboriginal children ³⁷	51.47%	55.53%	58.96%	67.53%
Australian Early Development Index ³⁸	22.30%	-	-	23.30%
Kindergarten participation rates ³⁹	99.00%	-	-	-
Number of four-year old kindergarten enrolments in a long day care or integrated children's service setting ⁴⁰	11.7%	-	-	-
Community satisfaction with maternal and child health services ⁴¹	5.94	4.90	5.30	5.47
Community satisfaction with support for pre-schools ⁴²	5.66	4.57	4.81	5.19
Community satisfaction with childcare ⁴³	5.63	4.53	4.87	5.23
Level of youth re-engagement into education, training or employment ⁴⁴	-	-	6.35	6.40
Incomplete education ⁴⁵	25.4%	25.4%	27.1%	27.1%
Community satisfaction with youth programs ⁴⁶	5.11	4.08	4.69	5.14
Community satisfaction with home care services ⁴⁷	5.70	4.72	5.01	5.14
Community satisfaction with support to people with a disability ⁴⁸	5.45	4.30	4.91	5.22

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

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

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

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

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

⁴⁰ Number of four-year-old kindergarten enrolments in a long day care or integrated children's service setting (source: Children Services Online, Department of Education and Training)

⁴¹ Mean performance score out of seven (source: Community Satisfaction Survey)

- ⁴² Mean performance score out of seven (source: Community Satisfaction Survey)
- ⁴³ Mean performance score out of seven (source: Community Satisfaction Survey)
- ⁴⁴ Percentage of 15 to 19 year olds not in education, training or employment (source: Census)
- ⁴⁵ Rate of 15-19 year olds leaving school before completing year 12 or equivalent (Census)
- ⁴⁶ Mean performance score out of seven (source: Community Satisfaction Survey)
- ⁴⁷ Mean performance score out of seven (source: Community Satisfaction Survey)
- ⁴⁸ Mean performance score out of seven (source: Community Satisfaction Survey)

1.5 Arts, Culture and Heritage

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with support to arts and cultural groups ⁴⁹	5.46	4.34	5.11	5.21
Art gallery visits – local visitors ⁵⁰	50%	59%	57%	60%
Art gallery visits – non-local visitors ⁵¹	50%	41%	43%	40%
Theatre attendance ⁵²	51,360	58,451	54,194	53,533
Theatre occupancy ⁵³	46%	53%	62%	54%
Community satisfaction with arts and cultural facilities ⁵⁴	5.48	4.71	5.35	5.49
Community satisfaction with arts and cultural programs ⁵⁵	5.38	4.57	5.15	5.32
Community satisfaction with accessibility to arts and cultural programs ⁵⁶	5.36	4.41	5.05	5.19
Community satisfaction with recognition of local history and cultural heritage ⁵⁷	5.06	4.44	5.21	5.28
Community satisfaction with recognition of Indigenous culture in arts and cultural experiences ⁵⁸	5.45	4.39	5.47	5.43
Community satisfaction with libraries ⁵⁹	5.97	5.09	5.63	5.69
Library usage ⁶⁰	18%	13%	12%	11%

- ⁴⁹ Mean performance score out of seven (source: Community Satisfaction Survey)
- ⁵⁰ Percentage of local visitors to the Art Gallery and Rio Vista Historic House (source: Mildura Arts Centre records)
- ⁵¹ Percentage of non-local visitors to the Art Gallery and Rio Vista Historic House (source: Mildura Arts Centre records)
- ⁵² Number of people using the theatre (source: Mildura Arts Centre records)
- ⁵³ Number of hours the Mildura Arts Theatre is available/hours Mildura Arts Theatre is used or occupied (source: Mildura Arts Centre records)

- 54 Mean performance score out of seven (source: Community Satisfaction Survey)
- 55 Mean performance score out of seven (source: Community Satisfaction Survey)
- 56 Mean performance score out of seven (source: Community Satisfaction Survey)
- 57 Mean performance score out of seven (source: Community Satisfaction Survey)
- 58 Mean performance score out of seven (source: Community Satisfaction Survey)
- 59 Mean performance score out of seven (source: Community Satisfaction Survey)
- 60 Percentage of population who are active library users, that is, borrow materials from the library service at least once a year (source: Annual Survey of Victorian Public Libraries)

1.6 Recreation and Sport

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Level of participation in sport and recreation activities ⁶¹	74%	77%	82%	79%
Community satisfaction with sporting services ⁶²	5.27	4.49	5.04	5.35
Community satisfaction with recreation facilities ⁶³	4.96	4.59	4.96	5.13
Community satisfaction with Council support to clubs ⁶⁴	5.14	4.49	4.86	5.23
Community satisfaction with ovals and grounds ⁶⁵	5.15	4.83	5.14	5.44
Community satisfaction with swimming pools ⁶⁶	5.28	4.90	5.17	5.35
Community satisfaction with indoor sports centres ⁶⁷	4.76	4.16	4.44	4.80

- 61 Percentage of respondents who participate one or more times per week in a sport or physical recreation activity (source: Community Satisfaction Survey)
- 62 Mean performance score out of seven (source: Community Satisfaction Survey)
- 63 Mean performance score out of seven (source: Community Satisfaction Survey)
- 64 Mean performance score out of seven (source: Community Satisfaction Survey)
- 65 Mean performance score out of seven (source: Community Satisfaction Survey)
- 66 Mean performance score out of seven (source: Community Satisfaction Survey)
- 67 Mean performance score out of seven (source: Community Satisfaction Survey)

Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2018-2019 Budget.

Major Initiative	Progress
Mildura Future Ready (MFR) is Council's funding and advocacy strategy aimed at securing public, government and private sector funding, to realise an \$88 million investment, designed to create over 1,000 jobs and inject over \$500 million into northwest Victorian regional economies over the next three to five years. Allocation is dependent on outcome of Building Better Region's funding application.	<p>\$20.5 million in external funding secured during 2018-2019 for one of the four key initiatives (Mildura South Regional Sporting Precinct) that form part of the Mildura Future Ready Strategy.</p> <p>Advocacy efforts continue in relation to obtaining funding for the other three key initiatives - Mildura Motorsports and Community Complex, Mildura Riverfront Redevelopment Stage 2 and Mildura Passenger Rail Services.</p>
The installation of CCTV and improved lighting at the riverfront to support community safety outcomes.	Completed.
To review and develop a detailed design masterplan for stage 2 of Mildura Arts Centre redevelopment focusing on the gallery expansion, enhanced connection and functionality of the precinct and additional cultural facilities.	Revision of the Mildura Arts Centre Masterplan is in progress. Initial consultation has been completed and draft plans prepared. Final plans will be placed on exhibition and considered by Council for approval in the second quarter of 2019-2020.
Pedestrian and cyclist safety initiatives.	60 per cent of the Pedestrian and Cyclist Safety Program has been completed.

Services

The following statement provides information in relation to the services funded in the 2018-2019 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Aged and Disability Services	This service provides a range of home and community care services for the aged and people with a disability including home care, personal care, respite care, home maintenance and planned activity groups.	1,237 <u>1,793</u> 556
Community Health	This service provides family oriented support services including universal and enhanced maternal and child health and immunisation.	742 <u>970</u> 228
Early Years	Provides family day care, centre-based child care and other early years planning and programs such as Best Start and supported playgroups.	235 <u>650</u> 415
Youth Services	This service provides youth oriented services including education programs, personal development programs, and health and safety programs.	431 <u>512</u> 81
Environmental Health	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, 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.	424 <u>408</u> (16)
Libraries	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.	1,857 <u>1,772</u> (85)

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Recreation and Sport	This service includes management of recreation facilities (wet and dry) including <u>aquatic facilities</u> , facility redevelopment, and provision of grant funding for grass roots participation.	1,820 <u>2,422</u> 602
Community Development	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.	1,483 <u>2,314</u> 831
Arts and Culture	<p>This service provides arts and culture activities throughout the municipality with the delivery of visual and performing arts programs and services at Mildura Arts Centre across gallery and heritage, community cultural development, marketing and development (including customer service/box office ticketing, café and theatre) and technical services. The service includes 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 and foyer spaces for local and commercial organisation.</p> <p>This service also 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.</p>	1,456 <u>1,453</u> (3)

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Social Development and Projects	This service has the responsibility to frame and respond to the challenges of social inclusion across a broad range of areas. It is the responsibility of this service to ensure that issues of a social policy nature are responded to appropriately by Council. The area also manages a broad range of specific project based initiatives including Advancing Country Towns, Northern Mallee Community Partnership and community safety.	183 <u>230</u> 47
Animal management/ Local laws	This service provides staff at school crossings throughout the municipality to ensure that all pedestrians, but mainly school aged children, are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment, providing 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.	714 <u>304</u> (410)

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			
	2016	2017	2018	2019
Aquatic Facilities				
Satisfaction				
AF1 - User satisfaction with aquatic facilities	N/A	N/A	N/A	N/A
[User satisfaction with how Council has performed on provision of aquatic facilities]				
Service standard				
AF2 - Health inspections of aquatic facilities	4.78	7.11	8.44	8.78
[Number of authorised officer inspections of Council aquatic facilities/Number of Council aquatic facilities]				
AF3 - Reportable safety incidents at aquatic facilities	0.00	1.00	0.00	0.00
[Number of WorkSafe reportable aquatic facility safety incidents]				
Service cost				
AF4 - Cost of indoor aquatic facilities	\$2.32	\$3.06	\$3.08	\$7.11
[Direct cost of indoor aquatic facilities less income received/Number of visits to indoor aquatic facilities]				
AF5 - Cost of outdoor aquatic facilities	\$17.84	\$20.39	\$16.67	\$22.00
[Direct cost of outdoor aquatic facilities less income received/Number of visits to outdoor aquatic facilities]				
Utilisation				
AF6 - Utilisation of aquatic facilities	9.60	8.72	8.71	4.28
[Number of visits to aquatic facilities/Municipal Population]				

Comments:

AF1: As there is currently no standard survey instrument for measuring user satisfaction that allows for accurate comparison, this indicator is not being measured.

AF2: Result is consistent with previous year.

AF3: Result is consistent with previous year.

AF4: A significant difference in costs has been recorded this financial year when compared with previous years. This is a result of differing data collection methods by the new facility operator to record visitations to aquatic facilities. Additionally, there were two separate instances where the indoor aquatic facility at Mildura Waves was closed due to maintenance. The closure was for approximately six weeks in total.

AF5: A significant difference in costs has been recorded this financial year when compared with previous years. This is a result of differing data collection methods by the new facility operator to record visitations to aquatic facilities.

AF6: A significant difference in visits has been recorded this financial year when compared with previous years. This is a result of differing data collection methods by the new facility operator. Additionally, there were two separate instances where the indoor aquatic facility at Mildura Waves was closed due to maintenance. The closure was for approximately six weeks in total.

Service/Indicator/Measure	Results			
	2016	2017	2018	2019
Animal Management				
Timeliness				
AM1 - Time taken to action animal requests	1.00	1.00	1.00	1.00
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]				
Service standard				
AM2 - Animals reclaimed	26.76%	38.14%	37.09%	25.11%
[Number of animals reclaimed/Number of animals collected]				
Service cost				
AM3 - Cost of animal management service	\$29.23	\$37.51	\$40.50	\$51.22
[Direct cost of the animal management service/Number of registered animals]				
Health and safety				
AM4 - Animal management prosecutions	0	1	0	0
[Number of successful animal management prosecutions]				

Comments:

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

AM2: There continues to be a high number of animals unregistered within the municipality and also high numbers of unregistered animals received (at the Animal Pound) originating from NSW. Council will continue to encourage animal registration via its active local media campaign that encourages responsible pet ownership. Council will continue with follow up phone calls and property inspections to ensure as many animals as possible are registered.

AM3: Increased costs are a direct result of additional staffing required at Council's Animal Pound and contracted services to comply with relevant animal management regulations and legislation.

AM4: There were no prosecutions in 2018/2019. It is Council's preference to work through situations and only progress to prosecution as a last resort.

Service/Indicator/Measure	Results			
	2016	2017	2018	2019
Food Safety				
Timeliness				
FS1 - Time taken to action food complaints	5.17	4.23	1.54	2.83
[Number of days between receipt and first response action for all food complaints/Number of food complaints]				
Service standard				
FS2 - Food safety assessments	40.58%	78.95%	62.94%	29.77%
[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				
Service cost				
FS3 - Cost of food safety service	\$589.18	\$472.11	\$409.46	\$310.53
[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			
	2016	2017	2018	2019
Health and safety				
FS4 - Critical and major non-compliance outcome notifications	91.53%	87.50%	89.00%	92.86%
[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]				

Comments:

FS1: This timeline has increased slightly on the previous year. The availability of qualified Environmental Health Officers influences the timeliness of response.

FS2: Council has continued to experience difficulty in recruiting and retaining Environmental Health Officers and as a result the number of food safety assessments completed has declined.

FS3: The cost of providing the food safety service has decreased due to Environmental Health Officer vacancies over the past 12 months.

FS4: The critical and major non-compliance notifications are prioritised for action.

Service/Indicator/Measure	Results			
	2016	2017	2018	2019
Libraries				
Utilisation				
LB1 - Library collection usage	3.08	3.26	2.90	2.91
[Number of library collection item loans/Number of library collection items]				
Resource standard				
LB2 - Standard of library collection	49.41%	49.79%	50.20%	50.22%
[Number of library collection items purchased in the last five years/Number of library collection items] x 100				
Service cost				
LB3 - Cost of library service	\$12.90	\$14.24	\$14.21	\$15.71
[Direct cost of the library service/Number of visits]				

Service/Indicator/Measure	Results			
	2016	2017	2018	2019

Participation

LB4 - Active library members 18.02% 12.93% 12.28% \$11.33%

[Number of active library members/Municipal population] x 100]

Comments:

LB1: Result is consistent with previous years.

LB2: Result is consistent with previous years.

LB3: Increased costs are due to the transition to a new library operating model, which is still currently underway. Efficiencies are yet to be realised.

LB4: Active library members are decreasing in line with a state-wide trend.

Service/Indicator/Measure	2016	Results		
		2017	2018	2019
Home and Community Care (HACC)				
Timeliness				
HC1 - Time taken to commence the HACC service	69.81	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016
[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]				
Service standard				
HC2 - Compliance with Community Care Common Standards	61.11%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016
[Number of Community Care Common Standards expected outcomes met/Number of expected outcomes under the Community Care Common Standards] x 100				
Service cost				
HC3 - Cost of domestic care service	\$49.54	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016
[Cost of domestic care service/Hours of domestic care service delivered]				
HC4 - Cost of personal care service	\$57.68	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016
[Cost of the personal care service/Hours of personal care service delivered]				
HC5 - Cost of respite care service	\$59.25	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016
[Cost of the respite care service/Hours of respite care service delivered]				

Service/Indicator/Measure	Results			
	2016	2017	2018	2019
Participation				
[Number of people that received a HACC service/Municipal target population for HACC services] x 100	22.23%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016
[Number of CALD people who receive a HACC service/Municipal target population in relation to CALD people for HACC services] x 100				
HC7 - Participation in HACC service by CALD people	33.16%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016
[Number of CALD people who receive a HACC service/Municipal target population in relation to CALD people for HACC services] x 100				

Comments:

HC1, HC2, HC3, HC4, HC5, HC6 & HC7: Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme and Commonwealth Home Support Program.

Service/Indicator/Measure	Results			
	2016	2017	2018	2019
Maternal and Child Health (MCH)				
Satisfaction				
MC1 - Participation in first MCH home visit	106.35%	107.85%	108.93%	106.69%
[Number of first MCH home visits/Number of birth notifications received] x 100				
Service standard				
MC2 - Infant enrolments in the MCH service	100.00%	100.00%	100.00%	100.00%
[Number of infants enrolled in the MCH service (from birth notifications received)/Number of birth notifications received] x 100				
Service cost				
MC3 - Cost of the MCH service	\$64.11	\$64.95	\$70.29	\$69.94
[Cost of the MCH service/Hours worked by MCH nurses]				

Service/Indicator/Measure	Results			
	2016	2017	2018	2019
Participation				
MC4 - Participation in the MCH service	77.39%	77.61%	79.90%	81.17%
[Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x 100				
MC5 - Participation in the MCH service by Aboriginal children	51.47%	55.53%	58.96%	67.53%
[Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service] x 100				

Comments:

MC1: Results indicate all registered births receive home visit. Additional percentage above 100 per cent are babies born in Tertiary Hospitals outside of our local government area.

MC2: Result is consistent with previous year.

MC3: Result is consistent with previous year.

MC4: Result is consistent with previous year.

MC5: Mallee District Aboriginal Services also provides a MCH service with some Aboriginal clients choosing to attend this service. In 2018-2019 there has been an increase in attendance at eight months, 12 months, and three-and-a-half years key age and stage checks.

Strategic Objective 2: Environment



Strategic Indicators

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

2.1 Environmental Sustainability

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with protection of natural bushland ⁶⁸	4.94	4.39	4.70	4.75
Community satisfaction with management of wetlands ⁶⁹	4.85	4.35	4.59	4.63
Energy usage (MRCC) ⁷⁰	5,405	4,655	4,534	4,644
Energy usage (community) ⁷¹	554,255	484,406	484,406	445,603
Water usage (MRCC) ⁷²	1,446	1,230	1,584	1,694
Recycled water usage ⁷³	191	157	214	227
Total community water usage ⁷⁴	13,671	12,118	13,689	14,493
Alternative energy generation (community) ⁷⁵	11,843	14,395	18,297	24,191
Alternative energy generation (MRCC) ⁷⁶	278.2	401.2	415.6	415.6
Pest plant and pest animals control ⁷⁷	-	-	2,514	3,315
Community involvement in environmental education programs ⁷⁸	1,920	2,627	2,389	2,669

⁶⁸ Mean performance score out of seven (source: Community Satisfaction Survey)

⁶⁹ Mean performance score out of seven (source: Community Satisfaction Survey)

⁷⁰ Megawatt hours (source: MRCC Energy Data collection through Planet Foot Print)

⁷¹ Megawatt hours (source: Powercor)

⁷² Megalitres (source: MRCC Water Monitoring, LMW and Planet Footprint)

⁷³ Megalitres (source: MRCC water data monitoring)

⁷⁴ Megalitres of Urban Water (Lower Murray Water)

⁷⁵ KW of installed capacity on private property (source: Powercor)

⁷⁶ KW of solar panels installed (source: MRCC solar installation records)

⁷⁷ Hectares of area for rabbit and weed control

⁷⁸ Number of participants in environmental programs (source: MRCC Internal records)

2.2 Waste

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with waste management ⁷⁹	5.03	4.88	4.61	4.59
Community satisfaction with kerbside rubbish collection ⁸⁰	5.51	5.39	5.17	5.00
Community satisfaction with kerbside recycling collection ⁸¹	5.26	5.17	5.04	4.87
Community satisfaction with landfills/public transfer stations ⁸²	5.01	4.92	4.69	4.74
Total waste generation ⁸³	49,220	41,475	42,750	47,660
Waste deposited to landfill ⁸⁴	30,162	23,434	25,217	27,659
Waste diverted from landfill ⁸⁵	17,915	18,042	17,533	14,268
Quantity of kerbside recycling ⁸⁶	5,557	5,680	5,483	5,159
Community satisfaction with litter control ⁸⁷	4.17	4.19	4.04	4.10
Litter collected ⁸⁸	2,094	2,730	2,384	2,354

⁷⁹ Mean performance score out of seven (source: Community Satisfaction Survey)

⁸⁰ Mean performance score out of seven (source: Community Satisfaction Survey)

⁸¹ Mean performance score out of seven (source: Community Satisfaction Survey)

⁸² Mean performance score out of seven (source: Community Satisfaction Survey)

⁸³ Tonnes of total waste generated (source: Waste Management KPI Data)

⁸⁴ Tonnes of waste deposited to landfill (source: Waste Management KPI Data)

⁸⁵ Tonnes of waste diverted from landfill (source: Waste Management KPI Data)

⁸⁶ Tonnes of kerbside recycling collected (source: Waste Management KPI Data)

⁸⁷ Mean performance score out of seven (source: Community Satisfaction Survey)

⁸⁸ Tonnes of litter collected

2.3 Parks

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with playgrounds ⁸⁹	5.14	4.58	4.85	5.06
Community satisfaction with beautification of streetscapes ⁹⁰	4.26	4.18	4.45	4.40
Community satisfaction with tree planting ⁹¹	4.44	4.28	4.47	4.46
Community satisfaction with tree maintenance ⁹²	4.35	4.16	4.37	4.32
Community satisfaction with the appearance of wetlands ⁹³	4.71	4.25	4.38	4.33
Community satisfaction with public open space (including parks, playgrounds and reserves) ⁹⁴	4.99	4.65	5.11	5.22
Net increase in trees ⁹⁵	-	2,272	2,332	1,251

⁸⁹ Mean performance score out of seven (source: Community Satisfaction Survey)

⁹⁰ Mean performance score out of seven (source: Community Satisfaction Survey)

⁹¹ Mean performance score out of seven (source: Community Satisfaction Survey)

⁹² Mean performance score out of seven (source: Community Satisfaction Survey)

⁹³ Mean performance score out of seven (source: Community Satisfaction Survey)

⁹⁴ Mean performance score out of seven (source: Community Satisfaction Survey)

⁹⁵ Number of trees planted minus number of trees removed

2.4 Infrastructure, Assets & Facilities

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with the condition of sealed local roads ⁹⁶	54	56	57	57
Community satisfaction with maintenance of unsealed roads ⁹⁷	-	-	3.75	3.98
Community satisfaction with footpaths ⁹⁸	4.05	3.76	4.22	4.37
Community satisfaction with drainage ⁹⁹	4.54	3.96	4.33	4.49
Community satisfaction with maintenance of public buildings and facilities ¹⁰⁰	4.69	4.25	4.55	4.81

⁹⁶ Index Performance Score (source: Local Government Community Satisfaction Survey)

⁹⁷ Mean performance score out of seven (source: Community Satisfaction Survey)

⁹⁸ Mean performance score out of seven (source: Community Satisfaction Survey)

⁹⁹ Mean performance score out of seven (source: Community Satisfaction Survey)

¹⁰⁰ Mean performance score out of seven (source: Community Satisfaction Survey)

2.5 Strategic Land Use

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with land use planning ¹⁰¹	4.21	3.56	3.94	4.19
Percentage of strategic land use projects completed ¹⁰²	90%	48%	80%	75%
Community satisfaction with new residential development ¹⁰³	-	-	4.72	4.99
Community satisfaction with riverfront development and accessibility ¹⁰⁴	4.55	4.67	5.26	5.32
Community satisfaction with urban environments that are safe, sustainable and healthy ¹⁰⁵	26%	24%	24%	29%
Community satisfaction with protection of local character ¹⁰⁶	4.53	3.77	4.27	4.52
Community satisfaction with protection of local heritage ¹⁰⁷	-	-	4.68	4.86

¹⁰¹ Mean performance score out of seven (source: Community Satisfaction Survey)

¹⁰² Percentage of strategic plans completed (source: MRCC internal records)

¹⁰³ Mean performance score out of seven (source: Community Satisfaction Survey)

¹⁰⁴ Mean performance score out of seven (source: Community Satisfaction Survey)

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

¹⁰⁶ Mean performance score out of seven (source: Community Satisfaction Survey)

¹⁰⁷ Mean performance score out of seven (source: Community Satisfaction Survey)

Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2018-2019 Budget.

Major Initiative	Progress
Riverfront Development Plan - to review existing design work, review areas where no design exists and develop a detailed precinct plan.	Preparation of the Riverfront Precinct Plan is in progress. Initial consultation has been completed and draft plans prepared. Final plans will be placed on exhibition and considered by Council for approval in the second quarter of 2019-2020.
Deakin Avenue redevelopment - Eighth to Ninth Street. The Deakin Avenue Masterplan guides the long-term development and management of the avenue including garden beds, trees, monuments, sculptures, nature strips and landscape features.	Draft civil and landscape designs have been completed.
Mildura and Homestead Wharf refurbishments to repair and upgrade these structures after the 2016 river flood event.	Ninety per cent of Mildura Wharf refurbishment completed. Homestead Wharf project commenced. Completion for both wharves is scheduled for 31 August 2019.
Re-sheet Program - Annual gravel road re-sheeting program. The works program is determined by road asset condition data, road hierarchy, road inspection and reporting and community consultation meetings with rural road users. Works will be scheduled between August and June.	Ninety five per cent completed.
Asphalt Program - Annual road asphalt resurfacing program. The works program is determined by road asset condition data, road hierarchy, road inspection and reporting. Works will be scheduled between November and June.	Program complete.
Resealing Program - Annual bitumen resealing program. The works program is determined by road asset condition data, road hierarchy, road inspection and reporting. Works will be scheduled between November and March.	Ninety per cent completed.

Major Initiative	Progress
Footpath program - Annual renewal programs. The works program is determined by asset condition data, inspection and reporting. This also includes disability access and kerb and channel works.	Disability access works undertaken throughout the year completed. The remainder of the program has been rolled into the 2019-2020 program due to lack of availability of contractors.
Stormwater drainage rehabilitation works - Annual program of relining and replacement of identified sections of stormwater infrastructure in poor condition.	This project is currently out to tender and is expected to commence by 31 October 2019.
Mildura Landfill Capping - Required progressive construction of the landfill cap. The capping of the landfill must meet the designated design requirements and be approved by the Environment Protection Authority.	The design for the landfill cap is complete and has been verified by Council's environmental auditor. The Environment Protection Authority has also reviewed the designs and has informally approved Council to commence developing the specifications for tender.

Services

The following statement provides information in relation to the services funded in the 2018-2019 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$000
Engineering Services	This service undertakes design, tendering, contract, project management, and supervision of various infrastructure works within Council's capital works program. The service also approves and supervises private development activities such as subdivisions and infrastructure associated with unit developments.	1,996 <u>2,197</u> 201
Asset Management	This service prepares long-term maintenance management programs for Council's infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These assets include road and drainage networks, municipal buildings, pavilions and other recreational equipment and outdoor spaces.	1,863 <u>1,546</u> (317)

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Works and Infrastructure Services	This service inspects and maintains Council's 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 Council's drainage network. The service also includes delivery of civil capital works projects, plus inspection and maintenance of VicRoads arterial roads located within the municipality.	6,313 <u>6,484</u> 171
Statutory Planning	The Statutory Planning service processes all planning applications, provides advice and makes decisions about development proposals that require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal, where necessary. It monitors Council's planning scheme, as well as preparing major policy documents shaping the future of the city. It also prepares and processes amendments to the Council planning scheme and carries out research on demographic, urban development, economic and social issues affecting Council.	882 <u>575</u> (307)
Building Maintenance	This service is responsible for the maintenance, management and strategic planning for Council's building, land, property leases and licenses.	6,346 <u>6,085</u> (261)
Parks Services	This service is divided into several operational units including tree pruning, planting, removal of vegetation, planning and street tree strategies. It provides for the management of conservation and parkland areas, and other areas of environmental significance.	6,119 <u>5,774</u> (345)
Waste Management	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.	6,880 <u>7,936</u> 1,056

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Building and Enforcement	This service provides statutory building services to the Council community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	226 <u>323</u> 97
Environmental Sustainability	This service develops, coordinates and implements environmental policy, plans, strategies and initiatives, and works with other services to improve Council's environmental performance. Reducing energy and water usage within Council operations, protecting and enhancing Council managed natural areas and roadsides, and educating the community are key priority areas for environmental sustainability.	726 <u>594</u> (132)
Strategic Planning	Strategic Planning monitors Council's planning scheme, as well as consulting and preparing major policy documents shaping the future of the city. It also prepares and processes amendments to the Council planning scheme and carries out research on demographic, urban development, economic and social issues affecting Council.	876 <u>874</u> (2)

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			
	2016	2017	2018	2019
Roads				
Satisfaction of use				
R1 - Sealed local road requests	10.29	14.47	15.24	10.69
[Number of sealed local road requests/Kilometres of sealed local roads] x100				
Condition				
R2 - Sealed local roads maintained to condition levels	88.63%	89.03%	92.27%	90.46%
[Number of kilometres of sealed local roads below the renewal intervention level set by Council/Kilometres of sealed local roads] x100				
Service cost				
R3 - Cost of sealed local road reconstruction	\$33.95	\$27.13	\$43.46	\$52.65
[Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed]				
R4 - Cost of sealed local road resealing				
[Direct cost of sealed local road resealing/Square metres of sealed local roads resealed]				
	\$5.83	\$5.43	\$4.86	\$5.03
Satisfaction				
R5 - Satisfaction with sealed local roads	54	56	57	57
[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]				

Comments:

R1: After an increase in sealed local road requests in previous years due to significant weather events, requests have returned to a normal level.

R2: Council has maintained sealed local roads to acceptable condition standards. The collection of additional condition data in the coming year will help Council to continue to focus maintenance activities where they are needed most.

R3: Several large road reconstruction projects were undertaken in urban areas, which involved a higher standard of construction method and additional costs associated with reducing the impact to businesses and the community.

R4: The increase represents the cost of road sealing in line with current materials costs.

R5: The community satisfaction level with the sealed local road network is comparable with previous results.

Service/Indicator/Measure	Results			
	2016	2017	2018	2019
Statutory Planning				
Timeliness				
SP1 - Time taken to decide planning applications	69.00	68.00	69.00	56.00
[The median number of days between receipt of a planning application and a decision on the application]				
Service standard				
SP2 - Planning applications decided within 60 days	68.08%	76.31%	70.53%	79.80%
[Number of planning application decisions made within 60 days/Number of planning application decisions made] x100				
Service cost				
SP3 - Cost of Statutory Planning service	\$1,849.41	\$2,384.07	\$1,860.88	\$3,068.34
[Direct cost of Statutory Planning service/Number of planning applications received]				
Decision making				
SP4 - Council planning decisions upheld at the Victorian Civil and Administrative Tribunal (VCAT)	66.67%	85.71%	75.00%	83.33%
[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				

Comments:

SP1: Council has been successful in employing and retaining suitably qualified and experienced Statutory Planning staff with the result being a reduction in the time taken to decide planning applications.

SP2: Statutory Planning service improvement process and the availability of suitably qualified staff have contributed to an increase in applications decided within timeframes.

SP3: The cost of the Statutory Planning service has increased as staff vacancies have reduced and direct costs associated with VCAT and contracted legal services have increased.

SP4: The percentage of planning decisions upheld at VCAT remained relatively consistent. The raw data shows VCAT upheld 10 from 12 Council decisions.

Service/Indicator/Measure	Results			
	2016	2017	2018	2019
Waste Collection				
Satisfaction				
WC1 - Kerbside bin collection requests	106.88	107.77	95.81	103.60
[Number of kerbside garbage and recycling bin collection requests/Number of kerbside bin collection households] x 1,000				
Service standard				
WC2 - Kerbside collection bins missed	3.96	3.74	3.18	4.21
[Number of kerbside garbage and recycling collection bins missed/Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000				
Service cost				
WC3 - Cost of kerbside garbage bin collection service	\$65.41	\$69.52	\$67.16	\$69.59
[Direct cost of the kerbside garbage bin collection service/Number of kerbside garbage collection bins]				
Service cost				
WC4 - Cost of kerbside recyclables collection service	\$52.15	\$52.91	\$57.26	\$90.69
[Direct cost of the kerbside recyclables bin collection				

Service/Indicator/Measure	Results			
	2016	2017	2018	2019
Waste diversion				
WC5 - Kerbside collection waste diverted from landfill	32.99%	32.90%	32.25%	30.36%
[Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x 100				

Comments:

WC1: Increase due to a larger volume of missed kerbside collection requests and requests for special needs and additional services.

WC2: Slight increase due to a higher number of missed 120L domestic garbage in the reporting period.

WC3: Result is consistent with previous year.

WC4: Increase in the cost of recycling is due to the market shift in the cost of recyclables due to the ban on the export of waste.

WC5: Decrease due to increased volumes of kerbside garbage and a decrease in the volume of kerbside recycling.



Strategic Indicators

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

3.1 Economic Development and Tourism

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with encouragement and growth of business/industry ¹⁰⁸	4.49	3.59	4.17	4.18
Building activity ¹⁰⁹	\$137M	\$135M	\$170M	\$174M
Gross Regional Product ¹¹⁰	\$2.30B	\$2.50B	2.68B	-
Jobs created ¹¹¹	95	120	-	-
Investment achievements for the region ¹¹²	\$138.1M	\$120.0M	\$135.0M	-
Export data by industry ¹¹³	-	-	-	-
Telecommunications uptake ¹¹⁴	-	-	-	-
Yield of tourism ¹¹⁵	\$250M	\$288M	\$313M	\$3.52M
Industry satisfaction with services provided by Mildura Regional Development ¹¹⁶	-	-	-	-
Community satisfaction with tourism services ¹¹⁷	4.70	4.14	4.61	4.69
Customer satisfaction with visitor services ¹¹⁸	-	90.05%	90.88%	91.02%
Industry satisfaction with visitor services ¹¹⁹	-	67.34%	68.44%	68.86%

¹⁰⁸ Mean performance score out of seven (source: Community Satisfaction Survey)

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

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

¹¹¹ Number of jobs created (source: Mildura Regional Development)

¹¹² Data not available for 2019.

¹¹³ Not being measured

¹¹⁴ Not being measured

¹¹⁵ Tourism visitor dollar spend (source: Mildura Regional Development)

¹¹⁶ Not being measured

¹¹⁷ Mean performance score out of seven (source: Community Satisfaction Survey)

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

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

3.2 Events

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with conferences and major events ¹²⁰	-	-	4.29	4.22
Community satisfaction with small community events ¹²¹	4.57	4.11	4.54	4.70

¹²⁰ Mean performance score out of seven (source: Community Satisfaction Survey)

¹²¹ Mean performance score out of seven (source: Community Satisfaction Survey)

Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2018-2019 Budget.

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

Services

The following statement provides information in relation to the services funded in the 2018-2019 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Economic Development and Tourism	<p>The economic development and tourism service assists the organisation:</p> <ul style="list-style-type: none"> to facilitate growth within Council by working with industry and business to grow/sustain existing business and develop new investment opportunities to encourage and form strategic alliances with key stakeholders in industry and government to help build a vibrant and sustainable community to commit to working in partnership with Mildura Regional Development to maximise economic development within the Council region through specialised projects and initiatives through facilitation of tourism enquiries and booking of accommodation. The Visitor Information Centre (VIC) is responsible for assistance and providing specialised services that are tailored to meet customer and client needs. 	<p>2,359</p> <p><u>2,936</u></p> <p>577</p>
Events	<p>The business conferencing and event services are responsible for assistance and facilitation of business enquiries, events and conferencing. Services are specialised and tailored to meet customer and client needs.</p>	<p>567</p> <p><u>718</u></p> <p>151</p>



Strategic Indicators

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

4.1 Leadership & Representation

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with overall performance of Council ¹²²	55	60	59	57
Community perception of Mildura Rural City as a place to live ¹²³	54	57	65	60
Percentage of Community and Council Plan implemented ¹²⁴	71	83	61	59
Community satisfaction with advocacy ¹²⁵	51	54	53	55
Community satisfaction with the performance of the elected Council ¹²⁶	3.45	3.30	3.95	4.02
Community satisfaction with Council's engagement in decision making ¹²⁷	3.70	3.24	3.88	3.93

¹²² Index Performance Score (source: Local Government Community Satisfaction Survey)

¹²³ Mean performance score out of seven (source: Community Satisfaction Survey)

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

¹²⁵ 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)

¹²⁶ Mean performance score out of seven (source: Community Satisfaction Survey)

¹²⁷ Mean performance score out of seven (source: Community Satisfaction Survey)

4.2 Communication and Engagement

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with Council newsletters and publications ¹²⁸	4.62	3.94	4.31	4.46
Community satisfaction with Council's online presence ¹²⁹	-	-	4.40	4.69
Community satisfaction with information Council provides about its services ¹³⁰	4.18	3.92	4.32	4.34
Community satisfaction with overall communication from Council ¹³¹	4.07	3.66	4.14	4.26
Community satisfaction with the promotion of Council services, facilities, events and achievements ¹³²	-	-	4.43	4.58
Community satisfaction with Council's engagement in decision making ¹³³	3.70	3.24	3.88	3.93
Community satisfaction with community consultation and engagement ¹³⁴	55	58	56	56
Community satisfaction with Council's responsiveness to community input and feedback ¹³⁵	3.55	3.16	3.75	3.76

¹²⁸ Mean performance score out of seven (source: Community Satisfaction Survey)

¹²⁹ Mean performance score out of seven (source: Community Satisfaction Survey)

¹³⁰ Mean performance score out of seven (source: Community Satisfaction Survey)

¹³¹ Mean performance score out of seven (source: Community Satisfaction Survey)

¹³² Mean performance score out of seven (source: Community Satisfaction Survey)

¹³³ Mean performance score out of seven (source: Community Satisfaction Survey)

¹³⁴ Index Performance Score (source: Local Government Community Satisfaction Survey)

¹³⁵ Mean performance score out of seven (source: Community Satisfaction Survey)

4.3 Customer Service

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with accessibility to whole of Council ¹³⁶	4.53	3.49	4.14	4.36
Community satisfaction with responsiveness to complaints ¹³⁷	4.60	3.48	4.04	4.20
Community satisfaction with responsiveness to requests ¹³⁸	4.48	3.55	4.09	4.27
Community satisfaction with general courtesy of Council staff ¹³⁹	5.27	4.79	5.03	5.25
Community satisfaction with general effectiveness of Council staff ¹⁴⁰	4.68	4.22	4.62	4.75
Community satisfaction with customer contact ¹⁴¹	71	70	71	70

¹³⁶ Mean performance score out of seven (source: Community Satisfaction Survey)

¹³⁷ Mean performance score out of seven (source: Community Satisfaction Survey)

¹³⁸ Mean performance score out of seven (source: Community Satisfaction Survey)

¹³⁹ Mean performance score out of seven (source: Community Satisfaction Survey)

¹⁴⁰ Mean performance score out of seven (source: Community Satisfaction Survey)

¹⁴¹ Index Performance Score (source: Local Government Community Satisfaction Survey)

4.4 Financial Sustainability

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Adjusted underlying position ¹⁴²	-3.26	11.01	11.62	6.69
Asset renewal gap ¹⁴³	0.77	0.80	0.75	0.74
Level of internal financing ¹⁴⁴	44	38	44	46
Level of borrowings ¹⁴⁵	48	44	48	53
Liquidity ¹⁴⁶	250.65	267.42	425.98	507.85
Capital replacement ¹⁴⁷	1.50	1.42	1.37	1.13
Community satisfaction with value for money ¹⁴⁸	3.35	3.04	3.64	3.71

¹⁴² *Operating result/Operating revenue x 100 (source: Annual financial statements and working papers)*

¹⁴³ *Renewal expenditure/Depreciation (source: Annual financial statements and working papers)*

¹⁴⁴ *Net operating cash flows/Own source revenue (source: Annual financial statements and working papers)*

¹⁴⁵ *Non-current liabilities/Own-sourced revenue (source: Annual financial statements and working papers)*

¹⁴⁶ *Current assets/Current Liabilities x 100 (source: Annual financial statements and working papers)*

¹⁴⁷ *Capital spend (Capital Works expenditure)/Depreciation expense (source: Annual financial statements and working papers)*

¹⁴⁸ *Mean performance score out of seven (source: Community Satisfaction Survey)*

4.5 Organisational Management

Strategic Indicator/Measure	Result – Financial Year Ending			
	2016	2017	2018	2019
Community satisfaction with overall performance of Council ¹⁴⁹	55	60	59	57
Organisational score against the Australian Business Excellence Framework ¹⁵⁰	658.75	-	-	-
Organisational Alignment ¹⁵¹	41%	52%	52%	57%
Organisational Engagement ¹⁵²	62%	67%	67%	71%
Percentage of risk audit actions completed on time ¹⁵³	-	-	21%	19%
Overall staff satisfaction ¹⁵⁴	-	5.35	-	5.42
Percentage of staff who would recommend Mildura Rural City Council as a place to work ¹⁵⁵	61%	67%	67%	71%

¹⁴⁹ Index Performance Score (source: Local Government Community Satisfaction Survey)

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

¹⁵¹ Percentage favourable score (Insync Surveys Alignment and Engagement Survey)

¹⁵² Percentage favourable score (Insync Surveys Alignment and Engagement Survey)

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

¹⁵⁴ Mean performance score for "My overall satisfaction with Mildura Rural City Council – All Staff" (source: Alignment & Engagement Survey)

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

Services

The following statement provides information in relation to the services funded in the 2018-2019 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Chief Executive Office	This area of governance includes the Mayor, Councillors, Chief Executive Officer and associated support.	1,618 <u>1,677</u> 59
Organisational Development	This service provides Council with strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resource, industrial relations, and occupational health and safety services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units. It also includes the payment of salaries and wages to Council employees.	1,974 <u>1,969</u> (5)
Marketing and Communications	This service works with all areas of the organisation to ensure the community is informed about and involved in Council decisions, services, projects and facilities. Key tasks include media liaison, online communications, website management, publication development, graphic design, advertising and marketing.	658 <u>842</u> 184
Customer Service	Customer Service is the first point of contact the public has with Council and acts as the interface between the organisation and the community. This service provides face-to-face service in three Council service centres, call centre operations, processes customer requests and payments, and issues permits and receipts. Customer Service staff also provide internal administrative support to the whole organisation.	1,317 <u>1,510</u> 193

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Financial Services	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, raising and collection of rates and charges, and valuation of properties throughout the municipality.	1,484 <u>1,409</u> (75)
Information Systems	This service enables and supports the information and communication technology (ICT) needs of all of Council. This encompasses all mobile and fixed voice, data record management, GIS and software applications across all sites and field operations to all staff enabling the timely and efficient delivery of services to the community.	3,904 <u>4,399</u> 495
Governance and Risk	This area provides a range of governance and statutory services. Services include legislative compliance, maintenance of public registers and coordination of Council meetings, coordination of legal services, insurance, business risk management and business continuity services. It also provides leadership in emergency management through planning for disaster emergencies and coordinating emergency services and support agencies in their planning and response to emergencies.	2,151 <u>1,513</u> (638)
Procurement and Fleet	This service purchases and maintains Council vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet. In addition, it also provides procurement and contracting of services.	(2,347) <u>(2,380)</u> (33)

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			
	2016	2017	2018	2019
Governance				
Transparency				
G1 - Council resolutions at meetings closed to the public	25.25%	20.47%	22.97%	14.84%
[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				
Consultation and engagement				
G2 - Satisfaction with community consultation and engagement	55	58	56	56
[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]				
Attendance				
G3 - Council attendance at Council meetings	88.89%	91.11%	94.07%	84.31%
[The sum of the number of councillors who attended each Ordinary and Special Council meeting/(Number of Ordinary and Special Council meetings) x (Number of councillors elected at the last Council general election)] x 100				
Service cost				
G4 - Cost of governance	\$39,413	\$39,001	\$42,563	\$41,054
[Direct cost of the governance service/Number of councillors elected at the last Council general election]				

Service/Indicator/Measure	Results			
	2016	2017	2018	2019

Satisfaction

G5 - Satisfaction with Council decisions	51	56	54	53
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[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]

Comments:

G1: The majority of Council meetings closed to the public are closed for the consideration of contractual matters; that is, tenders to be awarded.

G2: Satisfaction levels remain consistent.

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

G4: Result is consistent with previous year.

G5: Satisfaction levels remain consistent.

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 Wednesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to Council. For the 2018-2019 year, the following meetings were held:

- twelve Ordinary Council meetings
- five Special Council meetings.

The following table provides a summary of councillor attendance at Council meetings and Special Council meetings for the 2018–2019 financial year.

Councillors*	Council Meeting	Special Council Meeting	Total
Cr Glenn Milne	11	4	15
Cr Greg Brown	12	4	16
Cr Anthony Cirillo	11	3	14
Cr Simon Clemence (Mayor)	12	5	17

Councillors*	Council Meeting ¹	Special Council Meeting ¹	Total
Cr Mark Eckel	10	3	13
Cr Jason Modica	9	4	13
Cr Min Poole	12	5	17
Cr Gavin Sedgmen ²	8	2	10
Cr Helen Healy ³	4	1	5
Cr Ali Cupper	4	3	7
Cr Max Thorburn	0	0	0

Notes:

1 Councillors were eligible to attend 12 Ordinary and five Special Council meetings during 2018-2019.

2 Following the death of Cr Max Thorburn, Cr Gavin Sedgmen replaced Cr Thorburn in November 2018. Cr Sedgmen will serve the remainder of the four-year (ie 2016-2020) Councillor term.

3 Following Cr Ali Cupper's resignation, Cr Helen Healy replaced Cr Cupper in February 2019. Cr Healy will serve the remainder of the four-year (ie 2016-2020) Councillor term.

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 2018-2019 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 Alliance of Councils for Rail Freight Development aims to ensure appropriate rail infrastructure is in place to service our region.

Committee	Purpose
Calder Highway Improvement Committee	To advocate for the maintenance and upgrade of this prime transport link for both Bendigo and Mildura, which is critical in terms of the ongoing economic and social development of our region.
Central Murray Regional Transport Forum	The Central Murray Regional Transport Forum is a local government-driven body representing the interests of its member councils and shires across all forms of transport (road, rail and air) with a view to developing an efficient, safe and well maintained transport network for the region.
CEO Employment Matters Committee	To assist Council in fulfilling its responsibilities relating to CEO employment matters.
Chaffey Trail Reference Group	To create greater awareness, usage and prestige associated with the Chaffey Trail experience in our region and beyond.
Disability Access Advisory Committee	To enable the community to advise on the priority accessibility needs of people with disabilities within the municipality.
Finance Advisory Committee	To assist Council in discharging its duties and responsibilities relating to the awarding of contracts and management of Council's investment and borrowing portfolio.
Local Aboriginal Justice Action Committee	To improve justice outcomes and reduce contact with the justice system for the Mildura Aboriginal community.
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 Committee	To engage with the community on arts issues and actively participate in the promotion of arts related issues.
Mildura Cemetery Trust	To provide burial facilities and services to the community of Mildura and the surrounding areas.
Mildura Recreation Reserve Reference Group	To advise Council of issues relating to the reserve including joint management policies, major planning and operational issues, development of priority improvement programs and major usage issues.
Municipal Emergency Management Planning Committee	To assess and review hazards facing the municipality using the Community Emergency Risk Assessment process, and to prepare the Municipal Emergency Management Plan, which documents preparedness, response and recovery of operational arrangements.

Committee	Purpose
Murray-Darling Association	To provide a focus for local government and community participation in the major natural resource issues of the Murray-Darling Basin.
Murray River Group of Councils	To combine the strategies and efforts of each council for a more effective approach to achieving common goals and providing a stronger and more complete representation of regional issues for each council.
Northern Mallee Community Partnership	To establish the platform for a true community sector partnership incorporating health, education, local government, police, justice and welfare.
Northwest Municipalities Group	To combine the strategies and efforts of each council in the north-west region for a more effective approach to achieving common goals and providing a stronger, more complete representation of regional issues for each council.
Old Aerodrome Sporting Complex Advisory Committee	To advise Council of issues relating to the reserve including joint management policies, major planning and operational issues, development of priority improvement programs and major usage issues.
Regional Cities Victoria	To combine the strategies and efforts of Victoria's 10 regional cities for a more effective approach to common goals and addressing shared issues.
Sister Cities Australia	To provide an umbrella of support and promote the sister city relationships many cities, municipalities and shires in Australia have with a cities or towns overseas, or within Australia.
Sunraysia Highway Improvement Committee	To advocate for the maintenance and upgrade of this prime transport link alongside other stakeholder councils.
Youth Advisory Committee	The Youth Advisory Committee program aims to get young people actively involved in their local communities by participating in youth-related projects, conducting events and influencing decisions on issues important to young people.

Code of Conduct

The *Local Government Act 1989* 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 2018–2019, 10 conflicts of interest were declared at Council meetings and two 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 2018 to 1 December 2018, the Councillor annual allowance for a category 2 Council (as defined by the *Local Government Act 1989*) was fixed at \$25,225 per annum and the allowance for the Mayor was \$78,052 per annum. The Minister for Local Government approved an annual adjustment of two per cent to take effect as from 1 December 2018. The annual allowances were adjusted for the period 1 December 2018 to 30 June 2019 at \$25,729 per annum for the Councillor allowance and \$79,612 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 2018-2019 financial year.

Councillors	Allowance \$
Cr Mark Eckel ¹	\$47,225.28
Cr Simon Clemence ²	\$67,181.96
Cr Ali Cupper	\$11,048.45
Cr Anthony Cirillo	\$27,943.40
Cr Greg Brown	\$27,943.40
Cr Glenn Milne	\$27,943.40
Cr Jason Modica	\$27,943.40
Cr Min Poole	\$27,943.40
Cr Gavin Sedgmen ³	\$16,434.60
Cr Helen Healy ⁴	\$9,391.20
Cr Max Thorburn	\$9,207.04

¹ Cr Mark Eckel – Mayor from 1 July 2018 to 6 November 2018

² Cr Simon Clemence – Mayor from 7 November 2018 to 30 June 2019

³ Replaced Cr Max Thorburn in November 2018.

⁴ Replaced Cr Ali Cupper in February 2019.

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 2018-2019 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 Greg Brown	5,002	7,686		264			12,952
Cr Anthony Cirillo				264			264
Cr Simon Clemence ¹	8,003	1,102	507	537	2,048		12,197
Cr Ali Cupper				220			220
Cr Glenn Milne	10,834	4,359	805	1,014	1,601		18,613
Cr Mark Eckel ²	6,731	762	1,226	1,075	821		10,615
Cr Jason Modica	2,490	1,923	485	946	1,151		6,995
Cr Min Poole	1,263	977	108	1,014	605		3,967
Cr Max Thorburn				88			88
Cr Gavin Sedgmen ³			68	222			290
Cr Helen Healy ⁴	860			88	565		1,513
Legend: TR -Travel and Accommodation CM – Car Mileage M/C – Catering/Meals IC – Information and Communication Expenses TCE – Conferences and Training expenses CC – Child care							

1 Cr Mark Eckel – Mayor from 1 July 2018 to 6 November 2018

2 Cr Simon Clemence – Mayor from 7 November 2018 to 30 June 2019

3 Replaced Cr Max Thorburn in November 2018.

4 Replaced Cr Ali Cupper in February 2019.

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:

- Mr Frank Piscioneri (Chairperson from 1 November 2018)
- Ms Maria Carrazza (replaced former Chairperson, Karen Hensgen, on 1 November 2018)
- Mr Max Folie (replaced Paul Grigg on 26 April 2019)

and two councillors:

- Mayor Cr Simon Clemence (replaced Cr Mark Eckel in November 2018)
- Deputy Mayor Cr Jason Modica (replaced Cr Ali Cupper in November 2018)

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 2018–2019:

- Information Technology
- Immunisations
- Statutory Planning
- Civic Compliance
- Mildura Regional Development
- Follow Up of Previous Internal Audit Findings.

External Audit

Victorian councils are externally audited by the Victorian Auditor-General. For the 2018–2019 year, the annual external audit of our Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative, Crowe Australasia. The external auditors attend the March and September Audit 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

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

Column 1 Governance and Management Items	Column 2 Assessment
1. Community engagement policy (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. Community engagement guidelines (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. Strategic Resource Plan (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: 26 June 2019 <input checked="" type="checkbox"/>
4. Annual budget (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: 26 June 2019 <input checked="" type="checkbox"/>
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: Stormwater Drainage: 27 August 2015 Road Network: 28 January 2016 Buildings: 27 June 2018 <input checked="" type="checkbox"/>
6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 22 May 2019 <input checked="" type="checkbox"/>

Column 1 Governance and Management Items	Column 2 Assessment
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 28 May 2015 <input checked="" type="checkbox"/>
8. Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 27 June 2019 <input checked="" type="checkbox"/>
9. Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 26 September 2018 <input checked="" type="checkbox"/>
10. Procurement policy (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: 26 June 2019 <input checked="" type="checkbox"/>
11. Business continuity plan (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. Disaster recovery plan (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. Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 7 March 2017 <input checked="" type="checkbox"/>

Column 1 Governance and Management Items	Column 2 Assessment
14. Audit Committee (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
15. Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Engaged Date of engagement of current provider: 9 June 2016
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 1 July 2014
17. Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Reports Annual Plan 2017-2018 - Quarter Four Report - 9 August 2018 Strategic Outcome Measures Report 2017-2018 - 8 November 2018 Annual Plan 2018-2019 - Quarter One Report - 8 November 2018 Annual Plan 2018-2019 - Quarter Two Report - 13 February 2019 Annual Plan 2018-2019 - Quarter Three Report - 8 May 2019

Column 1 Governance and Management Items	Column 2 Assessment
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	<p>Statements presented to council in accordance with section 138(1) of the Act <input checked="" type="checkbox"/></p> <p>Date statements presented:</p> <p>Annual Financial Statements: 18 September 2018</p> <p>Quarterly Statement No 1: 28 November 2018</p> <p>Quarterly Statement No 2: 27 February 2019</p> <p>Quarterly Statement No 3: 24 April 2019</p>
19. Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	<p>Quarterly reports <input checked="" type="checkbox"/></p> <p>Date of reports:</p> <p>Risk Management Report No 1: 30 September 2018</p> <p>Risk Management Report No 2: 31 December 2018</p> <p>Risk Management Report No 3: 31 March 2019</p> <p>Risk Management Report No 4: 30 June 2019</p>
20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	<p>Reports <input checked="" type="checkbox"/></p> <p>Date of reports: 13 September 2018 6 May 2019</p>
21. Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	<p>Considered at a meeting of council in accordance with section 134 of the Act <input checked="" type="checkbox"/></p> <p>Date statements presented: 24 October 2018</p>

Column 1 Governance and Management Items	Column 2 Assessment
22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 21 February 2017 <input checked="" type="checkbox"/>
23. Delegations (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 Date of review: S5 Instrument of Delegation to the Chief Executive Officer: 23 February 2017 S6 Instrument of Delegation Members of Staff: 27 March 2019 S7 Instrument of Sub-delegation by CEO: 18 March 2019 S12 Instrument of Delegation and Authorisation by Municipal Building Surveyor: 8 March 2019 S13 Instrument of Delegation of CEO Powers, duties and functions: 18 March 2019 S14 Instrument of Delegation by CEO for VicSmart Applications under the <i>Planning and Environment Act 1987</i> : 18 March 2019 Instrument of Delegation from the Waterway Manager to Members of Council Staff: 26 June 2019 Instrument of Delegation Children's Services Legislation Council to Members of Staff: 25 July 2018 <input checked="" type="checkbox"/>

Column 1 Governance and Management Items	Column 2 Assessment
24. Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 28 January 2016



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



Sarah Philpott
Chief Executive Officer

Dated: 26 September 2019



Cr Simon Clemence
Mayor

Dated: 26 September 2019

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 2018–2019:

Service sustainability reviews completed:

- Immunisations
- Asset Services
- Engineering
- Building Maintenance

Major continuous improvement activities [eg Plan-Do-Study-Act (PDSA)/Approach-Deployment-Results-Improvement (ADRI)] undertaken during 2018-2019 included:

- Improved internal statutory planning referral process including the introduction of service level agreements
- Increased efficiency in footpath defect reporting program by referring directly to the responsible authority
- Implemented “Dial Before You Dig” automated response to reduce administration time and costs
- Implementation of online incident reporting system
- Implementation of an online learning management system.

Carers’ Recognition

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under Section 11 of that Act. We have taken all practicable measures to comply with our responsibilities as outlined in the *Carers Recognition Act 2012*. We have also promoted the principles of the Act to people in care relationships who receive our services, to people in care relationships, and to the wider community by:

- Distributing printed material through relevant Council services
- Providing information to organisations represented in Council/community networks
- Developing and implementing the Mildura Carer Blueprint in conjunction with Carers Australia (Victoria)
- Working in partnership with the local representative of Carers Victoria (Mildura) on community projects
- Providing Rural Access Worker support to people with a disability and their carers within the community
- Implementing the two-day event *Celebrate Ageing* expo aimed at clients and their carers
- Participating in local community events with a carer focus.

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:

- Flexible respite services for carers
- An assessment service that is inclusive of the care recipient and carer's needs
- Reviewing services to meet changing needs of the care recipient and carer
- Providing individual care plans, which have been developed and implemented to meet the care recipient and carer's needs
- Distributing resources regarding support for carers
- Working closely with carer support services
- Working closely with Dementia Australia
- Supporting carers to transition to the National Disability Insurance Scheme.

Contracts

In 2018-2019, we did not enter into any contracts valued at \$150,000 or more for goods and services, or \$200,000 or more for works of a kind specified in section 186(5)(a) and (c) of the Act without engaging in a competitive process. We also did not enter into any other contracts valued at \$150,000 or more for goods and services, or \$200,000 or more for works without engaging in a competitive process.

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, as Council has prepared a Disability Action Plan (called the Community Access and Inclusion Plan 2014-2018), we must report on the implementation of the plan in our annual report.

We have implemented 85 per cent of the actions for 2018-2019 in the Community Access and Inclusion Plan 2014–2018 and have commenced the development of a new Inclusion Strategy, which will take the place of the Community Access and Inclusion Plan. Actions completed in 2018-2019 include:

- The identification of 103 trip hazards
- Addressing 28 access items through the Disability Access Advisory Committee
- Facilitation of 24 local community events, including International Day for People with a Disability, Sensory Friendly Film Nights, Healthy Ageing Expo, Future Planning forums, Special Olympics, Young Carers Event, Youth Expo and Carer Blueprint activities
- Assisting the Sunraysia Autism Group with school holiday programs
- Partnering with local service providers to provide National Disability Insurance Scheme (NDIS) information and hosting two expos involving 36 agencies
- Providing an information session about understanding behaviours in Autism
- 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

- Providing Disability Awareness Training to 45 Council staff
- Providing six new disability parks in the Mildura municipality
- Widening of a walkway and ramped access to the Bill Hyder Garden
- Developing and making available in various languages, and captioned for the deaf community, informational videos about extreme heat warnings
- Advocating in the local community for:
 - employment opportunities for people with Autism
 - disability parking at Mildura Airport
 - Mildura District Ski Club Accessible Dock
 - a Bariatric Chair at the Mildura Base Hospital.
- Promoting the awareness of disability services to the community through the provision of information in the Regional Communications Newsletter and the posting of 67 events on the Yammer site
- Awarding one grant to support the community in making a walkway safer for kindergarten children
- Awarding 100 grants to allow community groups to purchase equipment, build shade structures, purchase uniforms and support events and programs for people with a disability, including Park Run and a multi-generational community choir.

Domestic Animal Management Plan

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

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

Actions implemented include the successful introduction of a Responsible Pet Ownership Scheme. In accordance with this scheme, 100 desexing vouchers valued at \$100 each were distributed by Civic Compliance Officers to assist our community members with the cost of desexing at Benetook Veterinary Clinic, while also encouraging registration at the reduced fee. The results were as follows:

- A further increase of 0.6 per cent in total desexed dogs on the previous year's 1.0 per cent increase in the Mildura Rural City Council registration database for this year.
- A further increase of 3.5 per cent in total desexed cats on the previous years 4.0 per cent increase in the Mildura Rural City Council registration database for this year.

A vigilant three-month pet registration campaign was conducted, which involved Civic Compliance Officers making over 2,000 phone calls for renewal of animal registrations and conducting door knocks throughout the municipality for the identification of unregistered animals. This resulted in an increase of dog and cat registrations from 7,155 in 2018 to an impressive 8,517 in 2019. This is an increase of 1,362 registrations, or a 16 per cent increase in animal registrations this year.

An improvement to the Animal Management Vehicle was introduced this year with the installation of the K9 Kube. This hydraulic cube lowers from the utility to the ground. The animal can then be loaded at ground level and secured before the cube is lifted back on to the utility. It is the benchmark in animal management lifting devices and ensures not only the welfare of the animal but the health and safety of the Civic Compliance Officers. Other Animal Management Vehicles will be fitted with the K9 Kube over the forthcoming year.

Design is underway for the Masterplan for the Mildura Animal Pound, which will outline our vision for the Pound. It is intended to include an isolation area to enhance the capabilities of Mildura Pound moving forward.

Officer training has been ongoing over the past 12 months with another officer completing a Certificate 4 in Animal Management and Compliance. All officers have undertaken further training with the Benetook Veterinary Clinic and the Lost Dogs Home (Melbourne) on topics such as animal health, disease identification and treatment, basic husbandry, and capturing and handling of domestic animals, feral animals and livestock.

Food Act Ministerial Directions

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

Freedom of Information

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

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

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

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

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

Further information regarding FOI can be found at www.ovic.vic.gov.au 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 2018-2019 year, one disclosure was made to the Protected Disclosure Coordinator regarding the improper conduct of Council officers. This disclosure was reported to the Independent Broad-based Anti-corruption Commission (IBAC).

Road Management Act Ministerial Directions

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

Infrastructure and Development Contributions

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

For the 2018-2019 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”).

Development Contributions

Total DCP Levies Received in 2018-19

DCP Name (Year Approved)	Levies Received in 2018-19 Financial Year	\$
DCP01 (2005)	570,210	
DCP02 (2006)	483,416	
DCP03 (2007)	0	
Total	1,053,626	

DCP Land, Works, Services or Facilities Accepted as Works In-Kind in 2018-19

DCP Name (Year Approved)	Project ID	Project Description	Item Purpose	Total Project Value	\$
DCP01 (2005)	DG001	Mildura South Scheme DG001	Drainage infrastructure	41,852.11	
DCP01 (2005)	DG002	San Mateo to Benetook near Fifteenth Street Scheme DG002	Drainage infrastructure	145,920.21	
DCP01 (2005)	OS001	Playgrounds OS001	Landscaping works	165,121.57	
DCP01 (2005)	OS002	Stormwater Retention – Mildura South OS002	Land for drainage	68,962.50	
DCP01 (2005)	OS003	Stormwater Retention – Benetook Basin OS003	Fencing of basin	13,800.00	
DCP02 (2006)	DG006	Irymple Drainage Works	Drainage infrastructure	239,062.00	
DCP02 (2006)	OS006	Stormwater Retention - Irymple	Land for drainage	92,518.00	
DCP02 (2006)	OS008	Linear Reserves and Parks - Irymple	Land for public open space	13,928.00	
Total				781,164.39	

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

Land, Works, Services or Facilities Delivered in 2018-19 from DCP Levies Collected

Project Description	Project ID	DCP Name (Year Approved)	DCP Fund Expended	Works-In-Kind Accepted	Council's Contribution	Other Contributions	Total Project Expenditure	Percentage of Item Delivered
			\$	\$	\$	\$	\$	
Mildura South Scheme DG001	DG001	DCP01 (2005)	10,162.90	41,852.11	8,365.97	-	60,380.98	0.10%
San Mateo to Benetook near Fifteenth Street Scheme DG002	DG002	DCP01 (2005)	31,616.20	145,920.21	12,763.64	-	190,300.05	2.05%
Playgrounds OS001	OS001	DCP01 (2005)	-	165,121.57	-	-	165,121.57	1.09%
Stormwater Retention – Mildura South OS002	OS002	DCP01 (2005)	-	68,962.50	-	-	68,962.50	0.46%
Stormwater Retention – Benetook Basin OS003	OS003	DCP01 (2005)	-	13,800.00	-	-	13,800.00	1.60%
Irymple Drainage Works	DG006	DCP02 (2006)	-	239,062.00	-	-	239,062.00	0.90%
Stormwater Retention - Irymple	OS006	DCP02 (2006)	-	92,518.00	-	-	92,518.00	2.07%

Project Description	Project ID	DCP Name (Year Approved)	DCP Fund Expended	Works-In-Kind Accepted	Council's Contribution	Other Contributions	Total Project Expenditure	Percentage of Item Delivered
Linear Reserves and Parks - Irymple	OS008	DCP02 (2006)	-	13,928.00	-	-	13,928.00	0.45%
Linear Reserves and Parks OS005	OS005	DCP01 (2005)	738.84	-	841.57	-	1,580.41	0.02%
Total			42,517.94	781,164.39	21,971.18	-	845,653.51	

Part 2: Financial Statements



Mildura Rural City Council

Annual Financial Report
For the Year Ended 30 June 2019



Mildura Rural City Council

Financial Report

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Certification of the Financial Statements

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

David Folvig - BBus
Principal Accounting Officer



Date : 26 September 2019
Mildura

In our opinion the accompanying financial statements present fairly the financial transactions of Mildura Rural City Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

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

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

Simon Clemence
Councillor

Date : 26 September 2019
Mildura



Jason Modica
Councillor

Date : 26 September 2019
Mildura



Sarah Philpott
Chief Executive Officer

Date : 26 September 2019
Mildura




Independent Auditor's Report

To the Councillors of Mildura Rural City Council

Opinion	<p>I have audited the consolidated financial report of Mildura Rural City Council (the council) and its controlled entities (together, the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> consolidated entity and council balance sheet as at 30 June 2019 consolidated entity and council comprehensive income statement for the year then ended consolidated entity and council statement of changes in equity for the year then ended consolidated entity and council statement of cash flows for the year then ended consolidated entity and council statement of capital works for the year then ended notes to the financial statements, including significant accounting policies certification of the consolidated financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the council as at 30 June 2019 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>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council and the consolidated entity's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors • conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council and the consolidated entity to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation • obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the council and the consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the council and the consolidated entity. I remain solely responsible for my audit opinion. <p>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.</p>
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MELBOURNE
30 September 2019


 Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2019

	Note	Consolidated		Council	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Income					
Rates and charges	3.1	70,077	66,792	70,219	66,919
Statutory fees and fines	3.2	2,398	2,528	2,398	2,528
User fees	3.3	12,493	12,450	6,392	6,828
Grants - operating	3.4	24,965	33,122	24,965	33,122
Grants - capital	3.4	7,865	5,322	7,865	5,322
Contributions - monetary	3.5	1,919	1,329	1,737	1,329
Contributions - non monetary	3.5	2,853	3,813	2,853	3,813
Net gain/(or loss) on disposal of property, infrastructure, plant and equipment	3.6	(1,393)	(1,932)	(1,393)	(1,932)
Other income	3.7	7,981	8,079	7,238	7,127
Asset recognition	3.8	1,649	2,008	1,649	2,008
Fair value increase of non financial asset		-	16	-	-
Total income		130,807	133,527	123,923	127,064
Expenses					
Employee costs	4.1	(49,622)	(48,732)	(46,213)	(45,547)
Materials and services	4.2	(33,487)	(29,488)	(32,662)	(36,133)
Depreciation and amortisation	4.3	(19,452)	(19,754)	(18,027)	(18,642)
Bad and doubtful debts	4.4	(309)	(216)	(309)	(216)
Borrowing costs	4.5	(1,092)	(1,162)	(1,088)	(1,155)
Other expenses	4.6	(8,090)	(5,158)	(7,937)	(4,974)
Total expenses		(112,052)	(104,510)	(106,236)	(106,667)
Surplus/(deficit) for the year		18,755	29,017	17,687	20,397
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment/(decrement)	9.1	66,149	15,095	66,113	15,095
Net financial asset revaluation increment/(decrement)	9.1	-	-	1,104	8,620
Total comprehensive result		84,904	44,112	84,904	44,112

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

Balance Sheet As at 30 June 2019

		Consolidated		Council	
		2019	2018	2019	2018
	Note	\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	5.1	77,363	56,221	72,393	53,991
Trade and other receivables	5.1	7,547	7,242	6,845	6,434
Other financial assets	5.1	2,850	2,879	2,850	2,879
Inventories	5.2	582	663	574	657
Other assets	5.2	1,597	332	1,554	281
Total current assets		89,939	67,337	84,216	64,242
Non-current assets					
Trade and other receivables	5.1	-	-	4,808	5,129
Other financial assets	5.1	1,750	1,750	1,750	1,750
Other assets	5.2	-	-	52,423	51,319
Property, infrastructure, plant and equipment	6.2	865,535	798,387	813,405	745,080
Intangible assets	5.2	10,870	8,055	10,761	7,982
Total non-current assets		878,155	808,192	883,147	811,260
Total assets		968,094	875,529	967,363	875,502
Liabilities					
Current liabilities					
Trade and other payables	5.3	2,383	1,685	1,983	1,981
Trust funds and deposits	5.3	2,237	1,856	2,231	1,849
Provisions	5.5	11,491	10,643	11,269	10,513
Interest-bearing liabilities	5.4	1,121	773	1,100	738
Total current liabilities		17,232	14,957	16,583	15,081
Non-current liabilities					
Provisions	5.5	27,085	20,580	27,049	20,496
Interest-bearing liabilities	5.4	18,682	19,801	18,635	19,733
Total non-current liabilities		45,767	40,381	45,684	40,229
Total liabilities		62,999	55,338	62,267	55,310
Net assets		905,095	820,191	905,096	820,192
Equity					
Accumulated surplus		375,611	369,530	340,627	335,614
Reserves	9.1	529,484	450,661	564,469	484,578
Total Equity		905,095	820,191	905,096	820,192

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

Statement of Changes in Equity For the Year Ended 30 June 2019

Consolidated	Note	Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
2019					
Balance at beginning of the financial year		820,191	369,530	424,691	25,970
Surplus/(deficit) for the year		18,755	18,755	-	-
Net asset revaluation increment/(decrement)	9.1(c)	66,149	-	66,149	-
Transfers to other reserves	9.1(b)	-	17,416	-	(17,416)
Transfers from other reserves	9.1(b)	-	(30,090)	-	30,090
Balance at end of the financial year		905,095	375,611	490,840	38,644
2018					
Balance at beginning of the financial year		763,478	336,879	409,596	17,003
Changes in accounting policy - land under roads pre July 2008 recognition		12,601	12,601	-	-
Surplus/(deficit) for the year		29,017	29,017	-	-
Net asset revaluation increment/(decrement)	9.1(c)	15,095	-	15,095	-
Transfers to other reserves	9.1(b)	-	18,557	-	(18,557)
Transfers from other reserves	9.1(b)	-	(27,524)	-	27,524
Balance at end of the financial year		820,191	369,530	424,691	25,970
Council					
		Total	Surplus	Revaluation	Other
		\$'000	\$'000	\$'000	\$'000
2019					
Balance at beginning of the financial year		820,192	335,614	424,554	60,024
Surplus/(deficit) for the year		17,687	17,687	-	-
Net asset revaluation increment/(decrement)		67,217	-	66,113	1,104
Transfers to other reserves	9.1(b)	-	17,416	-	(17,416)
Transfers from other reserves	9.1(b)	-	(30,090)	-	30,090
Balance at end of the financial year		905,096	340,627	490,667	73,802
2018					
Balance at beginning of the financial year		763,479	311,583	409,459	42,437
Changes in accounting policy - land under roads pre July 2008 recognition		12,601	12,601	-	-
Surplus/(deficit) for the year		20,397	20,397	-	-
Net asset revaluation increment/(decrement)		23,715	-	15,095	8,620
Transfers to other reserves	9.1(b)	-	18,557	-	(18,557)
Transfers from other reserves	9.1(b)	-	(27,524)	-	27,524
Balance at end of the financial year		820,192	335,614	424,554	60,024

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

Statement of Cash Flows For the Year Ended 30 June 2019

	Note	Consolidated		Council	
		2019	2018	2019	2018
		Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Rates and charges		70,346	66,966	70,488	67,093
Statutory fees and fines		2,398	2,528	2,398	2,528
User fees		13,993	17,160	5,876	8,290
Grants - operating		26,850	34,778	26,213	34,778
Grants - capital		8,258	5,588	8,258	5,588
Contributions - monetary		1,658	1,336	1,824	1,395
Interest received		2,073	1,508	2,188	1,652
Trust funds and deposits taken		6,305	6,157	6,305	6,157
Other receipts		5,374	6,097	5,467	5,864
Net GST refund/(payment)		766	2,161	1,278	1,347
Employee costs		(47,924)	(48,646)	(45,329)	(45,046)
Materials and services		(39,405)	(47,328)	(37,301)	(45,809)
Trust funds and deposits repaid		(5,922)	(5,981)	(5,922)	(5,981)
Other payments		(1,636)	(1,196)	(1,636)	(1,196)
Net cash provided by/(used in) operating activities	9.2	43,134	41,128	40,107	36,660
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment		(20,661)	(30,665)	(20,449)	(25,065)
Proceeds from sale of property, infrastructure, plant and equipment		539	946	539	946
Net proceeds from sale of financial assets		29	(97)	29	(97)
Net cash provided by/(used in) investing activities		(20,093)	(29,816)	(19,881)	(24,216)

Statement of Cash Flows For the Year Ended 30 June 2019

	Note	Consolidated		Council	
		2019	2018	2019	2018
		Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000
Cash flows from financing activities					
Finance costs		(1,128)	(1,119)	(1,088)	(1,155)
Repayment of borrowings		(771)	(734)	(736)	(700)
Net cash provided by/(used in) financing activities		(1,899)	(1,853)	(1,824)	(1,855)
Net increase/(decrease) in cash and cash equivalents		21,142	9,459	18,402	10,589
Cash and cash equivalents at the beginning of the financial year		56,221	46,762	53,991	43,402
Cash and cash equivalents at the end of the financial year	5.1	77,363	56,221	72,393	53,991
Financing arrangements	5.6				
Restrictions on cash assets	5.1				

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

Statement of Capital Works For the Year Ended 30 June 2019

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Property				
Land	120	2,215	120	2,215
Total land	120	2,215	120	2,215
Buildings	2,619	2,167	2,569	2,122
Total buildings	2,619	2,167	2,569	2,122
Total property	2,739	4,382	2,689	4,337
Plant and equipment				
Computers and telecommunications	406	242	406	242
Fixtures, fittings and furniture	362	622	344	514
Library books and art works	474	340	474	340
Plant, machinery and equipment	4,289	3,312	4,237	3,183
Total plant and equipment	5,531	4,516	5,461	4,279
Infrastructure				
Roads	8,528	9,060	8,528	9,060
Bridges	19	-	19	-
Footpaths and cycleways	368	381	368	336
Drainage	317	3,515	317	3,515
Recreational, leisure and community facilities	1,312	635	1,312	635
Waste management	43	826	43	826
Parks, open space and streetscapes	1,130	2,108	1,130	2,108
Kerb and channel	282	-	282	45
Off street car parks	222	266	222	202
Other infrastructure	290	-	-	-
Aerodromes	-	5,347	-	-
Total infrastructure	12,511	22,138	12,221	16,727
Intangible				
Software	78	116	78	116
Total intangible	78	116	78	116
Total capital works expenditure	20,859	31,152	20,449	25,459
Represented by:				
New asset expenditure	2,735	6,740	2,665	6,504
Asset renewal expenditure	13,438	15,866	13,325	14,047
Asset expansion expenditure	866	2,786	753	967
Asset upgrade expenditure	3,742	5,644	3,628	3,825
Intangible asset	78	116	78	116
Total capital works expenditure	20,859	31,152	20,449	25,459

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

Notes to the Financial Report For the Year Ended 30 June 2019

OVERVIEW

Introduction

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

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

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2019

(b) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2019, and their income and expenses for that part of the reporting period in which control existed.

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

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

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

Entities consolidated into Council include:

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

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 Performance against budget

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

The budget figures detailed below are those adopted by Council on 27 June 2018. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance % Ref
Income				
Rates and charges	69,700	70,219	519	1
Statutory fees and fines	2,466	2,398	(68)	(3)
User fees	6,413	6,392	(21)	(0)
Grants - operating	13,398	24,965	11,567	86 1
Grants - capital	3,651	7,865	4,214	115 2
Contributions - monetary	1,991	1,737	(254)	(13) 3
Contributions - non monetary	1,847	2,853	1,006	54 4
Net gain/(or loss) on disposal of property, infrastructure, plant and equipment	(1,843)	(1,393)	450	(24) 5
Other income	5,812	7,238	1,426	25 6
Asset recognition	-	1,649	1,649	100 7
Total income	103,435	123,923	20,488	20
Expenses				
Employee costs	(47,678)	(46,213)	1,465	(3)
Materials and services	(35,137)	(32,662)	2,475	(7)
Depreciation and amortisation	(20,253)	(18,027)	2,226	(11) 8
Bad and doubtful debts	(149)	(309)	(160)	107
Borrowing costs	(1,117)	(1,088)	29	(3)
Other expenses	(1,201)	(7,937)	(6,736)	561 9
Total expenses	(105,535)	(106,236)	(701)	1
Surplus/(deficit) for the year	(2,100)	17,687	19,787	(942)

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	Forward payment received of 50% of Federal assistance grants funding.
2	Grants - capital	Predominantly for grant funding received for Mildura South Regional Sporting Precinct which was unknown at time of completion of budget.
3	Contributions - monetary	Receipt of insurance funding for storm damage was received prior to the end of June 2018.
4	Contributions - non monetary	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. Items of this nature are traditional hard to predict.
5	Net gain/(or loss) on disposal of property, infrastructure, plant and equipment	Council is required to recognise a disposal of assets when those assets are sold, renewed or replaced, or become decommissioned. Items of this nature are traditional hard to predict.
6	Other income	Investment income received throughout the year was higher than forecast due to higher than anticipated cash reserves.
7	Asset recognition	Assets recognised due to increasing accuracy of our asset management database.
8	Depreciation and amortisation	More accurate costing from a review of unit rates and data cleansing of our asset data base.
9	Other expenses	The accounting treatment for our landfill provision resulted in a increase in the provision for future landfill rehabilitation works which required a recognition of an expense. This is non cash and not something traditionally budget for.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

1.2 Capital works	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance %	Ref
Property					
Land	-	120	120	100	
Total land	-	120	120	100	
Buildings	5,043	2,569	(2,474)	(49)	1
Total buildings	5,043	2,569	(2,474)	(49)	
Total property	5,043	2,689	(2,354)	(47)	
Plant and equipment					
Computers and telecommunications	892	406	(486)	(54)	2
Fixtures, fittings and furniture	117	344	227	194	
Library books and artworks	383	474	91	24	
Plant, machinery and equipment	3,369	4,237	868	26	3
Total plant and equipment	4,761	5,461	700	15	
Infrastructure					
Roads	8,470	8,528	58	1	
Bridges	368	19	(349)	(95)	4
Footpaths and cycleways	1,128	368	(760)	(67)	5
Drainage	5,244	317	(4,927)	(94)	6
Recreational, leisure and community facilities	170	1,312	1,142	672	7
Waste management	1,522	43	(1,479)	(97)	8
Parks, open space and streetscapes	2,567	1,130	(1,437)	(56)	9
Kerb and channel	100	282	182	182	
Off street car parks	297	222	(75)	(25)	
Other infrastructure	70	-	(70)	(100)	
Total infrastructure	19,936	12,221	(7,715)	(39)	
Intangible					
Software	-	78	78	100	
Total intangible	-	78	78	100	
Total capital works expenditure	29,740	20,449	(9,291)	(31)	
Represented by:					
New asset expenditure	5,177	2,665	(2,512)	(49)	
Asset renewal expenditure	15,109	13,325	(1,784)	(12)	
Asset expansion expenditure	2,489	753	(1,736)	(70)	
Asset upgrade expenditure	6,965	3,628	(3,337)	(48)	
Intangible asset	-	78	78	100	
Total capital works expenditure	29,740	20,449	(9,291)	(31)	

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Projects delayed due to weather conditions and finalising designs.
2	Computers and telecommunications	Projects delayed to accommodate unanticipated prerequisite works and contract negotiation.
3	Plant, machinery and equipment	Timing around purchase of garbage trucks carried over from 2017/18 into 2018/19.
4	Bridges	Works could not begin due to delays in other projects.
5	Footpaths and cycleways	Delays due to unavailability of prospective tenderers to carry out tendered works.
6	Drainage	Unavailability of prospective tenderers to carry out tendered works. Major package of works delayed due to redesigns and seeking expert opinion. Also unforeseen delays in creating drainage easements and increase in scope.
7	Recreational, leisure and community facilities	Variance due to preliminary works around the Mildura South Sporting Precinct.
8	Waste management	Landfill projects delayed, capping project approval sought from EPA, landfill internal roads and consultation with Around again with specifications and design are now progressing.
9	Parks, open space and streetscapes	Works delayed due to removal of trees, finalising landscape designs prior to tendering works, pre-construction works are continuing.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Community

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

Financial Management

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

Corporate

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

Development

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

Executive

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 2 Analysis of Council results by program (cont'd)

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

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2018					
Community	11,156	(24,673)	(13,517)	6,045	202,511
Financial management	102,745	(33,356)	69,389	31,173	273,780
Corporate	1,286	(13,719)	(12,433)	120	112,603
Development	11,877	(33,976)	(22,099)	1,106	278,868
Executive	-	(943)	(943)	-	7,740
	127,064	(106,667)	20,397	38,444	875,502

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Consolidated		Council	
2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000

Note 3 Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2018/19 was \$9.191 million (2017/18 \$8.107 million).

General rates	34,769	42,807	34,769	42,934
Municipal charge	2,806	2,768	2,806	2,768
Waste management charge	9,401	8,392	9,401	8,392
Cultural/recreational land	17	17	17	17
Mildura City Heart special rate	588	574	588	574
Business differential rate	12,243	12,234	12,385	12,234
Farming differential rate	10,158	-	10,158	-
Payment in lieu of rates	95	-	95	-
Total rates and charges	70,077	66,792	70,219	66,919

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

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

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

3.2 Statutory fees and fines

Infringements and costs	777	885	777	885
Land information certificates	55	117	55	117
Permits	372	327	372	327
Other statutory fees and fines	178	166	178	166
Valuations database	239	267	239	267
Statutory planning fees	777	766	777	766
Total statutory fees and fines	2,398	2,528	2,398	2,528

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
3.3 User fees				
Aged and health services	941	1,027	941	1,027
Child care/children's programs	370	323	370	323
Waste management services	1,447	1,216	1,447	1,216
Other fees and charges	439	537	439	537
Rent/lease fees	1,099	1,077	733	685
Animal control and local laws	536	452	536	452
Environmental health services	252	265	252	265
Airport fees and charges	5,735	5,230	-	-
Swimming pool fees	-	96	-	96
Contract works	926	1,504	926	1,504
Entrance charges	563	531	563	531
Commission/agency fees	185	192	185	192
Total user fees	12,493	12,450	6,392	6,828

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

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	21,086	30,071	21,086	30,071
State funded grants	11,744	8,373	11,744	8,373
Total grants received	32,830	38,444	32,830	38,444

Notes to the Financial Report
For the Year Ended 30 June 2019

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
(a) Operating grants				
<i>Recurrent - Commonwealth government</i>				
Family services	-	240	-	240
Early years	204	-	204	-
Aged and disability services	2,143	2,031	2,143	2,031
Financial assistance grants - general purpose	11,361	11,025	11,361	11,025
Financial assistance grants - local roads	4,212	4,145	4,212	4,145
<i>Recurrent - State government</i>				
Primary care partnerships	404	398	404	398
Aged and disability services	735	813	735	813
Libraries	372	365	372	365
Community health	883	765	883	765
Early years	280	293	280	293
Youth services	293	290	293	290
Environmental health	35	34	35	34
Social development and projects	149	143	149	143
Local laws	-	310	-	310
Arts and culture	190	190	190	190
Works and infrastructure services	129	129	129	129
Total recurrent operating grants	21,390	21,171	21,390	21,171

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
<i>Non-recurrent - Commonwealth government</i>				
Airport operations	999	9,000	999	9,000
Primary Care Partnership	10	10	10	10
Social development and projects	1	-	1	-
<i>Non-recurrent - State government</i>				
Airport operations	-	1,262	-	1,262
Youth services	2	5	2	5
Primary Care Partnership	10	10	10	10
Community development	1,041	16	1,041	16
Social development and projects	422	536	422	536
Environmental sustainability	205	224	205	224
Strategic planning	30	734	30	734
Governance and risk	120	120	120	120
Aged and disability services	3	5	3	5
Recreation and sport	-	27	-	27
Early years	51	2	51	2
Asset management	16	-	16	-
Economic development and tourism	77	-	77	-
Natural disaster	564	-	564	-
Community health	24	-	24	-
Total non-recurrent operating grants	3,575	11,951	3,575	11,951
Total operating grants	24,965	33,122	24,965	33,122
(b) Capital grants				
<i>Recurrent - Commonwealth government</i>				
Roads to recovery	1,921	3,620	1,921	3,620
<i>Recurrent - State government</i>				
Libraries	-	11	-	11
Total recurrent capital grants	1,921	3,631	1,921	3,631

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
<i>Non-recurrent - Commonwealth government</i>				
Recreation and sport	235	-	235	-
<i>Non-recurrent - State government</i>				
Arts and culture	200	-	200	-
Natural disaster	626	-	626	-
Libraries	30	313	30	313
Recreation and sport	2,637	895	2,637	895
Early years	45	-	45	-
Works and infrastructure services	2,171	483	2,171	483
Total non-recurrent capital grants	5,944	1,691	5,944	1,691
Total capital grants	7,865	5,322	7,865	5,322

(c) Unspent grants received on condition that they be spent in a specific manner

Balance at start of year	3,570	4,072	3,570	4,072
Received during the financial year and remained unspent at balance date	4,444	1,670	4,444	1,670
Received in prior years and spent during the financial year	(2,939)	(2,172)	(2,939)	(2,172)
Balance at year end	5,075	3,570	5,075	3,570

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

3.5 Contributions

Other Contributions	650	467	468	467
Capital contributions	185	34	185	34
Developer contributions	1,084	828	1,084	828
Non-monetary	2,853	3,813	2,853	3,813
Total contributions	4,772	5,142	4,590	5,142

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

Roads	1,131	913	1,131	913
Kerb and channel	210	701	210	701
Footpaths and cycleways	210	447	210	447
Drainage	1,122	1,752	1,122	1,752
Parks open space and streetscapes	180	-	180	-
Total non-monetary contributions	2,853	3,813	2,853	3,813

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment				
Proceeds of sale	454	946	454	946
Written down value of assets disposed	(1,847)	(2,878)	(1,847)	(2,878)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,393)	(1,932)	(1,393)	(1,932)

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

3.7 Other income

Interest	1,581	1,041	1,681	1,182
Interest on rates	350	360	350	360
Sales	1,257	1,210	425	451
Other income	114	462	10	10
Child care reimbursement	1,557	1,385	1,557	1,385
Fuel tax rebate	208	219	208	219
WorkCover costs reimbursements	396	315	396	315
Legal costs recouped	121	259	121	259
Airport reimbursement	-	-	8	10
Cemetery reimbursement	682	403	682	403
Utilities reimbursement	57	187	57	187
Youth case management reimbursement	507	435	507	435
Insurance reimbursement	33	455	118	517
Other costs reimbursed	1,118	1,348	1,118	1,394
Total other income	7,981	8,079	7,238	7,127

Interest is recognised as it is earned.

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

3.8 Asset recognition

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

Asset recognition	1,649	2,008	1,649	2,008
Total asset recognition	1,649	2,008	1,649	2,008

Notes to the Financial Report
For the Year Ended 30 June 2019

Consolidated		Council	
2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000

Note 4 The cost of delivering services

4.1. (a) Employee costs

Wages and salaries	45,385	44,583	42,200	41,617
Payroll tax	18	16	12	16
Superannuation	4,011	3,928	3,793	3,709
Fringe benefits tax	208	205	208	205
Total employee costs	49,622	48,732	46,213	45,547

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	303	365	303	365
Total defined benefit fund contributions	303	365	303	365

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,942	1,957	1,942	1,957
Employer contributions - other funds	1,453	1,312	1,453	1,312
Total accumulation funds contributions	3,395	3,269	3,395	3,269
Employer contributions payable at reporting date.	99	82	99	82

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
4.2 Materials and services				
Contracts other	6,004	4,213	5,751	3,975
Waste management contracts	2,910	2,213	2,910	2,213
Swimming pools	1,425	1,130	1,425	1,130
Building maintenance	2,289	1,087	2,289	1,087
General maintenance	444	403	444	403
Environmental protection waste levy	1,322	1,155	1,322	1,155
Grants, contributions and donations	2,194	2,691	3,475	11,587
Utilities	3,357	3,216	3,135	3,001
Office administration	1,154	1,340	810	833
Materials purchased	3,590	3,765	3,267	3,465
Plant and vehicle costs	2,771	2,616	2,414	2,247
Information technology	1,271	1,020	1,194	937
Insurance	979	966	986	966
Consultants	1,833	2,085	1,833	1,796
Training	1,100	1,054	1,027	953
Other materials and contractors	844	534	380	385
Total materials and services	33,487	29,488	32,662	36,133
4.3 Depreciation and amortisation				
Buildings	2,657	2,614	2,439	2,404
Plant and equipment	3,312	3,185	3,054	2,921
Infrastructure	13,347	13,736	12,398	13,098
Total depreciation	19,316	19,535	17,891	18,423
Intangible assets	136	219	136	219
Total depreciation and amortisation	19,452	19,754	18,027	18,642

Refer to note 5.2 (c) and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
4.4 Bad and doubtful debts				
Infringment debtors	330	210	330	210
Other debtors	(21)	6	(21)	6
Total bad and doubtful debts	309	216	309	216
Movement in provisions for doubtful debts				
Balance at the beginning of the year	1,517	1,307	1,517	1,307
New provisions recognised during the year	310	216	310	216
Amounts already provided for and written off as uncollectible	(22)	(6)	(22)	(6)
Balance at end of year	1,805	1,517	1,805	1,517
Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.				
4.5 Borrowing costs				
Interest - borrowings	1,092	1,136	1,088	1,129
Interest - finance leases	-	26	-	26
Total borrowing costs	1,092	1,162	1,088	1,155
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.				
4.6 Other expenses				
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	82	66	69	66
Auditors' remuneration - internal	112	106	112	94
Councillors' allowances	319	305	319	305
Directors' fees	94	82	-	-
Refunds	65	15	65	15
Operating lease rentals	456	215	410	125
Increase in landfill provision discounted amount	6,611	3,995	6,611	3,995
Others	351	374	351	374
Total other expenses	8,090	5,158	7,937	4,974

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Consolidated		Council	
2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	49	35	11	11
Cash at bank	14,572	11,894	12,382	10,980
Term deposits	62,742	44,292	60,000	43,000
Total cash and cash equivalents	77,363	56,221	72,393	53,991

(b) Other financial assets

Term deposits - current	2,850	2,879	2,850	2,879
Floating notes - non-current	1,750	1,750	1,750	1,750
Total other financial assets	4,600	4,629	4,600	4,629
Total financial assets	81,963	60,850	76,993	58,620

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

- Trust funds and deposits (note 5.3)	2,231	1,849	2,231	1,849
- Statutory reserve funds (note 9.1)	2,770	1,988	2,770	1,996
Total restricted funds	5,001	3,837	5,001	3,845
Total unrestricted cash and cash equivalents	72,362	52,384	67,392	50,146

Intended allocations

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

- Cash held to fund carried forward capital works	6,282	7,680	6,282	7,680
- Unexpended grants (note 3.4)	5,075	3,570	5,075	3,570
- Discretionary reserves (note 9.1)	35,882	23,982	35,882	23,982
- Long service leave 25% (note 5.5)	1,737	1,739	1,737	1,739
Total funds subject to intended allocations	48,976	36,971	48,976	36,971

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
5.1 Financial assets (cont'd)				
(c) Trade and other receivables				
Current				
<i>Statutory receivables</i>				
Rates debtors	3,202	3,471	3,202	3,471
Infringement debtors	786	1,761	786	1,761
Provision for doubtful debts - infringements	(604)	(1,466)	(604)	(1,466)
<i>Non statutory receivables</i>				
General debtors	3,114	2,333	2,091	1,525
Accrued income	540	689	540	689
GST receivable	518	505	518	505
Provision for doubtful debts - other debtors	(9)	(51)	(9)	(51)
Loan to Mildura Airport Pty Ltd	-	-	321	-
Total current trade and other receivables	7,547	7,242	6,845	6,434
Non-current				
<i>Non statutory receivables</i>				
Loan to Mildura Airport Pty Ltd	-	-	4,808	5,129
Total non-current trade and other receivables	-	-	4,808	5,129
Total trade and other receivables	7,547	7,242	11,653	11,563

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

(a) Ageing of receivables

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

Current (not yet due)	2,618	2,486	1,936	1,275
Past due by up to 60 days	87	151	78	145
Past due between 61 and 180 days	356	27	24	4
Past due between 181 and 365 days	53	101	53	101
Total trade and other receivables	3,114	2,765	2,091	1,525

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
5.1 Financial assets (cont'd)				

(b) Ageing of Individually Impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$21,739 (2018: \$5,079) were impaired. The amount of the provision raised against these debtors was \$21,739 (2018: \$5,079). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current up to 90 days	35	-	35	-
Past due between 91 and 180 days	20	6	20	6
Past due between 181 and 365 days	72	-	72	-
Past due by more than 1 year	182	210	182	210
Total trade and other receivables	309	216	309	216

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
5.2 Non-financial assets				
(a) Inventories				
Inventories held for distribution	479	569	479	569
Inventories held for sale	103	94	95	88
Total inventories	582	663	574	657
Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.				
(b) Other assets				
Current				
Prepayments	1,597	332	1,554	281
Total	1,597	332	1,554	281
Non-current				
Interest in Mildura Airport Pty Ltd	-	-	51,672	50,923
Interest in Mildura Regional Development	-	-	751	396
Total	-	-	52,423	51,319
Total other assets	1,597	332	53,977	51,600
(c) Intangible assets				
Software	1,010	1,017	1,010	1,017
Water rights at valuation 30 June 2018	-	7,038	-	6,965
Water rights at valuation 30 June 2019	9,860	-	9,751	-
Total intangible assets	10,870	8,055	10,761	7,982

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.2 Non-financial assets (cont'd)

(c) Intangible assets

	Software \$'000	Water right \$'000	Total \$'000
Consolidated			
Gross carrying amount			
Balance at 1 July 2018	2,951	7,038	9,989
Other additions	78	-	78
Transfer	51	-	51
Revaluation increment/(decrement)	-	2,822	2,822
Balance at 1 July 2019	<u>3,080</u>	<u>9,860</u>	<u>12,940</u>
Accumulated amortisation and impairment			
Balance at 1 July 2018	1,934	-	1,934
Amortisation expense	136	-	136
Balance at 1 July 2019	<u>2,070</u>	<u>-</u>	<u>2,070</u>
Net book value at 30 June 2018	<u>1,017</u>	<u>7,038</u>	<u>8,055</u>
Net book value at 30 June 2019	<u>1,010</u>	<u>9,860</u>	<u>10,870</u>
Council			
Gross carrying amount			
Balance at 1 July 2018	2,951	6,965	9,916
Other additions	78	-	78
Transfer	51	-	51
Revaluation increment/(decrement)	-	2,786	2,786
Balance at 1 July 2019	<u>3,080</u>	<u>9,751</u>	<u>12,831</u>
Accumulated amortisation and impairment			
Balance at 1 July 2018	1,934	-	1,934
Amortisation expense	136	-	136
Balance at 1 July 2019	<u>2,070</u>	<u>-</u>	<u>2,070</u>
Net book value at 30 June 2018	<u>1,017</u>	<u>6,965</u>	<u>7,982</u>
Net book value at 30 June 2019	<u>1,010</u>	<u>9,751</u>	<u>10,761</u>

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

Notes to the Financial Report For the Year Ended 30 June 2019

5.2 Non-financial assets

(c) Intangible assets (cont'd)

Details of the Mildura Rural City Council's water rights; and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Water rights	-	9,751	-
Total	-	9,751	-

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 2019.

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
5.3 Payables				
(a) Trade and other payables				
Trade payables	185	281	1	-
Accrued expenses	2,198	1,404	1,982	1,981
Total trade and other payables	2,383	1,685	1,983	1,981
(b) Trust funds and deposits				
Refundable contract deposits	172	103	172	103
Fire services levy	353	375	353	375
Refundable civic facilities deposits	5	2	5	2
Retention amounts	485	248	485	248
Income received in advance	6	7	-	-
Other refundable deposits	1,216	1,121	1,216	1,121
Total trust funds and deposits	2,237	1,856	2,231	1,849

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

Purpose and nature of items:

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
5.4 Interest-bearing liabilities				
Current				
Borrowings - secured	1,121	773	1,100	738
Total current interest-bearing liabilities	1,121	773	1,100	738
Non-current				
Borrowings - secured	18,635	19,733	18,635	19,733
Finance leases	47	68	-	-
Total non-current interest-bearing liabilities	18,682	19,801	18,635	19,733
Total interest-bearing liabilities	19,803	20,574	19,735	20,471

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

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

Not later than one year	1,121	773	1,100	738
Later than one year and not later than five years	5,633	1,353	5,586	-
Later than five years	13,049	23,577	13,049	19,733
	19,803	25,703	19,735	20,471

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.

(b) The maturity profile for Council's finance lease liabilities is:

Not later than one year	47	-	-	-
Later than one year and not later than five years	4	-	-	-
	51	-	-	-

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.5 Provisions

		Landfill	
	Employee	restoration	Total
	\$ '000	\$ '000	\$ '000
Consolidated			
2019			
Balance at beginning of the financial year	11,983	19,242	31,225
Additional provisions	7,582	6,610	14,192
Amounts used	(6,118)	-	(6,118)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(723)	-	(723)
Balance at the end of the financial year	12,724	25,852	38,576
2018			
Balance at beginning of the financial year	11,750	15,247	26,997
Additional provisions	6,481	3,995	10,476
Amounts used	(5,966)	-	(5,966)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(282)	-	(282)
Balance at the end of the financial year	11,983	19,242	31,225
Council			
2019			
Balance at beginning of the financial year	11,767	19,242	31,009
Additional provisions	7,407	6,610	14,017
Amounts used	(5,984)	-	(5,984)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(724)	-	(724)
Balance at the end of the financial year	12,466	25,852	38,318
2018			
Balance at beginning of the financial year	11,534	15,247	26,781
Additional provisions	6,481	3,995	10,476
Amounts used	(5,966)	-	(5,966)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(282)	-	(282)
Balance at the end of the financial year	11,767	19,242	31,009

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.5 Provisions (cont'd)	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
(a) Employee provisions				
Current provisions expected to be wholly settled within 12 months				
Annual leave	2,525	2,765	2,374	2,644
Long service leave	5,749	4,915	5,749	4,915
Redundancy	-	108	-	108
Rostered day off and time off in lieu	724	756	724	756
Total	8,998	8,544	8,847	8,423
Current provisions expected to be wholly settled after 12 months				
Annual leave	1,689	1,304	1,689	1,304
Long service leave	804	795	733	786
Total	2,493	2,099	2,422	2,090
Total current employee provisions	11,491	10,643	11,269	10,513
Non-current				
Long service leave	1,233	1,338	1,197	1,254
Total non-current employee provisions	1,233	1,338	1,197	1,254
Aggregate carrying amount of employee provisions:				
Current	11,491	10,643	11,269	10,513
Non-current	1,233	1,338	1,197	1,254
Total aggregate carrying amount of employee provisions	12,724	11,981	12,466	11,767

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

Wages and salaries and annual leave

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.5 Provisions (cont'd)

(a) Employee provisions

Long service leave

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

	Consolidated		Council	
	2019	2018	2019	2018
Key assumptions:				
- discount rate	1.32%	2.65%	1.32%	2.65%
- wage inflation rate	4.31%	3.88%	4.31%	3.88%
- settlement period	12	12	12	12
	Consolidated		Council	
	2019	2018	2019	2018
(b) Landfill restoration	\$'000	\$'000	\$'000	\$'000
Non-current	25,852	19,242	25,852	19,242
Total landfill restoration	25,852	19,242	25,852	19,242

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

	Consolidated		Council	
	2019	2018	2019	2018
Key assumptions:				
- Weighted average capital cities CPI index	1.60%	3.00%	1.60%	3.00%
- wage inflation rate	4.31%	3.88%	4.31%	3.88%
- discount rate	1.04%	2.65%	1.04%	2.65%
	Consolidated		Council	
	2019	2018	2019	2018
Total provisions	\$'000	\$'000	\$'000	\$'000
Current	11,491	10,643	11,269	10,513
Non-current	27,085	20,580	27,049	20,496
	38,576	31,223	38,318	31,009

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.6 Financing arrangements

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
The Council has the following funding arrangements in place as at 30 June 2019.				
Credit card facilities	800	800	800	800
Total facilities	800	800	800	800

5.7 Commitments

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

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated					
2019					
Operating					
Swimming pool management	1,074	1,092	2,290	-	4,456
Waste management	2,777	2,656	7,955	27	13,415
Cleaning services	185	85	-	-	270
Security services	456	463	230	-	1,149
Temporary labour hire	1,238	59	-	-	1,297
Electricity	2,748	1,797	-	-	4,545
Other	2,511	986	-	-	3,497
Total	10,989	7,138	10,475	27	28,629
Capital					
Fixtures, fittings and furniture	95	-	-	-	95
Buildings	3,150	-	-	-	3,150
Library books and artworks	331	-	-	-	331
Waste management	36	-	-	-	36
Plant machinery and equipment	5,200	-	-	-	5,200
Roads	9,329	-	-	-	9,329
Drainage	214	-	-	-	214
Parks, open spaces and streetscapes	2,458	-	-	-	2,458
Land	121	-	-	-	121
Total	20,934	-	-	-	20,934

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.7 Commitments (cont'd)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated					
2018					
Operating					
Swimming pool management	1,807	1,500	1,500	1,500	6,307
Telecommunications	208	206	-	-	414
Waste management	2,185	1,869	5,262	1,752	11,068
Cleaning services	513	518	-	-	1,031
Security services	473	478	488	-	1,439
Corporate expenditure	4	-	-	-	4
Other	5,057	3,974	531	-	9,562
Total	10,247	8,545	7,781	3,252	29,825
Capital					
Fixtures, fittings and furniture	33	-	-	-	33
Buildings	370	-	-	-	370
Library books and artworks	115	-	-	-	115
Waste management	26	-	-	-	26
Plant machinery and equipment	2,487	-	-	-	2,487
Roads	572	-	-	-	572
Drainage	40	-	-	-	40
Parks, open spaces and streetscapes	341	-	-	-	341
Total	3,984	-	-	-	3,984

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.7 Commitments (cont'd)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Council					
2019					
Operating					
Swimming pool management	1,074	1,092	2,290	-	4,456
Waste management	2,777	2,656	7,955	27	13,415
Cleaning services	185	85	-	-	270
Security services	456	463	230	-	1,149
Temporary labour hire	1,238	59	-	-	1,297
Electricity	2,748	1,797	-	-	4,545
Other	2,511	986	-	-	3,497
Total	10,989	7,138	10,475	27	28,629
Capital					
Fixtures, fittings and furniture	95	-	-	-	95
Buildings	3,150	-	-	-	3,150
Library books and artworks	331	-	-	-	331
Waste management	36	-	-	-	36
Plant machinery and equipment	5,200	-	-	-	5,200
Roads	9,329	-	-	-	9,329
Drainage	214	-	-	-	214
Parks, open spaces and streetscapes	2,458	-	-	-	2,458
Land	121	-	-	-	121
Total	20,934	-	-	-	20,934

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.7 Commitments (cont'd)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Council					
2018					
Operating					
Swimming pool management	1,807	1,500	1,500	1,500	6,307
Telecommunications	208	206	-	-	414
Waste management	2,185	1,869	5,262	1,752	11,068
Cleaning services	513	518	-	-	1,031
Security services	473	478	488	-	1,439
Corporate expenditure	4	-	-	-	4
Other	5,057	3,974	531	-	9,562
Total	10,247	8,545	7,781	3,252	29,825
Capital					
Fixtures, fittings and furniture	33	-	-	-	33
Buildings	370	-	-	-	370
Library books and artworks	115	-	-	-	115
Waste management	26	-	-	-	26
Plant machinery and equipment	2,487	-	-	-	2,487
Roads	572	-	-	-	572
Drainage	40	-	-	-	40
Parks, open spaces and streetscapes	341	-	-	-	341
Total	3,984	-	-	-	3,984

Operating lease commitments

At the reporting date, Council had the following 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).

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Not later than one year	318	-	318	-
Later than one year and not later than five years	641	-	641	-
Later than five years	1,823	-	1,823	-
	2,782	-	2,782	-

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.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

Council currently has no non current asset held for sale.

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 6 Assets we manage

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2018	First time recognition of assets	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At fair value 30 June 2019
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	62,071	-	120	-	4,822	-	-	-	484	67,497
Buildings	112,067	-	403	-	(788)	(2,657)	(121)	-	1,194	110,098
Plant and equipment	45,933	-	5,092	-	-	(3,312)	(621)	-	547	47,639
Infrastructure	551,103	1,649	6,299	2,853	59,293	(13,347)	(1,105)	-	5,227	611,972
Work in progress	27,213	-	8,705	-	-	-	-	(137)	(7,452)	28,329
	798,387	1,649	20,619	2,853	63,327	(19,316)	(1,847)	(137)	-	865,535

Summary of work in progress	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	1,825	2,216	(3)	(1,678)	2,360
Plant and equipment	1,592	426	(51)	(547)	1,420
Infrastructure	23,796	6,063	(83)	(5,227)	24,549
Total	27,213	8,705	(137)	(7,452)	28,329

**Notes to the Financial Report
For the Year Ended 30 June 2019**

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

Asset recognition thresholds and depreciation periods	Depreciation period	Threshold limit \$'000
Land and land improvements		
land	-	5
Buildings		
buildings	60 years	10
Plant and equipment		
plant and equipment	3 - 12 years	5
fixtures, fittings and furniture	4 - 10 years	5
artworks	-	0.5
library books	-	In aggregate
Infrastructure		
footpaths and 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 carpark	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 2019**

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

	Land - specialised	Land - non specialised	Land under roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated									
At fair value 1 July 2018	37,995	10,970	13,106	62,071	206,333	13,310	219,643	1,825	283,539
Accumulated depreciation at 1 July 2018	-	-	-	-	(103,827)	(3,749)	(107,576)	-	(107,576)
	37,995	10,970	13,106	62,071	102,506	9,561	112,067	1,825	175,963
First time recognition of assets	-	-	-	-	-	-	-	-	-
	37,995	10,970	13,106	62,071	102,506	9,561	112,067	1,825	175,963
Movements in fair value									
Additions	120	-	-	120	372	31	403	2,166	2,689
Revaluation	3,498	1,324	-	4,822	2,740	(4,734)	(1,994)	-	2,828
Disposal	-	-	-	-	(525)	-	(525)	-	(525)
Write-off	-	-	-	-	-	-	-	(3)	(3)
Transfers	484	-	-	484	1,134	60	1,194	(1,678)	-
	4,102	1,324	-	5,426	3,721	(4,643)	(922)	485	4,989
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(2,475)	(182)	(2,657)	-	(2,657)
Accumulated depreciation of disposals	-	-	-	-	404	-	404	-	404
Accumulated depreciation of revaluations	-	-	-	-	870	336	1,206	-	1,206
	-	-	-	-	(1,201)	154	(1,047)	-	(1,047)
At fair value 30 June 2019	42,097	12,294	13,106	67,497	210,054	8,667	218,721	2,310	288,528
Accumulated depreciation at 30 June 2019	-	-	-	-	(105,028)	(3,595)	(108,623)	-	(108,623)
	42,097	12,294	13,106	67,497	105,026	5,072	110,098	2,310	179,905

**Notes to the Financial Report
For the Year Ended 30 June 2019**

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

	Plant machinery and equipment	Fixtures fittings and furniture	Computer and telecommu- nications	Artwork	Library books	Total plant and equipment	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated								
At fair value 1 July 2018	32,664	503	2,239	27,657	4,166	67,229	1,592	68,821
Accumulated depreciation at 1 July 2018	(16,741)	(239)	(1,495)	-	(2,821)	(21,296)	-	(21,296)
	15,923	264	744	27,657	1,345	45,933	1,592	47,525
Movements in fair value								
Additions	4,023	224	406	155	284	5,092	426	5,518
Disposal	(1,894)	-	-	-	-	(1,894)	-	(1,894)
Write-off	-	-	-	-	-	-	(51)	(51)
Transfers	484	16	47	-	-	547	(547)	-
	2,613	240	453	155	284	3,745	(172)	3,573
Movements in accumulated depreciation								
Depreciation and amortisation	(2,669)	(111)	(265)	-	(267)	(3,312)	-	(3,312)
Accumulated depreciation of disposals	1,273	-	-	-	-	1,273	-	1,273
	(1,396)	(111)	(265)	-	(267)	(2,039)	-	(2,039)
At fair value 30 June 2019	35,277	743	2,692	27,812	4,450	70,974	1,420	72,394
Accumulated depreciation at 30 June 2019	(18,137)	(350)	(1,760)	-	(3,088)	(23,335)	-	(23,335)
	17,140	393	932	27,812	1,362	47,639	1,420	49,059

**Notes to the Financial Report
For the Year Ended 30 June 2019**

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

	Roads	Kerb and channel	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste Management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Total infrastructure	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated												
At fair value 1 July 2018	429,778	62,410	48,203	159,025	52,777	13,239	15,134	42,785	18,300	841,651	23,796	865,447
Accumulated depreciation at 1 July 2018	(167,572)	(40,481)	(29,790)	(30,148)	(9,674)	(2,541)	(1,189)	(3,259)	(5,894)	(290,548)	-	(290,548)
	262,206	21,929	18,413	128,877	43,103	10,698	13,945	39,526	12,406	551,103	23,796	574,899
Movements in fair value												
Additions	5,441	282	208	116	54	-	173	-	25	6,299	6,063	12,362
Contributions	1,132	210	210	1,122	-	-	179	-	-	2,853	-	2,853
Recognitions	84	-	33	1,420	26	2	30	-	420	2,015	-	2,015
Revaluation	57,533	(39,806)	2,087	290	(460)	(766)	411	-	(4,718)	14,571	-	14,571
Disposal	(4,475)	(101)	(166)	(42)	(15)	-	(21)	-	(7)	(4,827)	-	(4,827)
Write-off	-	-	-	-	-	-	-	-	-	-	(83)	(83)
Transfers	3,035	41	139	1,581	58	-	114	204	55	5,227	(5,227)	-
	62,750	(39,374)	2,511	4,487	(337)	(764)	886	204	(4,225)	26,138	753	26,891
Movements in accumulated depreciation												
Depreciation and amortisation	(7,971)	(942)	(781)	(1,113)	(680)	(380)	(467)	(848)	(165)	(13,347)	-	(13,347)
Accumulated depreciation of disposals	3,465	99	125	15	5	-	6	-	7	3,722	-	3,722
Accumulated depreciation of recognitions	(19)	-	(9)	(263)	(13)	-	(15)	-	(47)	(366)	-	(366)
Accumulated depreciation of revaluations	11,125	33,896	(1,257)	592	(257)	199	(992)	-	1,416	44,722	-	44,722
	6,600	33,053	(1,922)	(769)	(945)	(181)	(1,468)	(848)	1,211	34,731	-	34,731
At fair value 30 June 2019	492,528	23,036	50,714	163,512	52,440	12,475	16,020	42,989	14,075	867,789	24,549	892,338
Accumulated depreciation at 30 June 2019	(160,972)	(7,428)	(31,712)	(30,917)	(10,619)	(2,722)	(2,657)	(4,107)	(4,683)	(255,817)	-	(255,817)
	331,556	15,608	19,002	132,595	41,821	9,753	13,363	38,882	9,392	611,972	24,549	636,521

**Notes to the Financial Report
For the Year Ended 30 June 2019**

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

Council	At fair value 30 June 2018	First time recognition of assets	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At fair value 30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	61,935	-	120	-	4,822	-	-	-	484	67,361
Buildings	103,123	-	403	-	(788)	(2,439)	(121)	-	869	101,047
Plant and equipment	44,288	-	5,035	-	-	(3,054)	(621)	-	520	46,168
Infrastructure	508,931	1,649	6,299	2,853	59,293	(12,398)	(1,105)	-	5,023	570,545
Work in progress	26,803	-	8,514	-	-	-	-	(137)	(6,896)	28,284
	745,080	1,649	20,371	2,853	63,327	(17,891)	(1,847)	(137)	-	813,405

Summary of work in progress	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,965	2,166	(3)	(1,353)	2,775
Plant and equipment	1,565	426	(51)	(520)	1,420
Infrastructure	23,273	5,922	(83)	(5,023)	24,089
Total	26,803	8,514	(137)	(6,896)	28,284

**Notes to the Financial Report
For the Year Ended 30 June 2019**

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

Asset recognition thresholds and depreciation periods	Depreciation period	Threshold limit \$'000
Land and land improvements		
land	-	5
Buildings		
buildings	60 years	10
Plant and equipment		
plant and equipment	3 - 12 years	5
fixtures, fittings and furniture	4 - 10 years	5
artworks	-	1
library books	-	In aggregate
Infrastructure		
footpaths and 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 car parks	50 years	10
Recreational, leisure and community	10 - 25 years	10
Parks, open spaces and streetscapes	10 - 50 years	10
Intangible assets		
software	3 - 15 years	1
Water rights	-	-

**Notes to the Financial Report
For the Year Ended 30 June 2019**

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

(a) Property

Council	Land - specialised	Land - non specialised	Land under roads	Total land and land improvement	Buildings - specialised	Buildings - non specialised	Total buildings	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	37,995	10,834	13,106	61,935	196,776	12,684	209,460	1,965	273,360
Accumulated depreciation at 1 July 2018	-	-	-	-	(102,865)	(3,472)	(106,337)	-	(106,337)
	37,995	10,834	13,106	61,935	93,911	9,212	103,123	1,965	167,023
First time recognition of assets	-	-	-	-	-	-	-	-	-
	37,995	10,834	13,106	61,935	93,911	9,212	103,123	1,965	167,023
Movements in fair value									
Additions	120	-	-	120	372	31	403	2,166	2,689
Revaluation	3,498	1,324	-	4,822	2,740	(4,734)	(1,994)	-	2,828
Disposal	-	-	-	-	(525)	-	(525)	-	(525)
Write-off	-	-	-	-	-	-	-	(3)	(3)
Transfers	484	-	-	484	809	60	869	(1,353)	-
	4,102	1,324	-	5,426	3,396	(4,643)	(1,247)	810	4,989
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(2,300)	(139)	(2,439)	-	(2,439)
Accumulated depreciation of disposals	-	-	-	-	404	-	404	-	404
Accumulated depreciation of revaluations	-	-	-	-	870	336	1,206	-	1,206
	-	-	-	-	(1,026)	197	(829)	-	(829)
At fair value 30 June 2019	42,097	12,158	13,106	67,361	200,172	8,041	208,213	2,775	278,349
Accumulated depreciation at 30 June 2019	-	-	-	-	(103,891)	(3,275)	(107,166)	-	(107,166)
	42,097	12,158	13,106	67,361	96,281	4,766	101,047	2,775	171,183

Notes to the Financial Report
For the Year Ended 30 June 2019

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

(b) Plant and equipment

Council	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecommunic ations	Artwork	Library books	Total plant and equipment	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	29,636	334	1,764	27,657	4,166	63,557	1,565	65,122
Accumulated depreciation at 1 July 2018	(15,208)	(220)	(1,020)	-	(2,821)	(19,269)	-	(19,269)
	14,428	114	744	27,657	1,345	44,288	1,565	45,853
Movements in fair value								
Additions	3,984	206	406	155	284	5,035	426	5,461
Disposal	(1,894)	-	-	-	-	(1,894)	-	(1,894)
Write-off	-	-	-	-	-	-	(51)	(51)
Transfers	473	-	47	-	-	520	(520)	-
	2,563	206	453	155	284	3,661	(145)	3,516
Movements in accumulated depreciation								
Depreciation and amortisation	(2,473)	(49)	(265)	-	(267)	(3,054)	-	(3,054)
Accumulated depreciation of disposals	1,273	-	-	-	-	1,273	-	1,273
	(1,200)	(49)	(265)	-	(267)	(1,781)	-	(1,781)
At fair value 30 June 2019	32,199	540	2,217	27,812	4,450	67,218	1,420	68,638
Accumulated depreciation at 30 June 2019	(16,408)	(269)	(1,285)	-	(3,088)	(21,050)	-	(21,050)
	15,791	271	932	27,812	1,362	46,168	1,420	47,588

Notes to the Financial Report
For the Year Ended 30 June 2019

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

(c) Infrastructure

Council	Roads	Kerb and channel	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Total infrastructure	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	429,778	62,410	48,203	158,563	52,509	13,239	14,728	-	15,864	795,294	23,273	818,567
Accumulated depreciation at 1 July 2018	(167,572)	(40,481)	(29,790)	(30,077)	(9,608)	(2,541)	(964)	-	(5,330)	(286,363)	-	(286,363)
	262,206	21,929	18,413	128,486	42,901	10,698	13,764	-	10,534	508,931	23,273	532,204
Movements in fair value												
Additions	5,441	282	208	116	54	-	173	-	25	6,299	5,922	12,221
Contributions	1,132	210	210	1,122	-	-	179	-	-	2,853	-	2,853
Recognitions	84	-	33	1,420	26	2	30	-	420	2,015	-	2,015
Revaluation	57,533	(39,806)	2,087	290	(460)	(766)	411	-	(4,718)	14,571	-	14,571
Disposal	(4,475)	(101)	(166)	(42)	(15)	-	(21)	-	(7)	(4,827)	-	(4,827)
Write-off	-	-	-	-	-	-	-	-	-	-	(83)	(83)
Transfers	3,035	41	139	1,581	58	-	114	-	55	5,023	(5,023)	-
	62,750	(39,374)	2,511	4,487	(337)	(764)	886	-	(4,225)	25,934	816	26,750
Movements in accumulated depreciation												
Depreciation and amortisation	(7,971)	(942)	(781)	(1,113)	(680)	(380)	(440)	-	(91)	(12,398)	-	(12,398)
Accumulated depreciation of disposals	3,465	99	125	15	5	-	6	-	7	3,722	-	3,722
Accumulated depreciation of recognitions	(19)	-	(9)	(263)	(13)	-	(15)	-	(47)	(366)	-	(366)
Accumulated depreciation of revaluations	11,125	33,896	(1,257)	592	(257)	199	(992)	-	1,416	44,722	-	44,722
	6,600	33,053	(1,922)	(769)	(945)	(181)	(1,441)	-	1,285	35,680	-	35,680
At fair value 30 June 2019	492,528	23,036	50,714	163,050	52,172	12,475	15,614	-	11,639	821,228	24,089	845,317
Accumulated depreciation at 30 June 2019	(160,972)	(7,428)	(31,712)	(30,846)	(10,553)	(2,722)	(2,405)	-	(4,045)	(250,683)	-	(250,683)
	331,556	15,608	19,002	132,204	41,619	9,753	13,209	-	7,594	570,545	24,089	594,634

Notes to the Financial Report For the Year Ended 30 June 2019

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

Acquisition

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

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

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by qualified valuer Mr Con Demis AAPI, Certified Practising Valuer (Council Officer). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions 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.

Notes to the Financial Report For the Year Ended 30 June 2019

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

Valuation of land and buildings (cont'd)

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 2019 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land	-	12,158	42,097	Dec-18
Specialised land	-	-	13,106	Dec-18
Buildings	-	4,766	96,281	Dec-18
Total	-	16,924	151,484	

Valuation of Infrastructure

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

The date of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on Rawlinson's indexation.

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 2019 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	331,556	Jun-19
Kerb and channel	-	-	15,608	Jun-19
Footpaths and cycleways	-	-	19,002	Jun-19
Drainage	-	-	132,204	Jun-19
Recreational, leisure and community facilities	-	-	41,619	Jun-19
Waste management	-	-	9,753	Jun-19
Parks, open space and streetscapes	-	-	13,209	Jun-19
Off street car parks	-	-	7,594	Jun-19
Total	-	-	570,545	

Aerodrome infrastructure assets are held under the cost model and are carried at historic cost less accumulated depreciation and any accumulated impairment losses. This asset class will be subject to full revaluation in the year ending 30 June 2020

Notes to the Financial Report For the Year Ended 30 June 2019

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

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between of between 30% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.003 and \$350.00 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$66 to \$6,184 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure asset are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year 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.

	2019	2018
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	13,106	13,106
Land - Parks and reserves, etc	42,097	37,995
Total specialised land	55,203	51,101

Notes to the Financial Report For the Year Ended 30 June 2019

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related parties

Parent entity

Mildura Rural City Council is the parent entity.

Subsidiaries and associates

Mildura Airport Pty Ltd and Mildura Tourism and Economic Development Ltd trading as Mildura Regional Development are fully consolidated subsidiary and form part of Mildura Rural City Council financial statements.

(b) Key management personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Councillor Mark Eckel	01/07/2018	to	30/06/2019
Councillor Simon Clemence (Mayor)	01/07/2018	to	30/06/2019
Councillor Jason Modica (Deputy Mayor)	01/07/2018	to	30/06/2019
Councillor Glenn Milne	01/07/2018	to	30/06/2019
Councillor Max Thorburn	01/07/2018	to	18/10/2018
Councillor Ali Cupper	01/07/2018	to	07/12/2018
Councillor Greg Brown	01/07/2018	to	30/06/2019
Councillor Anthony Cirillo	01/07/2018	to	30/06/2019
Councillor Min Poole	01/07/2018	to	30/06/2019
Councillor Helen Healy	15/01/2019	to	30/06/2019
Councillor Gavin Sedgman	13/11/2018	to	30/06/2019

Chief Executive Officer and key management personnel

Gerard José	Chief Executive Officer	01/07/2018	to	15/02/2019
Allan Bawden	Chief Executive Officer (Interim)	04/03/2019	to	30/06/2019
Mandy Whelan	General Manager Development	01/07/2018	to	30/06/2019
Chris Parham	General Manager Corporate Services	01/07/2018	to	30/06/2019
Martin Hawson	General Manager Community	01/07/2018	to	30/06/2019

During the financial year 8 senior officers acted in positions that made them key management personnel for short periods. During these periods no related party transactions were entered into by any related party of these senior officers.

	2019	2018
	No.	No.
Total number of Councillors	11	9
Chief Executive Officer and other key management personnel	5	4
Total key management personnel	16	13

**Notes to the Financial Report
For the Year Ended 30 June 2019**

7.1 Council and key management remuneration (cont'd)

(c) Remuneration of key management personnel	2019	2018
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,369	1,268
Post employment benefits	89	88
Termination benefits	29	-
Total	1,487	1,356

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:	2019	2018
	No.	No.
\$1 - \$9,999	2	-
\$10,000 - \$19,999	2	-
\$20,000 - \$29,999	5	7
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	2	1
\$220,000 - \$229,999	1	-
\$240,000 - \$249,999	-	1
\$250,000 - \$259,999	1	2
\$260,000 - \$269,999	2	-
\$310,000 - \$319,999	-	1
	16	13

(d) Senior officer remuneration

A senior officer is an officer of council, other than key management personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$148,000

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

Income Range:		
\$150,000 - \$159,999	3	3
\$160,000 - \$169,999	2	4
\$170,000 - \$179,999	3	3
\$180,000 - \$189,999	6	4
\$190,000 - \$199,999	2	-
	16	14
	2019	2018
	\$'000	\$'000

Total remuneration for the reporting year for senior officers included above, amounted to:	2,791	2,356
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**Notes to the Financial Report
For the Year Ended 30 June 2019**

7.2 Related party disclosure

(a) Transactions with related parties	2019	2018
During the period Council entered into the following transactions with related parties.	\$'000	\$'000
Employee expenses for close family members of key management personnel *	19	32
	<u>19</u>	<u>32</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 625 staff of which only 1 is a close family member of key management personnel.

(b) Outstanding balances with related parties

No expense has been recognised in the current year or prior year in respect of amounts owed by related parties.

(c) Loans to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(d) Commitments to/from related parties

Council has no outstanding commitments to/from other related parties

Notes to the Financial Report For the Year Ended 30 June 2019

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Operating lease receivables

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

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

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Not later than one year	771	670	304	334
Later than one year and not later than five years	1,799	1,481	872	700
Later than five years	1,587	699	1,435	531
	<u>4,157</u>	<u>2,850</u>	<u>2,611</u>	<u>1,565</u>

(b) Contingent liabilities

Superannuation

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

Notes to the Financial Report For the Year Ended 30 June 2019

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 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 for LG sector)

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.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

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 elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will be immaterial and have no impact.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard is expected to apply to certain transactions currently accounted for under *AASB 1004 Contributions* and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

Notes to the Financial Report For the Year Ended 30 June 2019

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2019

8.3 Financial instruments (cont'd)

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors.

Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

Notes to the Financial Report For the Year Ended 30 June 2019

8.3 Financial instruments (cont'd)

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -2% in market interest rates (AUD) from year-end rates of 1.5%.

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.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to the Financial Report For the Year Ended 30 June 2019

8.4 Fair value measurement (cont'd)

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

8.5 Events occurring after balance date

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
Consolidated			
2019			
Property			
Land	15,878	4,822	20,700
Buildings	59,283	(788)	58,495
	75,161	4,034	79,195
Plant and equipment			
Artwork	14,595	-	14,595
	14,595	-	14,595
Infrastructure			
Roads	171,997	68,658	240,655
Drainage	52,309	480	52,789
Drainage basins	3,285	402	3,687
Recreational, leisure and community facilities	41,346	(717)	40,629
Waste management	182	(567)	(385)
Parks, open space and streetscapes	3,624	(581)	3,043
Aerodromes	9,594	-	9,594
Offstreet car parks	8,496	(3,302)	5,194
Footpaths	22,638	830	23,468
Kerb and channel	16,465	(5,910)	10,555
	329,936	59,293	389,229
Water rights			
Water rights	4,999	2,822	7,821
	4,999	2,822	7,821
Total asset revaluation reserves	424,691	66,149	490,840

**Notes to the Financial Report
For the Year Ended 30 June 2019**

9.1 Reserves (cont'd)

(a) Asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Consolidated 2018			
Property			
Land	15,878	-	15,878
Buildings	59,283	-	59,283
	75,161	-	75,161
Plant and equipment			
Artwork	14,595	-	14,595
	14,595	-	14,595
Infrastructure			
Roads	160,891	11,106	171,997
Drainage	53,874	1,720	55,594
Recreational, leisure and community facilities	41,346	-	41,346
Waste management	122	60	182
Parks, open space and streetscapes	3,624	-	3,624
Aerodromes	9,594	-	9,594
Offstreet car parks	8,496	-	8,496
Other infrastructure	38,853	250	39,103
	316,800	13,136	329,936
Water rights			
Water rights	3,040	1,959	4,999
	3,040	1,959	4,999
Total asset revaluation reserves	409,596	15,095	424,691

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

9.1 Reserves (cont'd)

(a) Asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Council			
2019			
Property			
Land	15,878	4,822	20,700
Buildings	59,146	(788)	58,358
	75,024	4,034	79,058
Plant and equipment			
Artwork	14,595	-	14,595
	14,595	-	14,595
Infrastructure			
Roads	171,997	68,658	240,655
Drainage	52,309	480	52,789
Drainage basins	3,285	402	3,687
Recreational, leisure and community facilities	41,346	(717)	40,629
Waste management	182	(567)	(385)
Parks, open space and streetscapes	3,624	(581)	3,043
Aerodromes	9,594	-	9,594
Offstreet car parks	8,496	(3,302)	5,194
Footpaths	22,638	830	23,468
Kerb and channel	16,465	(5,910)	10,555
	329,936	59,293	389,229
Water rights			
Water rights	4,999	2,786	7,785
	4,999	2,786	7,785
Total asset revaluation reserves	424,554	66,113	490,667

**Notes to the Financial Report
For the Year Ended 30 June 2019**

9.1 Reserves (cont'd)

(a) Asset revaluation reserves

Council 2018	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
Land	15,878	-	15,878
Buildings	59,146	-	59,146
	75,024	-	75,024
Plant and equipment			
Artwork	14,595	-	14,595
	14,595	-	14,595
Infrastructure			
Roads	160,891	11,106	171,997
Drainage	53,874	1,720	55,594
Recreational, leisure and community facilities	41,346	-	41,346
Waste management	122	60	182
Parks, open space and streetscapes	3,624	-	3,624
Aerodromes	9,594	-	9,594
Offstreet car parks	8,496	-	8,496
Other infrastructure	38,853	250	39,103
	316,800	13,136	329,936
Water rights			
Water rights	3,040	1,959	4,999
	3,040	1,959	4,999
Total asset revaluation reserves	409,459	15,095	424,554

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

9.1 Reserves (cont'd)

(b) Other reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
Consolidated				
2019				
Non discretionary reserves				
Apex Park reserve	318	94	-	412
Drainage	186	-	-	186
Developer contribution reserve	1,424	804	(184)	2,044
Library book bequest reserve	16	-	(1)	15
DGR donations reserve - MAC Theatre	41	200	(184)	57
Merbein Caravan Park reserve	3	35	-	38
Lake Cullulleraine Caravan Park reserve	-	10	-	10
Total	1,988	1,143	(369)	2,762
Discretionary reserves				
Artwork acquisition reserve	151	45	(140)	56
Landfill redevelopment	6,250	10,351	(7,806)	8,795
Landfill rehabilitation reserve	348	165	(21)	492
Primary Care Partnership reserve	316	480	(463)	333
Small towns redevelopment reserve	460	-	(33)	427
Street light pole	8	-	-	8
VGC advance grants reserve	7,595	7,812	(7,595)	7,812
Land acquisition reserve	417	500	(110)	807
Water transfer proceeds reserve	61	-	(17)	44
Defined benefits reserve	500	500	-	1,000
Capital renewal reserve	7,876	-	(862)	7,014
Capital funding reserve	-	9,094	-	9,094
Total	23,982	28,947	(17,047)	35,882
Total other reserves	25,970	30,090	(17,416)	38,644

**Notes to the Financial Report
For the Year Ended 30 June 2019**

9.1 Reserves (cont'd)

(b) Other reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
Consolidated 2018	\$'000	\$'000	\$'000	\$'000
Non discretionary reserves				
Apex Park reserve	277	92	(51)	318
Drainage	186	-	-	186
Developer contribution reserve	2,153	803	(1,532)	1,424
Library book bequest reserve	66	-	(50)	16
DGR donations reserve - MAC Theatre	138	3	(100)	41
Merbein Caravan Park reserve	18	34	(49)	3
Lake Cullulleraine Caravan Park reserve	-	9	(9)	-
Total	2,838	941	(1,791)	1,988
Discretionary reserves				
Artwork acquisition reserve	46	107	(2)	151
Landfill redevelopment	4,330	9,323	(7,403)	6,250
Landfill rehabilitation reserve	591	165	(408)	348
Primary Care Partnership reserve	310	452	(446)	316
Small towns redevelopment reserve	523	65	(128)	460
Street light pole	8	-	-	8
VGC advance grants reserve	7,083	7,595	(7,083)	7,595
Land acquisition reserve	1,213	500	(1,296)	417
Water transfer proceeds reserve	61	-	-	61
Defined benefits reserve	-	500	-	500
Capital renewal reserve	-	7,876	-	7,876
Total	14,165	26,583	(16,766)	23,982
Total other reserves	17,003	27,524	(18,557)	25,970

**Notes to the Financial Report
For the Year Ended 30 June 2019**

9.1 Reserves (cont'd)

(b) Other reserves

Council	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2019				
Non discretionary reserves				
Apex Park reserve	318	94	-	412
Drainage	186	-	-	186
Developer contribution reserve	1,424	804	(184)	2,044
Library book bequest reserve	24	-	(1)	23
DGR donations reserve - MAC Theatre	41	200	(184)	57
Merbein Caravan Park reserve	3	35	-	38
Lake Cullulleraine Caravan Park reserve	-	10	-	10
Total	1,996	1,143	(369)	2,770
Discretionary reserves				
Artwork acquisition reserve	151	45	(140)	56
Landfill redevelopment	6,250	10,351	(7,806)	8,795
Landfill rehabilitation reserve	348	165	(21)	492
Primary Care Partnership reserve	316	480	(463)	333
Small towns redevelopment reserve	460	-	(33)	427
Street light pole	8	-	-	8
VGC advance grants reserve	7,595	7,812	(7,595)	7,812
Land acquisition reserve	417	500	(110)	807
Water transfer proceeds reserve	61	-	(17)	44
Defined benefits reserve	500	500	-	1,000
Capital renewal reserve	7,876	-	(862)	7,014
Capital funding reserve	-	9,094	-	9,094
Total	23,982	28,947	(17,047)	35,882
Total other reserves	25,978	30,090	(17,416)	38,652

**Notes to the Financial Report
For the Year Ended 30 June 2019**

9.1 Reserves (cont'd)

(b) Other reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
Council	\$'000	\$'000	\$'000	\$'000
2018				
Non discretionary reserves				
Apex Park reserve	277	92	(51)	318
Drainage	186	-	-	186
Developer contribution reserve	2,153	803	(1,532)	1,424
Library book bequest reserve	74	-	(50)	24
DGR donations reserve - MAC Theatre	138	3	(100)	41
Merbein Caravan Park reserve	18	34	(49)	3
Lake Cullulleraine Caravan Park reserve	-	9	(9)	-
Total	2,846	941	(1,791)	1,996
Discretionary reserves				
Artwork acquisition reserve	46	107	(2)	151
Landfill redevelopment	4,330	9,323	(7,403)	6,250
Landfill rehabilitation reserve	591	165	(408)	348
Primary Care Partnership reserve	310	452	(446)	316
Small towns redevelopment reserve	523	65	(128)	460
Street light pole	8	-	-	8
VGC advance grants reserve	7,083	7,595	(7,083)	7,595
Land acquisition reserve	1,213	500	(1,296)	417
Water transfer proceeds reserve	61	-	-	61
Defined benefits reserve	-	500	-	500
Capital renewal reserve	-	7,876	-	7,876
Total	14,165	26,583	(16,766)	23,982
Total other reserves	17,011	27,524	(18,557)	25,978

Notes to the Financial Report For the Year Ended 30 June 2019

9.1 Reserves (cont'd)

Name of reserve	Nature and purpose
Non discretionary reserves	
Apex Park reserve	Set up under a Committee of Management agreement, where surplus funds are to be set aside for improvements to the park lands.
Car parking reserve	Statutory contributions under development plans to be used for the advancement of car parking facilities within the municipality.
Developer contribution reserve	Statutory developer contributions to be used for infrastructure asset categories which do not have a dedicated reserve above.
DGR donations reserve - MAC Theatre	Reserve to hold deductible gifts for the Mildura Arts Centre theatre and is a requirement of being registered as a deductible gift recipient by the Australian Taxation Office.
Drainage reserve	Developer contributions and Environmental Protection Agency, to be used for drainage studies.
Nature strips and trees reserve	Statutory developer contributions to be spent on street beautification.
Resort/recreation/open space reserve	Statutory developer contributions to be used for parks development.
Library book bequest reserve	Established to hold Library Book Bequest from deceased estate.
Merbein Caravan Park reserve	Set up where surplus funds are to be set aside for improvements to the park lands.
Lake Cullulleraine Caravan Park reserve	Set up where surplus funds are to be set aside for improvements to the park lands.
Discretionary reserves	
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.

Notes to the Financial Report For the Year Ended 30 June 2019

9.1 Reserves (cont'd)

Name of reserve	Nature and purpose
Discretionary reserves	
VGC advance grants reserve	Reserve created to hold financial assistance grant funding received in advance.
Land acquisition reserve	The reserve was created to allow for the purchase of land identified for a strategic purpose.
Water transfer proceeds reserve	The reserve was established to hold proceeds from the sale of permanent and temporary water for future water purchases.
Defined benefits reserve	This reserve was established to hold funding generated from rates to be used in the advent of another defined benefits call.
Capital renewal reserve	Reserve was established to hold rates funded capital works projects identified from 2017-2018 financial year.
Capital funding reserve	This reserve was established to hold rates funded capital works investments untied to any specific capital works project.

(c) Financial assets revaluation

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation by an associate \$'000	Balance at end of reporting period \$'000
Council				
2019				
Interest in Mildura Airport Pty Ltd	33,650	713	36	34,399
Interest in Mildura Regional Development	396	355	-	751
	34,046	1,068	36	35,150
Total financial assets revaluation	34,046	1,068	36	35,150
2018				
Interest in Mildura Airport Pty Ltd	25,426	8,224	-	33,650
Interest in Mildura Regional Development	-	396	-	396
	25,426	8,620	-	34,046
Total financial assets revaluation	25,426	8,620	-	34,046

Notes to the Financial Report
For the Year Ended 30 June 2019

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)				
Surplus/(deficit) for the year	18,755	29,017	17,687	20,397
Depreciation/amortisation	19,452	19,754	18,027	18,642
(Profit)/loss on disposal of property, infrastructure, plant and equipment	1,393	1,932	1,393	1,932
Impairment (gains)/losses	-	(16)	-	-
(Gain)/loss on recognition of non current assets	(1,649)	(2,008)	(1,649)	(2,008)
Contributions - non-monetary assets	(2,853)	(3,813)	(2,853)	(3,813)
Interest expense	1,092	1,136	1,088	1,155
(Increase)/decrease in landfill provision discount amount	6,611	3,995	6,611	3,995
<i>Change in assets and liabilities:</i>				
(Increase)/decrease in trade and other receivables	(305)	1,515	(90)	1,746
(Increase)/decrease in prepayments	(1,265)	20	(1,273)	26
Increase/(decrease) in trust fund deposits	381	175	382	176
Increase/(decrease) in trade and other payables	698	(10,821)	2	(5,828)
(Increase)/decrease in inventories	81	11	83	7
Increase/(decrease) in provisions	743	231	699	233
Net cash provided by operating activities	43,134	41,128	40,107	36,660

Notes to the Financial Report For the Year Ended 30 June 2019

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. 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 2019, 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 2018, 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 106.0%. The financial assumptions used to calculate the VBIs were:
Net investment

Net investment returns 6.0% pa

Salary information 3.5% pa

Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 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 2019

Employer contributions

Regular contributions

On the basis of the results of the 2018 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 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of entrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

2018 triennial actuarial investigation surplus amounts

The Fund's triennial investigation as at 30 June 2018 identified the following in the defined benefit category of which Council is a contributing employer:

	2018	2017
A VBI surplus	131.9	69.8
A total service liability surplus	218.3	193.5
A discounted accrued benefits surplus	249.1	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to the investigation date.

Part 3: Performance Statement



Mildura Rural City Council

Performance Statement

For the year ended 30 June 2019



Mildura Rural City Council

Performance Statement

For the year ended 30 June 2019

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 55,515 ¹which is projected to grow to 65,500 by the year 2036².

¹ Source: Australian Bureau of Statistics Catalogue 3218.0 Population Estimates by Local Government Area (ERP at 30 June 2018)

² Source: Victoria in Future 2019: Population projections 2016 to 2056, July 2019 (DELWP)

Sustainable Capacity Indicators

For the year ended 30 June 2019

	Results				
Indicator/measure	2016	2017	2018	2019	Material Variations
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,854.62	\$1,969.85	\$1,971.98	\$1,938.74	Infrastructure will continue to increase due to population growth and expanding community needs.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$12,354.94	\$12,125.67	\$12,404.80	\$13,438.60	
Population density per length of road [Municipal population / Kilometres of local roads]	10.31	10.45	10.82	10.76	
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,449.51	\$1,556.39	\$1,550.91	\$1,583.28	

Recurrent grants				
<i>Recurrent grants per head of municipal population</i>	\$334.17	\$559.42	\$450.36	\$419.90
[Recurrent grants / Municipal population]				
Disadvantage				
<i>Relative socio-economic disadvantage</i>	1.00	1.00	1.00	1.00
[Index of Relative Socio-economic Disadvantage by decile]				

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2019

Service/indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
Aquatic facilities					A significant difference in visits has been recorded this financial year compared to previous years. This is a result of differing data collection methods by the new facility operator. Additionally there were two separate instances where the indoor aquatic facility at Mildura Waves were closed due to maintenance. The closure was approximately 6 weeks in total.
Utilisation					
Utilisation of aquatic facilities	9.60	8.72	8.71	3.72	
[Number of visits to aquatic facilities / Municipal population]					
Animal management					
Health and safety					
Animal management prosecutions	0	1	0	0	
[Number of successful animal management prosecutions]					
Food safety					
Health and safety					
Critical and major non-compliance notifications	91.53%	87.50%	89.00%	92.86%	
[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					

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Governance					
Satisfaction					
<i>Satisfaction with council decisions</i>	51	56	54	53	
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					
Home and community care					
Participation					
<i>Participation in HACC service</i>	22.23%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of people that received a HACC service / Municipal target population for HACC services] x100					
Participation					
<i>Participation in HACC service by CALD people</i>	33.16%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100					

Libraries					
Participation					
<i>Active library members</i>	18.02%	12.93%	12.28%	11.33%	Active library members have decreased by 290 and population figures have increased.
[Number of active library members / Municipal population] x100					
Maternal and child health					
Participation					
<i>Participation in the MCH service</i>	77.39%	77.61%	79.90%	81.17%	Mallee District Aboriginal Service also provides a Maternal and Child Health service with some Aboriginal clients choosing to attend this service. In 2018/19 there has been an increase in attendance at 8 months, 12 months and 3.5 Years Key Age and Stage checks.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Participation					
<i>Participation in the MCH service by Aboriginal children</i>	51.47%	55.53%	58.96%	67.53%	
[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					
Roads					
Satisfaction					
<i>Satisfaction with sealed local roads</i>	54	56	57	57	
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					

Statutory Planning						
Decision making						
<i>Council planning decisions upheld at VCAT</i>	66.67%	85.71%	75.00%	83.33%	The percentage of planning decisions upheld at VCAT remains relatively consistent. VCAT upheld 10 of 12 Council decisions in 2018-2019 compared to 3 of 4 Council decisions in 2017-2018.	
[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						
Waste Collection						
Waste diversion						
<i>Kerbside collection waste diverted from landfill</i>	32.99%	32.90%	32.25%	30.37%		
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100						
Definitions						
"Aboriginal child" means a child who is an Aboriginal person						
"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006						
"active library 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 <i>Food Act 1984</i> , 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 <i>Food Act 1984</i> , 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*.

Financial Performance Indicators

For the year ended 30 June 2019

Dimension/ indicator/ measure	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Efficiency									
Revenue level									
<i>Average residential rate per residential property assessment</i>	\$1376.88	\$1554.70	\$1,917.78	\$1,914.97	\$1,972.63	\$2,039.29	\$2,108.00	\$2,178.92	
[Residential rate revenue / Number of residential property assessments]									
Expenditure level									
<i>Expenses per property assessment</i>	\$3,195.90	\$3,706.31	\$3,744.79	\$3,667.96	\$3,816.83	\$3,846.37	\$3,971.47	\$4,108.40	
[Total expenses / Number of property assessments]									
Workforce turnover									
<i>Resignations and terminations compared to average staff</i>	11.35%	12.42%	14.59%	22.86%	12.48%	12.48%	12.48%	12.48%	1.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100									

Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i>	250.65%	267.42%	425.98%	507.85%	351.71%	338.67%	358.05%	360.00%	
[Current assets / Current liabilities] x100									
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	119.21%	113.16%	257.91%	392.97%	240.34%	241.67%	252.66%	254.42%	2.
[Unrestricted cash / Current liabilities] x100									

1. Resignations and terminations compared to average staff

Comment: Council outsourced aquatic services in 2018/19

2. Unrestricted cash compared to current liabilities

Comment: This result is influenced by forward payment of 50% of the financial assistance grant funding and the timing associated with financial completion of capital works projects, some of which are large scale and may span multiple financial years.

Obligations									
Asset renewal									
<i>Asset renewal compared to depreciation</i>	78.11%	80.69%	75.35%	73.92%	72.85%	90.00%	90.00%	90.00%	
[Asset renewal expenses / Asset depreciation] x100									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	31.41%	32.92%	30.86%	28.34%	25.91%	30.99%	25.40%	22.54%	3.
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	5.17%	7.11%	1.74%	2.62%	2.98%	3.49%	5.95%	3.44%	4.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									

3. Loans and borrowings compared to rates

Comment: Council is looking at borrowings to help fund initiatives from Mildura Future Ready.

4. Loans and borrowings repayments compared to rates

Comment: Council is looking at borrowings to help fund initiatives from Mildura Future Ready.

Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	48.17%	43.27%	47.10%	51.98%	44.93%	46.95%	44.66%	42.98%	5.
[Non-current liabilities / Own source revenue] x100									
Operating position									
<i>Adjusted underlying result</i>									
<i>Adjusted underlying surplus (or deficit)</i>	-3.26%	10.84%	11.44%	6.61%	1.27%	2.30%	0.29%	-0.08%	6.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100									

5. Non-current liabilities compared to own source revenue

Comment: This indicator includes borrowings as well as our landfill provision which is in line with our Rehabilitation and Aftercare Management Plan.

6. Adjusted underlying surplus (or deficit)

Comment: The underlying surplus is due to the forward payment of our financial assistance grant funding.

Stability										
Rates concentration										
<i>Rates compared to adjusted underlying revenue</i>	68.82%	53.35%	54.10%	60.42%	64.13%	63.35%	64.76%	64.99%	7.	
[Rate revenue / Adjusted underlying revenue] x100										
Rates effort										
<i>Rates compared to property values</i>	0.85%	0.81%	0.82%	0.76%	0.74%	0.76%	0.78%	0.80%	8.	
[Rate revenue / Capital improved value of rateable properties in the municipality] x100										

7. Rates compared to adjusted underlying revenue

Comment: This indicator varies due to the timing of our financial assistance grant funding.

8. Rates compared to property values

Comment: Mildura Rural City Council will tend to have higher rates compared to property values due to inherent factors of our municipality such as population size, population density, population dispersion and remoteness from a major population centre.

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2019

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.

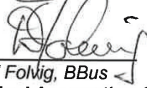
Where applicable the results in the Performance Statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g. Australian Bureau of Statistics).

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 26 June 2019 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.

Certification of the Performance Statement

In my opinion, the accompanying Performance Statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.


David Folvig, BBus
Principal Accounting Officer

Date: 26 September 2019
Mildura

In our opinion, the accompanying Performance Statement of the *Mildura Rural City Council* for the year ended 30 June 2019 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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


We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this Performance Statement in its final form.


Cr Simon Clemence
Councillor

Date: 26 September 2019
Mildura


Cr Jason Modica
Councillor

Date: 26 September 2019
Mildura


Sarah Philpott
Chief Executive Officer

Date: 26 September 2019
Mildura

Independent Auditor's Report

To the Councillors of Mildura Rural City Council

Opinion	<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"> • description of municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information for the year ended 30 June 2019 (basis of preparation) • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine 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>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>


Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
30 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria