



Mildura Rural City Council

Annual Report
2015-2016

Contents

Part 1: Report of Operations	1
Introduction	2
Welcome to the Report of Operations 2015-2016	2
Snapshot of Council	2
Highlights of the Year	4
Challenges and Future Outlook	8
The Year in Review	9
CEO's Message	9
Financial Summary	9
Description of Council's Operations	14
Our Council	18
City Profile	18
Council Offices	19
Councillors	20
Our People	23
Organisational Structure	23
Council Staff	27
Equal Employment Opportunity Program	29
Other Staff Matters	30
Our Performance	31
Governance, Management and Other Information	63
Governance	63
Management	70
Governance and Management Checklist	72
Statutory information	73
Part 2: Financial Statements	82
Part 3: Performance Statement	168

Part 1: Report of Operations

Introduction

Welcome to the Report of Operations 2015-2016

As a Council, we are committed to transparent reporting and accountability to our community and the Report of Operations 2015–2016 is the primary means of advising the Mildura Rural City Council community about our operations and performance during the financial year.

Snapshot of Council

Demographic profile*:

- Land area: 22,330 km²
- Major townships: Mildura, Irymple, Red Cliffs and Merbein
- Other rural townships: Ouyen, Meringur, Werrimull, Cullulleraine, Cardross, Nangiloc, Colignan, Murrayville, Cowangie, Underbool and Walpeup
- Estimated resident population: 53,015
- Estimated Mildura population: 31,298
- Estimated Indigenous population: 1,865
- The majority of the Mildura region's population were born in Australia (84.5 per cent), 1.8 per cent were born in the United Kingdom, 1.3 per cent in Italy and 0.9 per cent in New Zealand.
- 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 2015 update to Australian Bureau of Statistics data.

Purpose:

- Vision – To be the most liveable, people friendly community in Australia.
- Purpose - To promote the social, economic, environmental, and cultural wellbeing, now and for the future through effective governance and community engagement.
- Business Excellence Principles:
 1. Leadership - By providing clear direction through strategies and plans, Council will achieve agreed outcomes for our community.
 2. Customers - Council is here to provide services to the whole community and therefore our community should have a say in what we do and how we do it.

3. Systems Thinking - Council recognises that achieving excellent outcomes for our community is done through all parts of the organisation working together effectively and with other levels of government and the wider community.
4. People - By involving and developing people, Council enhances commitment, performance and working relationships to improve organisational outcomes.
5. Continuous Improvement - To remain relevant and capable of producing excellent results, our organisation needs to continually learn and adapt.
6. Information and Knowledge - Council will make the best quality decisions when effort is spent to collect and present all objective relevant data and information.
7. Variation - By addressing the underlying factors that cause our processes to deliver inconsistent or unpredictable outcomes (variation), Council's customers will receive the highest standard of service.
8. Corporate and Social Responsibility - By managing its operations in a sustainable manner, Council will deliver value for all stakeholders in an ethically, socially and environmentally responsible manner.
9. Sustainable Results - To deliver sustainable results, Council must have a culture that promotes accountability through all levels of the organisation.

Fast facts:

- 192 groups assisted by annual community grants
- 1,026 kilometres of local sealed roads maintained
- 4,120 kilometres of unsealed local roads maintained
- 20km drainage pipes cleaned and assessed for condition
- 28,411 rateable properties
- 1,049 applications received for 72 recruitment processes
- 68,656 hours of ageing and disability care support provided
- 509,189 attendees at aquatic facilities
- 312,234 library items borrowed
- 64,867 calls answered by the customer service call centre
- 640 planning applications received
- 1058 building permits issued totalling \$138,079,529
- 24,685 garbage bins collected each week
- 24,685 recycling bins collected each fortnight
- 20 sports reserves maintained
- 25 school crossings supervised
- 214,426 aeroplane passengers

Highlights of the Year

See section on Our Performance for more details.

Strategic Objective 1: Community

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

Achievements:

- Introduced the new 'Swift One Card' allowing our library members access to over 100 Victorian libraries and their resources in the Swift Consortium network
- Officially launched over \$500,000 worth of new sporting facilities and infrastructure, including amenities and netball Change rooms at Quandong Park in Red Cliffs, upgraded Soccer Change Rooms at Kenny Park in Merbein and upgraded lighting at the Old Aerodrome Sporting Complex in Mildura
- Adopted a Youth Charter to guide the involvement of local young people in local government and community decision-making
- Unveiled new Township Bushfire Mitigation Plans, developed as part of our Municipal Emergency Management Plan, at four community cinema nights and safety expos held over October-November in Underbool, Cullulleraine, Nangiloc and Mildura. The events helped to educate more people about the importance of local Emergency Services
- Officially opened Mildura's new Riverfront Water Play precinct on Sunday 4 October 2015
- Healthy Together Mildura distributed over 13,000 LiveLighter 'How to read food labels' wallet cards through local Fishers stores to help shoppers compare packaged foods and make healthier choices while shopping
- Engaged participation from over 630 locals in Healthy Together Mildura's 10,000 Steps Challenge
- Launched a new service for our 22,000 library members allowing them to sign up to receive SMS or email notifications when an item is about to fall due, reducing the risk of receiving overdue fines
- Signed a commitment statement for the life of the Loddon Mallee Regional Action Plan for the Prevention of Violence Against Women (2016-2019)
- With donations to Mildura's FReeZA Committee from the Triple j One Night Stand eighteen months ago, funded one of the biggest Push Start Battle of the Bands finals ever undertaken locally in December 2015
- Received accreditation for Ouyen Preschool as a Healthy Together health promotion service
- Declared a Mildura City Heart Special Rate Scheme effective for the period 1 January 2016 to 30 June 2019 to derive funds for marketing and business development of the Mildura City Heart area
- Hosted the National Gallery Victoria *Kids on Tour 2016* program at the Mildura Arts Centre during the summer school holidays
- Adopted the Municipal Early Years Plan 2015–2018

- Adopted the Gay, Lesbian, Bisexual, Transgender, Intersex and Queer Inclusion Plan 2016
- Reopened to the public in early March 2016, the Merbein boat ramp, upgraded with the assistance of an \$86,270 grant from the Victorian Department of Transport to allow three boats to use the ramp at the same time
- Received accreditation from White Ribbon Australia and became a White Ribbon workplace
- Adopted the Mildura Rural City Council Youth Engagement Strategy 2015–2018
- Adopted the Millewa Community Plan 2016–2020
- Launched the ‘Books on the Fly’ book swap, a new initiative between our Library Service and Mildura Airport, on Monday 23 May 2016 as part of Australian Library and Information Week
- Adopted the Red Cliffs Community Plan 2016-2021

Strategic Objective 2: Environment

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

Achievements:

- Ran a tree planting day at the Mildura South Wetlands on Sunday 26 July 2015 as part of National Tree Day celebrations
- In a coup for local fantasy fiction lovers, Mildura Library hosted a visit from multi-award winning author Isobelle Carmody on 20 August 2015
- Welcomed the announcement of \$10 million federal government funding from the National Stronger Regions Fund for the main 09/27 Mildura Airport Runway Renewal Project
- Mildura Airport Pty Ltd installed solar panels at the Mildura Airport terminal and administration building, reducing the airport’s carbon footprint
- Mildura Airport Pty Ltd negotiated a new Qantas service to Melbourne, in the early afternoon each Thursday and Friday
- Adopted the Stormwater Drainage Asset Management Plan 2015
- Assisted the Mallee Landcare Group and Mallee Catchment Management Authority with promoting the launch of Rabbit Scan; a mapping program which allows landholders to record the location of active rabbit warrens using their mobile phones to help in the control of this pest animal
- Assisted with the Greater Sunraysia Pest Free Area Committee Queensland Fruit Fly mass trapping exercise, utilising our Benetook Depot as the primary distribution hub for the Fruit Fly trap roll out program and our Customer Service and Marketing and Communications units assisted with the community awareness and engagement plan
- In partnership with Cleanaway, launched a major education and awareness program to remind residents how to use their kerbside recycling bins correctly
- Constructed a new \$541,991 roundabout, funded through the Federal Government’s Black Spot Programme, at the intersection of Fourteenth Street and Karadoc Avenue

- Offered ‘Detox your Home’, a free household chemical collection service run by the Mildura Landfill, to community members on 31 October.
- Adopted the Environmental Education Plan 2015-2019
- Adopted the Vegetation Management Plan 2015-2019
- Adopted a new Land Manager’s Consent Policy
- Adopted the Road Network Asset Management Plan 2015
- Rebuilt and resurfaced 600 metres of Fifteenth Street (between Deakin Avenue and Walnut Ave) one of Mildura’s busiest roads, at a cost of around \$850,000
- Adopted a new Mildura Riverfront Signage Policy
- Approved a Capital Works Project proposal to redevelop the Deakin Avenue streetscape, commencing with the section between Ninth and Tenth streets, at an estimated cost of \$493,750
- Welcomed a commitment from the Federal Government in April 2016 of an infrastructure package of \$220 million to upgrade and standardise the Murray Basin rail network
- Received Council approval to introduce a kerbside rubbish and recycling collection service to the Nangiloc/Colignan and Iraak areas
- Supported a community tree planting morning at the Mildura Eco Village on 5 June 2016 in recognition of World Environment Day
- Total road length reconstructed: 14.3km
- Total unsealed road length resheeted: 77km
- Total length road resealed and resurfaced: 73.1km

Strategic Objective 3: Economy

We will create growth and prosperity.

Achievements:

- Adopted the Mildura Tourism Strategic Plan 2015-2017
- Mildura Development Corporation successfully nominated the Mildura Chocolate Company to be one of the “faces of small business” in the advertising campaign for the Regional Small Business Festival held in August 2015
- Mildura Development Corporation facilitated a meeting with key stakeholders to identify and implement a small scale pilot project for newer refugee and migrant arrivals in the Sunraysia region to farm and/or grow their own food
- With assistance from Mildura Development Corporation to promote investment, partnership and trade, hosted a number of visiting dignitaries such as the Victorian Consulate Corp, the Dali, China Delegation and the Australia-China Exporting Council
- Mildura Development Corporation, with Council’s input, developed a submission on renewable energy to provide input into the Victorian Government’s Energy Roadmap
- Supported a proposal to transition the independent economic development and tourism functions to a new integrated Australian-best practice model
- Adopted a new Events Funding and Support Policy

- Together with Mildura company Goodfarmers Pty Ltd, Mildura Development Corporation hosted visits from two South Korean delegations resulting in a commitment from Korea to investing in a \$1 million Mildura property to create a pilot farm
- For the year ended March 2016, attracted 383,000 overnight domestic visitors and 22,000 international visitors to the Mildura region, with domestic visitors spending around \$177 million in the region
- Mildura Tourism attracted and supported a list of travel and lifestyle programs and publications, such as 'Post Cards', 'Sunrise' and the 'Herald Sun', generating significant media exposure for the region
- In July 2015, Mildura Tourism produced and released Mildura's Official Visitor Guide with refreshed imagery plus eight pages of updated maps to best reflect the region's diverse tourism products
- In line with findings from Consumer Perceptions Research, Mildura Tourism developed and launched a new website to better present the Mildura region's extensive tourism prospects
- Mildura Visitor Information and Booking Centre received a TripAdvisor Certificate of Excellence in June 2016

Strategic Objective 4: Council

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

Achievements:

- Received a gold award at the Australian Organisational Excellence Awards 2015 in recognition of our dedication and commitment to improving sustainability, productivity and processes and systems
- Implemented a Mildura City Heart Special Rate Scheme to derive funds to market and promote business contained within the Mildura City Heart area
- Adopted a new Councillor Forum Policy
- Adopted a Councillor Code of Conduct Policy, updated to ensure compliance with changes to the *Local Government Act 1989*
- Adopted a new Election Period (Caretaker) Policy
- Adopted a new Councillor and Staff Interaction Policy
- In June 2016, hosted the first of a series of public information session for residents considering standing for council in the upcoming elections
- Celebrated the Community Satisfaction Survey 2016 results, which showed we scored above the state average in terms of Customer Service and Community Consultation
- Adopted a memorandum of understanding for the period 1 January 2016 and 30 June 2019 between Mildura Rural City Council and Mildura City Heart Inc to define roles and responsibilities associated with managing the special rate funds collected

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
- Slowing economy reflected in reduced new house starts, real estate sales and retail vacancies

Specific over the past twelve months:

- Freezing of indexation on Federal assistance grants
- Cost escalation outside our control

The Future

- Work within the Victorian Government Rate Capping Framework
- Implement the Healthy Ageing Strategy 2015 to 2018
- Implement the Arts, Cultural and Heritage Strategy 2015 to 2020
- Implement the Murray Riverfront Reserves Management Plan 2016 to 2020
- Develop a long term strategy for the management of waste.
- Develop and implement the Urban Tree Strategy 2015 to 2019
- Continue to roll out the Organisational Sustainability Reviews
- Asset renewal
- Increase community awareness of our services
- Reform of the *Local Government Act*
- Continued roll out of the Riverfront Redevelopment Project

The Year in Review

CEO's Message

On behalf of Mildura Rural City Council, it is my great pleasure to present our Annual Report for the year 2015–2016. Mildura Rural City Council has demonstrated continuous commitment in reviewing systems and processes to improve services and community outcomes.

Around the world there's a growing understanding that when communities invest in social infrastructure they're investing in their future. At the core of local government are *relationships, services and assets* - key elements for growing the social and collaborative processes that bond communities. For our amazing towns and stunning regional city to thrive, we need a future built on turning challenges into opportunities and delivering on potential.

I am very proud of the role of Mildura Rural City Council in forging effective relationships that deliver community outcomes. I believe we are growing a culture of respectful relationships, collaboration and placing the community at the centre of our decision making.

Highlights

The 2015-2016 financial year has been a great year with many significant achievements that we, as a community, should be very proud of. We've celebrated the Diamond Jubilee of Mildura Arts Centre and 60 years of bringing art and culture to the community. We've adopted our first ever Gay, Lesbian, Bisexual, Transgender, Intersex and Queer Inclusion Plan and have worked to make ours a more inclusive community. As an organisation, we received our White Ribbon Accreditation and we are taking active steps to prevent and respond to violence against women, whether it occurs in or beyond the workplace. We worked hard to implement the actions in our Reconciliation Action Plan forging stronger relationships with our Aboriginal and Torres Strait Islander communities through mutual respect, inclusiveness, equity and cultural awareness. And of course, we've opened up many great parts of the Riverfront Redevelopment, creating a wonderful environment for generations to come.

Organisational Performance

At the end of June 2016, Council's financial position remains strong with more than \$700 million of community assets under Council's stewardship. Importantly, we have continued our sustainability reviews of our operations with a view to ensuring everything we do is best practice and providing the best value for our community.

Operating expenditure for 2015-2016 was tightly controlled, being just 0.99 per cent below the Annual Budget adopted in June 2015, and Council's underlying operating income was 5.34 per cent below the Annual Budget. This was a direct result of forward payment of a portion of the 2015-2016 annual Victorian Grants Commission financial assistance grants allocation into the 2014-2015 financial year.

In 2015–2016, Council achieved a surplus of \$6.87 million. Council's Long Term Financial Strategy projects that surpluses will continue over the next 10 years, providing a level of funding that will contribute to the refurbishment and replacement of community assets.

Thankyou

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

Gerard José
Chief Executive Officer

Financial Summary

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

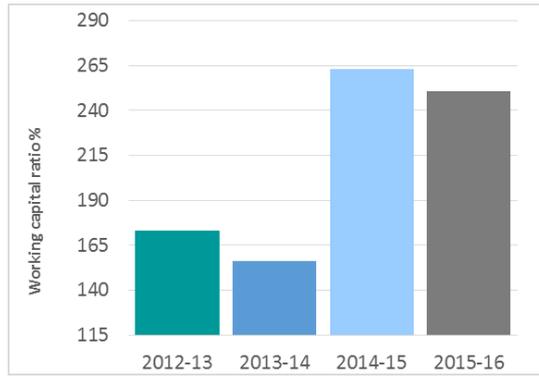
Operating Position

We achieved a surplus of \$6.87 million in 2015–2016. This surplus is lower than 2014-2015, which was \$21.08 million. As per the Comprehensive Income Statement in the Financial Statements, the variance is due mainly to the forward payment of 50 per cent of the Victorian Grants Commission funding into the 2014-2015 year from 2015-2016. In 2013-2014, we had the reverse with 50 per cent of the Victorian Grants Commission funding paid back into 2012-2013. Our adjusted underlying result, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a deficit of \$4.07 million or 4.60 per cent when compared to adjusted underlying revenue. Without the forward payment of the \$6.61 million Victorian Grants Commission, we would have achieved a surplus of \$2.54 million. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$697.70 million of community assets under our control, as well as allowing us to meet our interest bearing loans and borrowings obligations.



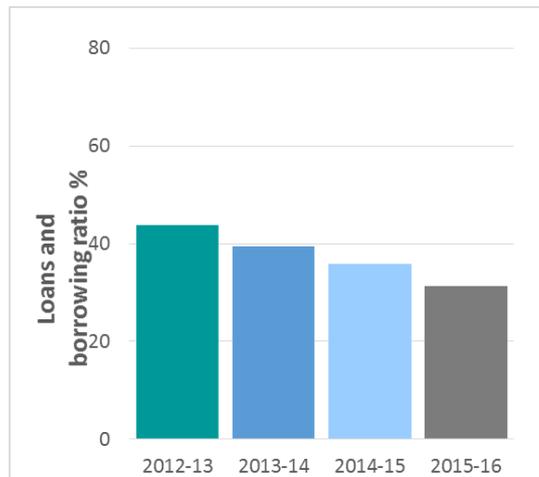
Liquidity

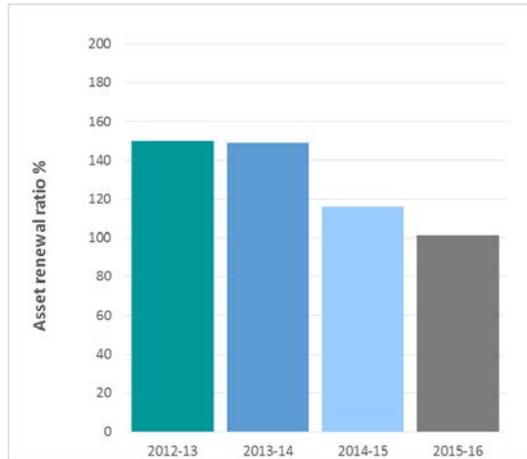
Cash and financial assets have increased by \$3.25 million from the prior year and this is in partly due to a long-term financial asset being classified as a current asset this financial year. Offsetting this increase is the increase in trade and other payables, which includes invoices for completion of capital works. 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 250.65 per cent is an indicator of a satisfactory financial position and is above the expected target band of 120 per cent to 200 per cent.



Obligations

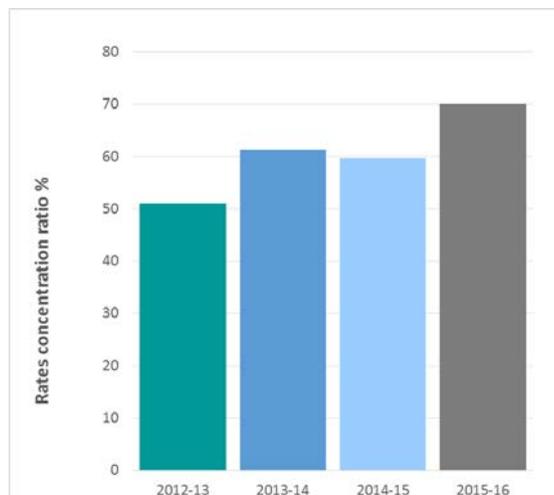
We aim to ensure we are able to maintain our infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. We invested \$26.95 million in capital works during the 2015-2016 year. At the end of the 2015-2016 year, our debt ratio, which is measured by comparing interest bearing loans and borrowings to rate revenue, was 31.28 percent, which was within the expected target band of 20 per cent to 60 per cent. Our asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 102 per cent, which is within the expected target band of 90 per cent to 110 per cent.

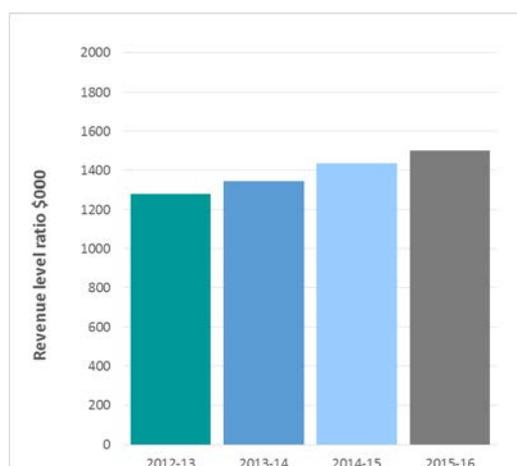




Stability and Efficiency

We raise a wide range of revenue including rates, user fees, fines, grants and contributions. Despite this, our rates concentration, which compares rate revenue to adjusted underlying revenue, was 70.02 per cent for the 2015-2016 year, which is within the expected target band of 40 per cent to 80 per cent. This figure is influenced by the forward payment of the Victorian Grants Commission funding of \$6.61 million into 2014-2015. Without the forward payment, the rates concentration ratio would have been 65.16 per cent. We had our lowest rate rise in over ten years and this has been achieved through sustainability reviews and other initiatives to ensure services are being delivered as efficiently as possible.





Description of Council's Operations

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

To achieve key result areas relating to Strategic Objective 3: Economy in the Council Plan 2013 to 2017, we established memorandums of understanding (MoUs) with funded local entities including the Mildura Development Corporation, Mildura Tourism and Mildura City Heart. As sole shareholder, we also established an Airport Operations and Management Deed with Mildura Airport Pty Ltd to ensure the air transport needs of the Mildura community and broader region are efficiently serviced into the future.

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

Our vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan 2013 to 2017 and the associated Budget 2015–2016, 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 (i.e. on a per capita basis)
- an identified local road component which is distributed between the states and territories according to fixed historical shares.

These grants play a significant role in relieving pressure on raising revenue through rates. The ongoing impacts of the decision to freeze indexation for three years will significantly reduce our revenue from this source into the future. Freezing is through to 2016-2017 and when resumed will be at 2013-2014 levels.

Major Capital Works

During 2015–2016, major capital works included the following:

Riverfront Redevelopment Project

Key achievements for the Riverfront Redevelopment Project (Stage 1) in 2015-16 are outlined below:

- Practical completion of the Mildura Riverfront (Stage 1) Ornamental Lakes and Water Play Redevelopment contract was awarded on 27 July 2015. The completion of this contract saw the redevelopment of the original ornamental lakes area into a public access Water Play park, renewed ornamental lake with island (where a piece of public art has since been installed) along with some works to improve access and visibility to the Mildura Skate Park.
- Following a successful trial period of the facility, the hours of operation were extended in line with daylight savings hours and the Water Play Park was officially opened on 4 October 2015. It has continued to receive positive community feedback and media coverage in the time that it has been open.
- Practical completion of the Construction of Promenade & Hugh King Drive contract was awarded on 23 December 2015. The completion of this contract resulted in a fully redeveloped promenade walkway (shared use pathway for bikes and pedestrians) from the east to the west ends of the Riverfront precinct, which includes fitness equipment, public activation points and a significantly improved lighting of the area which contributes to the overall feel and aesthetic of the precinct in the evenings.
- The contract for the redevelopment of the Langtree Connection was awarded in December 2015 and works to complete this package continue. This is a significant works package within the overall project as its completion will see the Mildura CBD directly connected to the Mildura Riverfront, allowing for pedestrians to cross Seventh Street and enter straight into the heart of the Riverfront precinct.
- The contract for the redevelopment of the Mildura Rowing Club building was awarded in February 2016. This redeveloped building will become an iconic destination site for the township of Mildura and will include a two story building with full amenity, a café on the ground floor and club rooms for the Mildura Rowing Club on the first floor occupy the original rowing club building site.
- A major piece of public art—two mosaic seats framing a hand sculpted stone centre piece—was installed at the wharf lawns. The artwork 'Memories' was completed by renowned Indigenous artist Badger Bates and was officially unveiled in April 2016.

Mildura Recreation Reserve underground electrical upgrades

This project was undertaken in an effort to upgrade aging infrastructure and also improve safety at the site.

The placement of electrical cables underground replaced the previous overhead power lines at the site. This improvement will assist in maintaining safety during events where tall structures are located across the site.

Upgrade of Fifteenth Street from Deakin Avenue to Walnut Avenue

The reconstruction of Fifteenth Street from Deakin Avenue to Walnut Avenue was our most significant urban street reconstruction during the 2015-2016 financial year. The works were undertaken due to the failing condition of the road and involved the replacement of the full 600 metre length including kerb and channel, full depth road pavement, asphalt wearing surface and some minor drainage. The approach to the roundabout at Deakin Avenue was also widened to allow an additional lane of traffic to enter the roundabout. Prior to undertaking the road works, the replacement of aging water assets was coordinated with Lower Murray Water. Construction commenced mid-January and the final asphalt wearing course and line marking was applied at the end of June.

Reconstruction and widening of Riverside Avenue from Fifteenth Street to Seventeenth streets

Another major construction project undertaken during the 2015-2016 financial year was the reconstruction and widening of Riverside Avenue between Fifteenth and Sixteenth streets, and the reconstruction of Riverside Avenue from Sixteenth Street to Seventeenth Street. Works involved pavement stabilisation and widening from an existing four metre seal width to a seven and a half metre seal width. There was also significant underground and swale drainage constructed to cater for road and property stormwater runoff.

In addition to these works, land developers between Fifteenth and Sixteenth Streets are constructing kerb and channel, concrete plynths, concrete vehicle crossings, additional road widening and swale drains as they develop their land.

Seventh Street drainage works

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

Etiwanda Spurline

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

Fourteenth Street drain

A new drain was constructed in Fourteenth Street from Cowra Avenue to Benetook Avenue.

Pipe cleaning, relining and replacement

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

Major Changes

In 2015–2016, we made the following major changes:

- In August 2015, the Events & Major Projects Team was created in the Community Department.
- In August 2015, the Environmental Health function was moved from the Community Department to the Development Department.
- Funding for the Healthy Together Program ceased on 30 June 2016.

Major Achievements

- **Completion of the Reconciliation Action Plan (RAP)** in June 2016.
- **White Ribbon Accreditation** for Mildura Rural City Council as a White Ribbon workplace.

Our Council

City Profile



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

The municipality has an estimated resident population of 53,015, which includes 1,865 Indigenous people. The city's overall population growth rate over the last decade exceeds one per cent per year on average. The structure of the region's economy and a significant transient population for employment purposes sees

Mildura serve a regional population of around 100,000 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 214,426 passenger movements each year to Melbourne, Sydney and Adelaide.

* Source: Figures based on 2015 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 2012, 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 2016. They were responsible for setting the strategic direction of the municipality, policy development, identifying service standards and monitoring performance across the organisation. To allow focus on strategic matters relating to specific areas of Council, councillors were allocated a portfolio aligned with the Council Plan 2013 to 2017.



Cr Glenn Milne – Mayor

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

Portfolio: Governance and Corporate Planning

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



Cr Sharyon Peart – Deputy Mayor

Terms: 2005–2008, 2011–2012, 2012-2016

Portfolio: Community Wellbeing and Services

Cr Sharyon Peart has a wealth of experience in community representative roles. In addition to serving her second full term of Council, she represents the community she is so passionate about in a wide range of roles including Chair of the Mallee Catchment Management Authority, member of La Trobe University's Advisory Board, Director of the Northern Mallee Learning Employment Network, Director of Lower Murray Water and member of the Victorian Agriculture Advisory Council. Testament to her energy, commitment and drive, she is also a small business owner and mother of two sons.



Cr John Arnold

Terms: 2003–2005, 2005–2008, 2008–2012, 2012-2016
Portfolio: Economic Development and Tourism

Cr John Arnold is currently serving his fourth term as a Councillor. The father of two has always lived in the region and attended the Mildura Technical School (now Chaffey Secondary College). A long time horticulturalist at Merbein, Cr Arnold also operated an aluminium manufacturing business for almost 20 years. Cr Arnold is a graduate of the Australian Institute of Company Directors.



Cr Greg Brown

Terms: 2003– 2005, 2012-2016
Portfolio: Infrastructure and Transport

Cr Greg Brown has served on two previous councils and is currently serving his second term as a councillor. Cr Brown went to school in Underbool and Ouyen and has operated a dryland farm at Underbool for 59 years. He has also managed his own small business for 51 years.



Cr Ali Cupper

Term: 2012-2016
Portfolio: Community Development and Safety

Cr Ali Cupper joined Council in 2012 for her first term in local government. A Mildura based lawyer and social worker, Cr Cupper lived in Mildura, Irymple and Sunnycliffs as a youngster.



Cr Mark Eckel

Terms: 2000–2003, 2005–2008, 2008–2012, 2012-2016
Portfolio: Recreation and Sport Portfolio

Cr Mark Eckel is currently serving his fourth consecutive term as a councillor. Councillor Eckel is also a White Ribbon Ambassador. With wife Denise, they share six children, 16 grandchildren and are great grandparents of two. The couple list Mildura's geographical location, lifestyle and multicultural community as highlights. In addition to working as a radio presenter with 1611AM Old Gold and Oz Country Music Radio (streaming), Cr Eckel is a keen sportsman.



Cr Judi Harris

Term: 2008–2012, 2012-2016

Portfolio: Environmental Sustainability

Cr Judi Harris is currently serving her second consecutive term on Council. Cr Harris has lived in the state's north-west for more than 50 years.



Cr Jill Joslyn

Term: 2012-2016

Portfolio: Arts and Culture

Cr Joslyn was first elected to Council in 2012 and held the Arts and Culture Portfolio. Cr Joslyn sits on the Mildura Arts Centre Advisory Committee, Arts Mildura Board as well as being a member of the Mildura Cemetery Trust. She is an observer for the Aboriginal Action Committee. Cr Joslyn was recently appointed to the Loddon Mallee Regional Advisory Committee of the Multicultural Commission of Victoria as well as being inducted into the Victorian Honour Roll of Women in 2011. Cr Joslyn also serves in a voluntary capacity on the boards of two local not-for-profit organisations and volunteers as a mentor for the L2P Program.



Cr Max Thorburn

Term: 2008–2012, 2012-2016

Our People

Organisational Structure

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day to day management of operations in accordance with the strategic directions of the Council Plan 2013 to 2017. Three general managers and the CEO form the Executive Leadership Team (ELT) and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.



Chief Executive Officer

Gerard José

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

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

Responsibilities:

- Executive support for Mayor and councillors, including approving Council reports and providing strategic advice to councillors
- Implementation of Council's policies and decisions
- Liaison with other levels of government and major stakeholders
- City development and investment attraction
- Leadership of the Strategic Management Team (ie Council's Executive Leadership Team and branch managers).

Senior Officers Reporting Directly to the Chief Executive Officer



Acting General Manager Corporate

Chris Parham

Chris Parham was appointed Acting General Manager Corporate in October 2015.

Chris has nearly six years' management experience in local government, having served in the role of Manager Information Systems prior to his appointment to the Acting 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 and has commenced studying law. In addition, Chris is a White Ribbon ambassador.

Areas of responsibility:

- Organisational development
- Human resources
- Financial services
- Information systems
- Corporate administration
- Risk and emergency management
- Internal audit.



General Manager Development

Mandy Whelan

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

Mandy has over twelve years' management experience in local government, having served in the role of Manager Aged and Disability Services for two years, Manager Organisational Development for a period of five years and General Manager Corporate for a period of six years prior to her appointment to the General Manager

Development position. Mandy has a BA Social Science, Graduate Diploma of Gerontology and a Masters of Business Administration.

Areas of responsibility:

- Engineering services
- Asset services

- Works and infrastructure services
- Development services
- Building services
- Parks services
- Waste management services.



General Manager Community

Martin Hawson

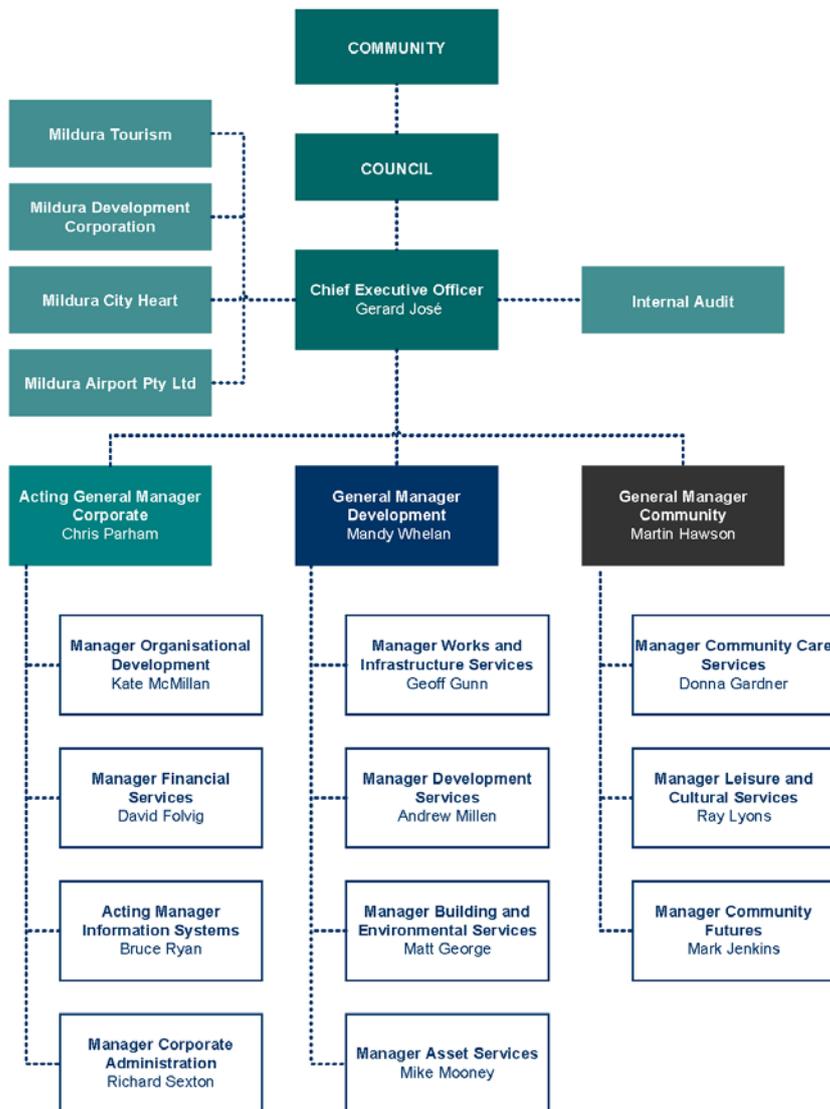
Martin Hawson has a broad and extensive background in community services leadership and management experience in local government.

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

Areas of responsibility:

- Leisure and cultural services
- Community care services
- Community futures
- Community planning
- Strategic planning
- Healthy Together Mildura
- Chair of the Northern Mallee Community Partnership.

The organisational structure of Council is shown below.



Note: The General Manager Development position was filled by Kirsten Alexander until her departure from the organisation on 28 October 2015. Following Kirsten's departure:

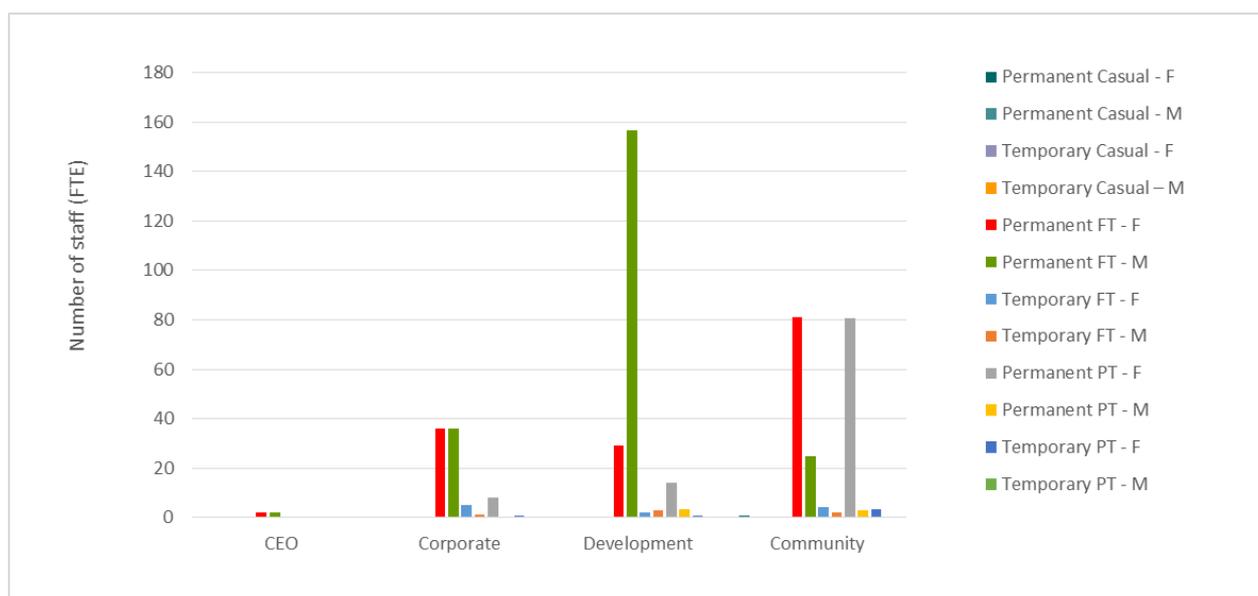
- Mandy Whelan, the then General Manager Corporate, acted as General Manager Development until 3 June 2016 when she was permanently appointed to the General Manager Development role
- Chris Parham, the then Manager Information Systems, was appointed Acting General Manager Corporate
- Paul Kealley, Information Systems Coordinator, followed by Bruce Ryan, Information Systems Project Coordinator, have acted in the Manager Information Systems role.

Council Staff

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

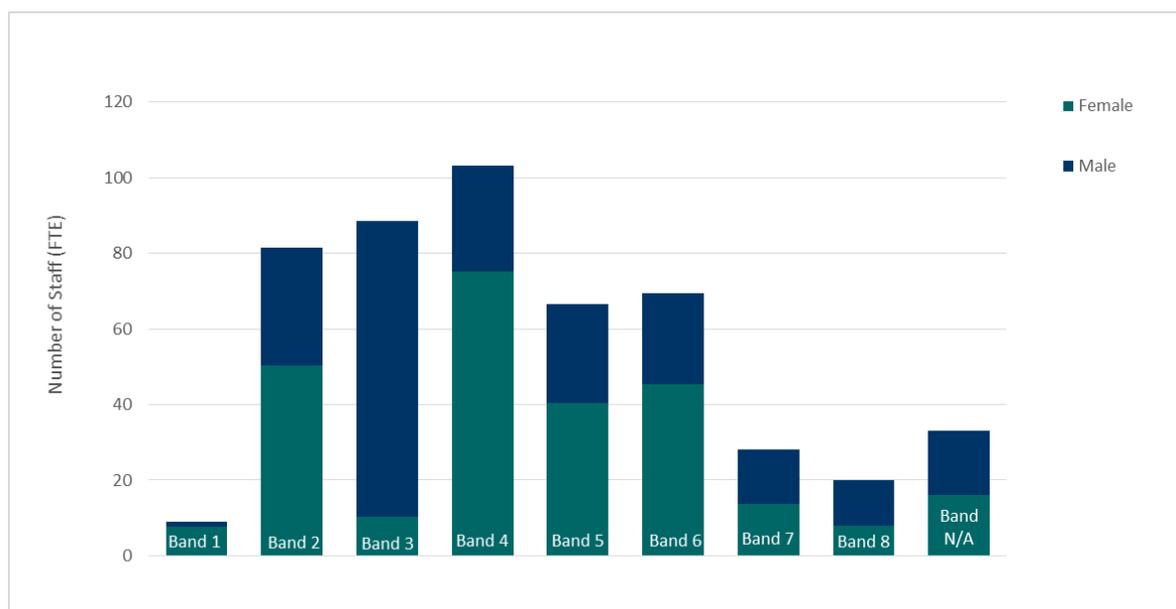
Employee type/gender	CEO FTE	Corporate FTE	Development FTE	Community FTE	Total FTE
Permanent Casual - F	0	0.04	.14	0.64	0.82
Permanent Casual - M	0	.01	0.06	0.1	0.16
Temporary Casual - F	0	0	0.02	.02	0.04
Temporary Casual - M	0	0	0.02	0	0.02
Permanent FT - F	2	36	29	81	148
Permanent FT - M	2	36	156.67	25	219.67
Temporary FT - F	0	5	2	4	11
Temporary FT - M	0	1	3	2	6
Permanent PT - F	0	8.18	14.09	80.65	102.92
Permanent PT - M	0	0	3.48	2.72	6.2
Temporary PT - F	0	.63	0.63	3.29	4.55
Temporary PT - M	0	0	0	0	0
Total	4	86.86	209.11	199.42	499.39

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	7.78	1.24	9.02
Band 2	50.39	31.07	81.46
Band 3	10.19	78.33	88.52
Band 4	75.22	27.87	103.09
Band 5	40.44	26	66.44
Band 6	45.48	24	69.48
Band 7	13.68	14.53	28.21
Band 8	8	12.02	20.02
Band not applicable	16.15	17	33.15
Total	267.33	232.06	499.39



Overview of Senior Positions by Gender

Level	Male	Female
Executive Leadership	3	1
Management	9	2
Coordinator and Team Leader	39	39

Equal Employment Opportunity Program

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

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

The indicators that measure the effectiveness of the program and the results for the year are:

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

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 Policy of the Month process
- finalising the development of a Family Violence Policy and supporting documentation for staff
- completion of refresher equal opportunity training sessions for all staff
- completion of "Take a Stand" prevention of family violence training for all staff as part of the White Ribbon Accreditation program.
- gaining accreditation as a White Ribbon workplace under the White Ribbon accreditation program.

Other Staff Matters

Enterprise Bargaining Agreement

During the 2015-2016 financial year, an Enterprise Bargaining Committee, comprising management representatives, nominated workplace union delegates and union industrial officers negotiated a new Enterprise Agreement for Council employees. A number of meetings have been held and progress made on the new agreement. The new Enterprise Bargaining Agreement was certified by the Fair Work Commission in April 2016.

Training/Professional development

We offer study assistance for staff undertaking relevant undergraduate or postgraduate studies. In the past year, 24 staff were successful in obtaining this form of support. We also provide a comprehensive corporate learning program that supports a broad range of staff development needs. This is developed in alignment with strategic priorities, as well as in response to needs identified through performance and development plans. A variety of learning methodologies are used, including e-learning, facilitated workshops and personal coaching.

Preventing Violence against Women

The Prevention of Violence against Women initiative aims to promote gender equity, build respectful and safe relationships, and break down stereotypes of women. In March 2016, we gained accreditation as a White Ribbon Workplace under the White Ribbon Accreditation Program.

Over the past twelve months, we have:

- created an internal White Ribbon Committee and worked on the workplace accreditation process
- conducted awareness raising activities as part of White Ribbon Day
- reviewed the induction program to incorporate material about the White Ribbon Program
- provided awareness training for all staff on the prevention of family violence
- reviewed policies to ensure they support the prevention of violence against women and people in this situation.

Health and Safety

Our aim is to maintain a safety culture that supports an incident and injury-free workplace for all employees, councillors, contractors, visitors and the public. Over the last 12 months, we have maintained a Health and Safety Management System. Branches have continued to review and document their Safe Work Procedures and Safe Work Method Statements to ensure employees are working in a safe environment.

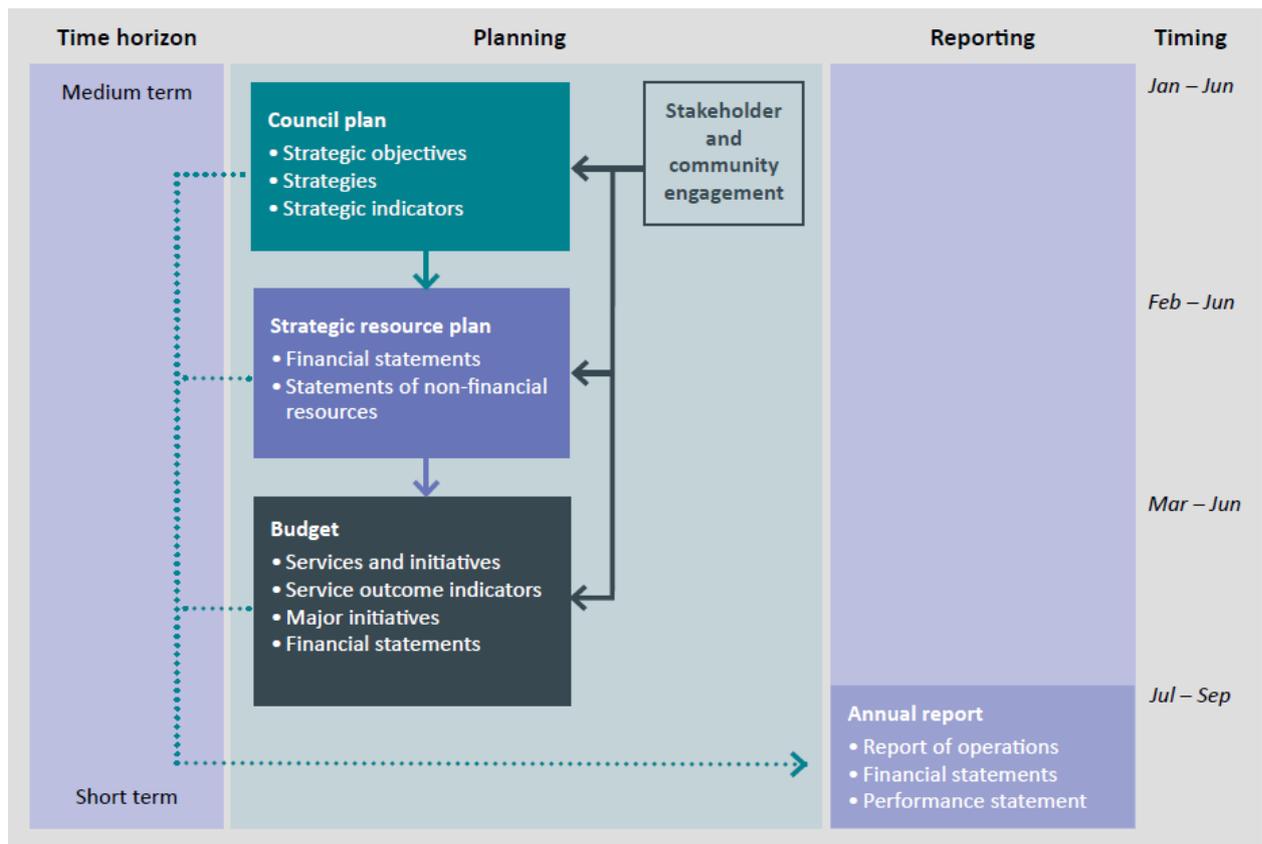
Our Performance

Planning and Accountability Framework

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

- a Council Plan within the six months after each general election or by 30 June, whichever is later
- a strategic resource plan for a period of at least four years and include this in the Council Plan
- a budget for each financial year
- an annual report in respect of each financial year.

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



Council Plan

The Council Plan 2013-2017 includes strategic objectives, strategies for achieving these for the four year period, strategic indicators for monitoring achievement of the strategic objectives and a Strategic Resource Plan. The following are the four strategic objectives as detailed in the Council Plan.

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

Performance

Our performance for the 2015-2016 year has been reported against each strategic objective to demonstrate how we are performing in achieving the 2013-2017 Council Plan.

Performance has been measured as follows:

- results achieved in relation to the strategic indicators in the Council Plan
- progress in relation to the major initiatives identified in the budget
- services funded in the budget and the persons or sections of the community who are provided those services
- results against the prescribed service performance indicators and measures.

Strategic Objective 1: Community

Strategic Indicators

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

KRA 1.1 Community Safety

Strategic Indicator/measure	Result
Community perception of personal safety	54%
Childhood accidents	155
Crimes against persons	2.02
Crimes against property	5.71
Road trauma	0.2
Reported public safety incidents	74
Number of animal attacks	80
Community satisfaction with emergency management	26%

KRA 1.2 Community Development

Strategic Indicator/measure	Result
Community satisfaction with support to people with a disability	21%
Community satisfaction with equitable access to facilities, services and activities	32%
Feeling part of the community	*
Social support	*
Volunteering	*
Community satisfaction with opportunities for people to be involved in shaping their community	26%
Education participation rates	66.2%
Year 12 or equivalent completion rates	15.3

* Data not currently available

KRA 1.3 Community Health and Wellbeing

Strategic Indicator/measure	Result
Self-reported health	48.1%
Subjective well-being	78.5%
Life expectancy – Males	77.5
Life expectancy – Females	82.8
Adequate physical exercise	66.6%
Fruit consumption	39.9%
Vegetable consumption	5.9%
Obesity	21.1%
Smoking status	16.2%
Risky alcohol consumption	14.3%
Psychological distress	12.7%
Prevalence of type 2 diabetes	5.3%
Birth weight	6.5%
Communicable diseases	235
Family violence	2568

KRA 1.4 Community Services

Strategic Indicator/measure	Result
Birth weight	6.5%
Maternal and child health visits	100%
Australian Early Development Index	51.9
Kindergarten participation rates	93.8%
Youth engagement	8.8%
Incomplete education	25.4%
Community satisfaction with services to youth	14%
Community satisfaction with home care services	27%
Community satisfaction with support to people with a disability	21%

KRA 1.5 Arts and Cultural Heritage

Strategic Indicator/measure	Result
Community satisfaction with support to arts and cultural groups	24%
Art gallery visits	25,370
Theatre attendance	51,360
Theatre occupancy	46%
Community satisfaction with arts and cultural facilities	34%
Community satisfaction with arts and cultural programs	28%
Community satisfaction with accessibility to arts and cultural programs	26%
Community satisfaction with recognition of local history and cultural heritage	23%
Community satisfaction with recognition of Indigenous culture in arts and cultural experiences	29%
Community satisfaction with libraries	61%
Library usage	18%

KRA 1.6 Recreation and Sport

Strategic Indicator/measure	Result
Level of participation in sport and recreation activities	74%
Community satisfaction with sporting services	29%
Community satisfaction with recreation facilities	32%
Community satisfaction with Council support to clubs	28%

Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2015-2016 Budget for the year.

Major Initiatives	Progress
The further deployment of WiFi services in public locations will enhance access to online services (Internet) for the local community and visitors (\$50,000).*	Tender evaluations have been completed and currently working with shortlisted suppliers on detailed designs.
Seek funding to commence the redevelopment at Mildura Recreation Reserve including the construction of netball change facilities, construction of two new netball courts with lighting and irrigation and resurfacing of ovals (\$1.60 million).*	Funding (\$723K) awarded from Commonwealth Government in 2015-16. Detailed design stage has commenced with project expected to be completed by February 2017.
Development of master plan for the Mildura South Sporting Precinct (\$65,000).	Master Plan developed and this will be incorporated into the Business Case which is due to be completed by March 2017.
Develop partnership with Red Cliffs Secondary College to deliver Case Management to reengage young people in education, training, or employment (\$150,000).	Memorandum of understanding completed for ongoing funding of three case managers for FLO Connect through budget of Red Cliffs Secondary College. Full funding received for 2015-2016 financial year.
Completion of the Mildura Riverfront Precinct Redevelopment (\$18.30 million).*	The scope of this project has been increased to include the crib wall. The final completion of this project will be early 2017.

Services

The following statement provides information in relation to the services funded in the 2015-2016 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.	1,940 <u>1,999</u> 59
Community Health	This service provides family oriented support services including universal and enhanced maternal and child health and immunisation.	737 <u>727</u> (10)
Early Years	Provides family day care, centre based child care and other Early Years planning and programs such as Best Start and supported Playgroups	437 <u>384</u> (53)
Youth Services	This service provides youth oriented services including education programs, personal development programs, and health and safety programs.	368 <u>535</u> 167
Healthy Together	This service combines a wide range of programs and services, which provide the opportunity for the community to participate in a variety of cultural, health, education, and leisure activities, which contribute to the general well-being of the community. This program aims to support people where they live, learn, work and play, to enable the healthy choice around the food they eat and the physical activity they do.	297 <u>109</u> (188)

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
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 and smoke free legislation, and wastewater disposal. The service also works to rectify any public health concerns relating to unreasonable noise emissions, air quality issues and smells etc.	343 <u>353</u> 10
Arts and Culture	This service provides arts and culture activities throughout the municipality. With the delivery of visual and performing arts programs and services at Mildura Arts Centre across Gallery and Heritage, Community Cultural Development, Marketing and Development (including Customer Service/Box Office Ticketing, Café and Theatre) and Technical Services. The presentation of an entrepreneur program in both the visual and performing arts through funding from Arts Victoria, as well as the venue hires of the theatre auditorium, foyer spaces for local, commercial organisation. This includes overseeing Mildura's most important heritage building Rio Vista Historic House, as well as Mildura Station Homestead and venue hires of woolshed and cottage.	1,163 <u>1,430</u> 267
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.	1,688 <u>1,822</u> 134
Recreation and Sport	This service includes management of recreation facilities (wet and dry) including aquatic facilities, facility redevelopment, and provision of grant funding for grass roots participation.	1,966 <u>1,998</u> 32

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
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.	1,844 <u>2,620</u> 736
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, Aboriginal Employment Program, Northern Mallee Community Partnership and Community Safety.	162 <u>217</u> 55
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 in Council by providing animal management services including a cat trapping program, a dog and cat collection service, a lost and found notification service, a pound service, a registration and administration service, an after-hours service and an emergency service. It also provides education, regulation and enforcement of the General Local Law and relevant state legislation.	161 <u>219</u> 58

Service Performance Indicators

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

Service / Indicator / measure	Results		Comments
	2015	2016	
Libraries			
Utilisation			
<i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	3.32	3.08	Fewer people visited the Library Service, so decrease use of collection. This is a common trend across other libraries.
Resource standard			
<i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	53.00%	49.41%	Library Materials Budget decreased by \$23,000 (10%) from previous year, therefore less items could be purchased to improve age of collections.
Service cost			
<i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$12.09	\$12.90	Our online borrowings increased from 4,601 in 2014-2015 to 7,615 in 2015-2016. Decreased visitation of 11,000 in 2015-2016 is consistent with trends of other library services across the state and this has been attributed to capacity to research and borrow online. Costs up by \$38,000 (1.5%) on the previous year is predominately due to salary increases.
Participation			
<i>Active library members</i> [Number of active library members / Municipal population] x100	19.00%	18.02%	Trends indicate that less people are borrowing Library materials due to use of the Internet and e-resources.

Maternal and Child Health (MCH)**Satisfaction**

<i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100	105.00%	106.35%	Results indicate all registered births receive a first home visit, additional visits maybe due to families moving to the area.
---	---------	---------	--

Service standard

<i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	100.00%	Result is consistent with previous year.
--	---------	---------	--

Service cost

<i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	-	\$64.11	This is the first year that the cost of Maternal and Child Health Service has been reported.
---	---	---------	--

Participation

<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	77.00%	77.39%	Result is consistent with previous year. A flexible model of care is offered to ATSI families. Mallee District Aboriginal Service also provides a Maternal and Child Health service with some Aboriginal clients choosing to attend this service.
<i>Participation in the MCH service by Aboriginal children</i> [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	44.00%	51.47%	

Service / Indicator / measure	Results		Comments
	2015	2016	
Food Safety			
Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	-	5.17	This measure refers to average days taken to respond however the response is prioritised according to the nature of the complaint.
Service standard <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <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	47.00%	40.58%	Due to Environmental Health Officer staff vacancies there was a reduction in assessments completed in 2015-2016.
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]	\$535.98	\$589.18	Increase in the cost of service is due to reliance on contract staff in lieu of the recruitment of permanent staff.
Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications]	74.00%	91.53%	There has been a decrease in food premises being issued with critical non-compliance and major non-compliance notifications over the past 12 months along with a focus by council on following up non-compliance notifications.

Service / Indicator / measure	Results		Comments
	2015	2016	
Home and Community Care			
Timeliness			
<i>Time taken to commence the HACC service</i> [Number of days between the referral of a new client and commencement of HACC service / Number of new clients who have received a HACC service]	-	69.81	This is the first year that the time taken to commence HACC service has been reported. A waitlist exists for low priority Domestic Assistance customers.
Service standard			
<i>Compliance with Community Care Common Standards</i> [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	61.11%	61.11%	We were audited against the Common Care Standards in May 2013. The result compliance with 11 of the 18 expected outcomes. The next Quality Review against the Community Care Common Services is due in 2017.
Service cost			
<i>Cost of domestic care service</i> [Cost of the domestic care service / Hours of domestic care service delivered]	-	\$49.54	This is the first year that the cost of domestic care service has been reported.
<i>Cost of personal care service</i> [Cost of the personal care service / Hours of personal care service delivered]	-	\$57.69	This is the first year that the cost of personal care service has been reported.
<i>Cost of respite care service</i> [Cost of the respite care service / Hours of respite care service delivered]	-	\$59.25	This is the first year that the cost of respite care service has been reported.
Participation			
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	31.00%	22.23%	Council introduced new software in January 2015 resulting in more accurate reporting against this measure in 2015/16.
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	33.00%	33.16%	We provide support to various multicultural Seniors Citizens Clubs promoting access to HACC services that can be tailored to meet the individual needs of CALD people.

Service / Indicator / measure	Results		Comments
	2015	2016	
Aquatic Facilities			
Satisfaction			
<i>User satisfaction with aquatic facilities</i> [User satisfaction with how council has performed on provision of aquatic facilities]	-	-	As there is currently no standard survey instrument for measuring user satisfaction that allows for accurate comparisons council has not reported this measure in 2014-2015 and 2015-2016.
Service standard			
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	5.75	4.78	We conduct regular inspections at aquatic facilities when they are open to the public. The higher inspection rate in 2014-2015 is related to the number of follow-up inspections required (this difference equated to three inspections).
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0	0	There were no reportable safety incidents in 2015-2016.
Service cost			
<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$1.01 ¹	\$2.32	A new aquatic facility became operational in 2015-2016 and a new indoor pool management contract was entered into resulting in increasing running costs.
<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$15.25 ²	\$17.74	Management of outdoor aquatic facilities was previously outsourced. Following a competitive tender process, management was brought back in house and despite an increase in costs, this was less than the proposed costs under a new outsourced management model.

Utilisation

<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	9.71	9.60	Results are similar to previous year
--	------	------	---

Note: The 2014-2015 result for the following measures was incorrectly reported in the Annual Report 2014-2015 and has been amended in the Annual Report 2015-2016 and on the Know Your Council website.

1. Cost of indoor aquatic facilities (previously reported as \$2.03)
2. Cost of outdoor aquatic facilities (previously reported as \$2.54)

Service / Indicator / measure	Results		Comments
	2015	2016	
Animal Management			
Timeliness			
<i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	-	1.00	Animal management requests prioritised. Internal service level is to action within one day
Service standard			
<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]	32.00%	26.76%	There is a relatively high number of unregistered animals within the municipality and strategies to address this issue will be implemented over the next 12 months.
Service cost			
<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$28.23	\$29.23	Service costs are similar to previous year. Increase is reflective of wage indexation and increases in costs of materials and services.
Health and safety			
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	There were no prosecutions in 2015-2016. It is our preference to work through situations and only progress to legal action as a last resort. We also have an extensive responsible pet ownership program delivered with the support of local registered pet businesses and volunteer organisations.

Strategic Objective 2: Environment

Strategic Indicators

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

KRA 2.1 Environmental Sustainability

Strategic Indicator/measure	Result
Community satisfaction with protection of natural bushland	20%
Community satisfaction with management of wetlands	19%
Energy usage (MRCC)	5,405MWh
Energy usage (community)	624,341MWh
Water usage (MRCC)	1,458mgl
Recycled water usage	191mgl
Total community water usage	13,671mgl
Alternative energy generation (community)	11,843Kw
Alternative energy generation (MRCC)	278.2Kw
Pest plant and pest animal numbers	*
Community involvement in environmental education programs	1920

* Data not currently available

KRA 2.2 Waste

Strategic Indicator/measure	Result
Community satisfaction with waste management	36%
Community satisfaction with garbage collection	57%
Community satisfaction with recycling	48%
Community satisfaction with tips/ public transfer stations	40%
Total waste generation	49,220 Tonnes
Quantity of kerbside recycling	5,557 Tonnes
Community satisfaction with litter control	19%
Waste deposited to landfill	30,162
Waste diverted from landfill	17,915
Organic waste deposited to landfill	*
Organic waste diverted from landfill	*

* Data not currently available

KRA 2.3 Parks

Strategic Indicator/measure	Result
Community satisfaction with appearance of parks, gardens and public places	35%
Community satisfaction with beautification of streetscapes	23%
Community satisfaction with tree planting	21%
Community satisfaction with tree maintenance	21%
Community satisfaction with the appearance of wetlands	17%
Community satisfaction with public open space (including parks, playgrounds and reserves)	37%

KRA 2.4 Infrastructure, Assets and Facilities

Strategic Indicator/measure	Result
Community satisfaction with local roads	18%
Community satisfaction with footpaths	18%
Community satisfaction with drainage	21%
Community satisfaction with maintenance of public buildings and facilities	22%

KRA 2.5 Strategic Land Use

Strategic Indicator/measure	Result
Community satisfaction with land use planning	13%
Percentage of strategic land use projects completed	90%
Community satisfaction with riverfront development and accessibility	30%
Community satisfaction with urban environments that are safe, sustainable and healthy	26%
Community satisfaction with protection of local character	15%

KRA 2.6 Transport

Strategic Indicator/measure	Result
Community satisfaction with rail services and infrastructure	7%
Community satisfaction with road transport services and infrastructure	16%
Community satisfaction with air transport services and infrastructure	48%
Community satisfaction with public transport	15%

Major Initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2015-2016 Budget for the year.

Major Initiatives	Progress
Reconstruction of Fifteenth Street between Walnut Avenue and Deakin Avenue (\$857,200) Roads to Recovery funding.*	Completed
Reconstruction of Irymple Avenue including Sixteenth Street Intersection (\$355,000) Roads to Recovery funding.*	Works at mid-construction stage, with all stabilisation activities completed, excavation and cartage of road base supplied and placed with work continuing on the surface drainage upgrades, compaction, shaping and preparation for seal and asphalt.

Services

The following statement provides information in relation to the services funded in the 2015-2016 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 and project management and supervision of various infrastructure works within our capital works program. The service also approves and supervises private development activities such as subdivisions and infrastructure associated with unit developments.	1,984 <u>1,949</u> (35)
Asset Management	This service prepares long term maintenance management programs for our infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These assets include road and drainage networks, municipal buildings, pavilions and other recreational equipment and outdoor spaces.	1,581 <u>1,532</u> (49)

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Works and Infrastructure Services	<p>This service inspects and maintains our main civil infrastructure assets in a sustainable and prioritised manner to a defined service level.</p> <p>These include roads, laneways, car parks, footpaths, shared/bike paths and our drainage network. The service also includes delivery of civil capital works projects, plus inspection and maintenance of VicRoads arterial roads located within the municipality.</p>	5,950 <u>6,281</u> 331
Statutory Planning	<p>This statutory planning service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors the Planning Scheme as well as preparing major policy documents shaping the future of the City. It also prepares and processes amendments to the Council Planning Scheme and carries out research on demographic, urban development, economic and social issues.</p>	601 <u>727</u> 126
Building Maintenance	<p>This service is responsible for the maintenance, management and strategic planning for our building, land and property leases and licenses.</p>	4,755 <u>5,349</u> 594
Parks Services	<p>This service is divided into several operational units including tree pruning, planting, removal, planning and street tree strategies. Provides for the management of conservation and parkland areas, and other areas of environmental significance.</p>	4,762 <u>4,715</u> (47)
Waste Management	<p>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.</p>	6,164 <u>7,167</u> 1,003
Building and Enforcement	<p>This service provides statutory building services to the community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.</p>	254 <u>266</u> 12

Service	Description	Net Cost Actual <u>Budget</u> Variance \$000
Environmental Sustainability	This service develops, coordinates and implements environmental policy, plans, strategies and initiatives and works with other services to improve our environmental performance. Reducing energy and water usage within our operations protecting and enhancing managed natural areas and roadsides and educating the community are key priority areas for Environmental Sustainability.	579 <u>673</u> 94
Strategic Planning	Strategic Planning monitors the Planning Scheme as well as consulting and preparing major policy documents shaping the future of the City. It also prepares and processes amendments to the Council Planning Scheme and carries out research on demographic, urban development, economic and social issues affecting Council.	669 <u>804</u> 135

Service Performance Indicators

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

Service / Indicator / measure	Results		Comments
	2015	2016	
Waste Collection			
Satisfaction			
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	107.62	106.88	The number of requests has remained consistent between years.
Service standard			
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.16	3.96	The number of missed bins has increased slightly in the 2015-2016 reporting period however this is not expected to be an ongoing trend.
Service cost			
<i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$66.29	\$65.41	The cost of kerbside garbage collection remains consistent between years.
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$47.18	\$52.15	The cost of providing the kerbside recycling service is directly linked to the contract formula and the increase reflects CPI increases and market value of commodities linked to processing costs (for example aluminium).
Waste diversion			
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	33.00%	32.99%	Diversion of waste from landfill is consistent between years and would be greatly improved if a kerbside organics service is introduced.

Service / Indicator / measure	Results		Comments
	2015	2016	
Statutory Planning			
Timeliness	61.00	69.00	The increase in time taken to process applications in the 2015-2016 year is largely due to an increase in application complexity.
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]			
Service standard			
<i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	68.00%	68.08	Result is consistent with 2014-2015.
Service cost			
<i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$1,588.05	\$1,849.41	The increase in costs of providing this service are influenced by wage indexation and increases in costs of external services.
Decision making			
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	82.00%	66.67%	In 2014-2015, VCAT upheld nine out of 11 Council decisions compared to four out of six in 2015-2016. This result has decreased. However, the raw data puts this result into perspective.

Service / Indicator / measure	Results		Comments
	2015	2016	
Roads			
Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	10.18	10.27	Requests for the sealed roadwork are on a par with the number received in the previous year.
Condition <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	85.00%	88.45%	The result for sealed roads below the intervention level has improved from the previous year and this can partly be attributed to additional Roads to Recovery funding.
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$33.16	\$26.84	There is only a slight increase in costs for road reconstruction. These costs are highly reflective of material costs in any given year.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$6.23	\$5.73	Bitumen price decrease experienced this financial year, causing a reduction in the rate for 2015-2016.
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	58.00	54.00	Although this result has declined by four points, our score of 54 is on a par with regional councils and the state average for satisfaction with sealed roads.

Strategic Objective 3: Economy

Strategic Indicators

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

KRA 3.1 Economic Development

Strategic Indicator/measure	Result
Community satisfaction with encouragement and growth of business/ industry	14%
Building activity	\$137M
Jobs created	95
Investment achievements for the region	\$138.1M
Export data by industry	*
Telecommunications uptake	*

* Data not currently available

KRA 3.2 Tourism and Events

Strategic Indicator/measure	Result
Yield of tourism	\$250M
Industry satisfaction with services provided by Mildura Tourism	87%
Community satisfaction with tourism services	25%
Customer satisfaction with visitor services	*
Industry satisfaction with visitor services	40.7%
Community satisfaction with festivals and major events	32%
Community satisfaction with small community events	25%

* Data not currently available

Major initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2015-2016 Budget for the year.

Major Initiatives	Progress
Provide financial support and advice to host 2015 FIM Speedway World Team Cup Final (\$50,000).	Staff assisted with the planning of the event and significant works completed on roads and pit space at the venue. Spectator seating also provided for the event.
Funds provided to Mildura Development Corporation and Mildura Tourism to achieve economic outcomes for the community (\$1.145 million).	Completed

Services

The following statements provide information in relation to the services funded in the 2015-2016 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$000
Economic Development	<p>The economic development service assists the organisation to:</p> <ul style="list-style-type: none"> Facilitate growth within MRCC by working with industry and business to grow/sustain existing business and develop new investment opportunities Encourage and form strategic alliances with key stakeholders in industry and Government to help build a vibrant and sustainable community Mutual commitment to work in partnership with Mildura Development Corporation to maximise economic development within the MRCC Region through specialised projects and initiatives. 	<p>1,710 <u>1,381</u> (329)</p>
Tourism and Events	<p>The Visitor Information Centre (VIC) and business conferencing and events services are responsible for assistance and facilitation of business and tourism enquiries, booking of accommodation, events and conferencing. Services are specialised and tailored to meet customer and client needs.</p>	<p>1,457 <u>1,568</u> 111</p>

Strategic Objective 4: Council

Strategic Indicators

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

KRA 4.1 Leadership and Representation

Strategic Indicator/measure	Result
Community satisfaction with overall performance of Council	55%
Community perception of Mildura Rural City as a place to live	54%
Percentage of Council Plan implemented	71%
Community satisfaction with advocacy	51%
Community satisfaction with the performance of the elected Council	8%

KRA 4.2 Communication and Engagement

Strategic Indicator/measure	Result
Community satisfaction with Council newsletters and publications	28%
Community satisfaction with Council's website	31%
Community satisfaction with information Council provides about its services	19%
Community satisfaction with overall communication from Council	17%
Community satisfaction with Council's engagement in decision making	10%
Community satisfaction with community consultation and engagement	55%
Community satisfaction with Council's responsiveness to community input and feedback	12%

KRA 4.3 Customer Service

Strategic Indicator/measure	Result
Community satisfaction with accessibility to whole of Council	16%
Community satisfaction with responsiveness to complaints	16%
Community satisfaction with responsiveness to requests	18%
Community satisfaction with general courtesy of Council staff	52%
Community satisfaction with general effectiveness of Council staff	35%
Community satisfaction with customer contact	71

KRA 4.4 Financial Sustainability

Strategic Indicator/measure	Result
Underlying operating result	19.07%
Asset renewal gap	1.15
Level of self-financing	47%
Level of debt	29%
Community satisfaction with value for money	12%

KRA 4.5 Organisational Management

Strategic Indicator/measure	Result
Community satisfaction with overall performance of Council	55
Organisational score against the Australian Business Excellence Framework	658.75
Liability Mutual Insurance Scheme Score	^
JLT risk ranking	^
Overall staff satisfaction	5.27
Percentage of staff who are likely to recommend Mildura Rural City Council as an employer	61%

^ Measure currently being reviewed

Major initiatives

The following statement reviews our progress in relation to major initiatives identified in the 2015-2016 Budget for the year.

Major Initiatives	Progress
Council is working towards becoming a White Ribbon accredited workplace (\$15,000).	Council became a White Ribbon Accredited Workplace in March 2016.

Services

The following statement provides information in relation to the services funded in the 2015-2016 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 which cannot be easily attributed to the direct service provision areas.	1,632 <u>1,716</u> 84
Organisational Development	This service provides strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resource, industrial relations and occupational health and safety services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units. Also includes the payment of salaries and wages to Council employees.	1,770 <u>1,886</u> 116
Marketing and Communications	This service works with all areas of the organisation to ensure the community is informed about and involved in decisions, services, projects and facilities. Key tasks include media liaison, online communications, website management, publication development, graphic design, advertising and marketing.	591 <u>651</u> 60
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 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.	1,093 <u>1,089</u> (4)

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 finances, raising and collection of rates and charges and valuation of properties throughout the municipality.	1,426 <u>1,599</u> 173
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 and software applications across all sites and field operations to all staff enabling the timely and efficient delivery of services to the community.	3,864 <u>3,947</u> 83
Risk and Emergency Management	This area provides insurance, business risk management and business continuity services. It also provides leadership in emergency management through planning for disaster emergencies and coordinating emergency services and support agencies in their planning and response to emergencies.	929 <u>1,019</u> 90
Governance	This service provides a range of governance and statutory services. Services include legislative compliance, maintenance of public registers and coordination of Council meetings, coordination of legal services, property and leasing matters.	933 <u>893</u> (40)
Procurement and Fleet	This service purchases and maintains our vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet. In addition it also provides procurement and contracting of services.	(3,576) <u>(2,710)</u> 866

Service Performance Indicators

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

Service / Indicator / measure	Results		Comments
	2015	2016	
Governance			
<p>Transparency</p> <p><i>Council resolutions at meetings closed to the public</i></p> <p>[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</p>	23.00%	25.25%	44% of such resolutions pertain to contractual matters. This percentage reflects relatively low levels of financial delegation to senior officers and with the recent establishment of a Financial Advisory Committee, it is anticipated that this percentage will be halved in future.
Consultation and engagement			
<p><i>Satisfaction with community consultation and engagement</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]</p>	57.00	55.00	Despite a two point drop in satisfaction from the previous year, our result for this measure is three points higher than the Regional Centres' average of 52 and one point higher than the state-wide average of 54.
Attendance			
<p><i>Council attendance at Council meetings</i></p> <p>[The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100</p>	91.5%	88.89%	Attendance levels remain at high levels despite a small decline stemming from individual health related issues.

<i>Service / Indicator / measure</i>	Results		Comments
	2015	2016	
Service cost			
<i>Cost of governance</i> [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$42,162. 09	\$39,413. 11	Cost of governance was higher in 2014-2015 due to travel expenses and councillor professional development undertaken.
Satisfaction			
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54.00	51.00	Mildura Rural City Councils result for this measure is on par with the Regional Centres average of 51 and three points lower than the state-wide average of 54.

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 our policies.

Meetings of Council

Council conducts open public meetings on the fourth Thursday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to Council, make a submission or speak to an item. For the 2015-2016 year, the following meetings were held:

- 12 ordinary Council meetings
- 6 special Council meetings.

The following table provides a summary of councillor attendance at Council meetings and Special Council meetings for the 2015–2016 financial year.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Glenn Milne (Mayor)	12	6	18
Cr Ali Cupper	11	5	16
Cr John Arnold	11	5	16
Cr Greg Brown	11	4	15
Cr Mark Eckel	10	6	16
Cr Judi Harris	11	6	17
Cr Jill Joslyn	11	6	17
Cr Sharyon Peart	11	4	15
Cr Max Thorburn	10	4	14

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 2015-2016 financial year.

Advisory and Key Strategic Committees

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

Committee	Purpose
Aboriginal Action Committee	The purpose of the Aboriginal Action Committee is to improve and enhance the wellbeing of the Aboriginal community in the Mildura Rural City municipality.
Alliance of Councils for Rail Freight Development	Made up of 24 rural and regional local government councils from central and western Victoria, and southern New South Wales, the Rail Freight Alliance aims to ensure appropriate rail infrastructure is in place to service our region.
Calder Highway Improvement Committee (CHIC)	To advocate for the maintenance and upgrade of this prime transport link for both Bendigo and Mildura, which is critical in terms of the ongoing economic and social development of our region.
Central Murray Regional Transport Forum	The Central Murray Regional Transport Forum is a local government-driven body representing the interests of its member councils and shires across all forms of transport (road, rail and air) with a view to developing an efficient, safe and well maintained transport network for the region.
CEO Employment Matters Committee	To assist Council in fulfilling its responsibilities relating to CEO employment matters.
Chaffey Trail Reference Group	To create greater awareness, usage and prestige associated with the Chaffey Trail experience in our region and beyond.
Disability Access Advisory Committee	To enable the community to advise on the priority accessibility needs of people with disabilities within the municipality.
Finance Advisory Committee	To assist Council in discharging its duties and responsibilities relating to the awarding of contracts and management of Council's investment and borrowing portfolio.
Local Government Digital Transformation Taskforce	To establish a strategic direction for the local government sector and oversee digital transformation activities in the short- to medium-term.
Loddon Mallee Waste and Resource Recovery Group	To support its five member councils to plan and manage for waste and recycling for all residents by educating the community about the "three Rs" (reduce, reuse and recycling) as well as how to lessen the impact of waste and litter on the environment.
Mildura Arts and Culture Board	To engage with the community on arts issues and actively participate in the promotion of arts related issues.

Committee	Purpose
Mildura Recreation Reserve Advisory Group	To advise Council of issues relating to the reserve including joint management policies, major planning and operational issues, development of priority improvement programs and major usage issues.
Murray-Darling Association	To provide a focus for local government and community participation in the major natural resource issues of the Murray-Darling Basin.
Murray River Group of Councils	To combine the strategies and efforts of each council for a more effective approach to achieving common goals and providing a stronger and more complete representation of regional issues for each council.
Northern Mallee Community Partnership	To establish the platform for a true community sector partnership incorporating health, education, local government, police, justice and welfare.
Northern Mallee Local Learning Employment Network	To broker strategic and sustainable community partnerships aimed at improving education and transition outcomes for young people.
Northwest Municipalities Association	To combine the strategies and efforts of each council in the north-west region for a more effective approach to achieving common goals and providing a stronger, more complete representation of regional issues for each council.
Old Aerodrome Sporting Complex Advisory Committee	To advise Council of issues relating to the reserve including joint management policies, major planning and operational issues, development of priority improvement programs and major usage issues.
Regional Cities Victoria	To combine the strategies and efforts of Victoria's 10 regional cities for a more effective approach to common goals and addressing shared issues.
Sunraysia Area Pest Free Committee	To oversee pest control efforts in Sunraysia on behalf of citrus, stone fruit and table grape growers.
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

Amendments to the *Local Government Act 1989* required councils to review and adopt a councillor Code of Conduct by 4 July 2016. On 14 April 2016, Council adopted the 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 conflict of interests. During 2015–2016, 25 conflicts of interest were declared at Council meetings and eight 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 2015 to 1 December 2015, the Councillor annual allowance for a category 2 Council (as defined by the *Local Government Act 1989*) was fixed at \$23,539 per annum and the allowance for the Mayor was \$72,834 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect as from 1 December 2015. The annual allowances were adjusted for the period 1 December 2015 to 30 June 2015 at \$24,128 per annum for the councillor allowance and \$74,655 per annum for the Mayoral allowance. An amount equivalent to the superannuation guarantee under Commonwealth taxation legislation (currently 9.5 per cent) is payable in addition to these allowances.

The following table contains a summary of the total allowances paid to each councillor during the year.

Councillors	Allowance \$
Cr Glenn Milne (Mayor)	80,765
Cr Ali Cupper	26,305
Cr John Arnold	26,305
Cr Greg Brown	26,305
Cr Mark Eckel	26,305
Cr Judi Harris	26,305
Cr Jill Joslyn	26,305
Cr Sharyon Peart	26,305
Cr Max Thorburn	26,305

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 2015-2016 year, are set out in the following table.

Councillors	TR \$	CM \$	M/C \$	IC \$	TCE \$	CC \$	Total \$
Cr Glenn Milne (Mayor)	17,744	0	2,600	3,085	3,830	0	27,259
Cr John Arnold	812	4,812	280	1,204	0	0	7,108
Cr Greg Brown	1,222	10,248	0	536	0	0	12,006
Cr Ali Cupper	0	0	21	536	0	0	557
Cr Mark Eckel	0	2,138	315	1,429	0	0	3,882
Cr Judi Harris	464	657	108	1,236	895	0	3,360
Cr Jill Joslyn	437	481	288	1,726	140	0	3,072
Cr Sharyon Peart	952	475	577	934	29	0	2,967
Cr Max Thorburn	0	0	0	1,297	0	0	1,297

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

Note: No expenses were paid by Council including reimbursements to members of Council committees during the year.

Management

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

Audit Committee

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

- Ms Karen Hensgen (Chairperson)
- Mr Frank Piscioneri (replaced Peter Nancarrow on 29 August 2015)
- Mr Paul Grigg (replaced Kellie Nulty, the former Chairperson, on 25 April 2016)

and two councillors:

- Mayor Cr Glenn Milne
- Deputy Mayor Cr Sharyon Peart.

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 April 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 2015–2016:

- Records Management Review
- Review of Procurement Policies and Contract Tendering for Engineering and Construction Contracts
- Review of Management of Financial Reserves
- Councillor Expenses
- Review of Financial Controls - Payroll
- Project Management Review and Prince 2 Implementation Review
- Follow Up Review.

External Audit

Victorian councils are externally audited by the Victorian Auditor-General. For the 2015–2016 year, the annual external audit of our Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative, Richmond Sinnott and Delahunty. The external auditors attend the March and September Audit Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

Risk Management

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

- risk management culture and branding
- communication and training
- best practice in risk management
- responsibilities of and to internal and external stakeholders
- risk registers and risk management software development
- the Council planning cycle, budget cycle and annual audit cycle
- a performance measurement system to determine the effectiveness of the framework.

Governance and Management Checklist

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 <input checked="" type="checkbox"/> Date of operation of current policy: 28 May 2015
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	No Guidelines <input checked="" type="checkbox"/> Reason for no guidelines: Draft guidelines have been developed.
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 <input checked="" type="checkbox"/> Date of adoption: 23 June 2016
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 <input checked="" type="checkbox"/> Date of adoption: 23 June 2016
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 <input checked="" type="checkbox"/> Date of operation of current plans: Stormwater Drainage 27 August 2015 Road Network 28 January 2016
6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy <input checked="" type="checkbox"/> Date of operation of current strategy: 13 May 2014
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy <input checked="" type="checkbox"/> Date of operation of current policy: 28 May 2015

Column 1 Governance and Management Items	Column 2 Assessment
8. Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy <input checked="" type="checkbox"/> Date of operation of current policy: 13 December 2012
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> <input checked="" type="checkbox"/> Date of preparation: 2 December 2013
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> <input checked="" type="checkbox"/> Date of approval: 28 April 2016
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 <input checked="" type="checkbox"/> Date of operation of current plan: 27 March 2012
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 <input checked="" type="checkbox"/> Date of operation of current plan: 8 July 2014
13. Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Framework <input checked="" type="checkbox"/> Date of operation of current framework: 13 September 2011
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 <input checked="" type="checkbox"/> Date of establishment: 7 November 1996

Column 1 Governance and Management Items	Column 2 Assessment
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 <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Annual Plan 2014-2015 Quarter Four Report 13 August 2015 Strategic Outcome Measures Report 2014-2015 12 November 2015 Annual Plan 2015-2016 Quarter One Report 12 November 2015 Annual Plan 2015-2016 Quarter Two Report 11 February 2016 Annual Plan 2015-2016 Quarter Three Report 12 May 2016
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to council in accordance with section 138(1) of the Act <input checked="" type="checkbox"/> Date statements presented: Quarterly Statement No 1: 27 August 2015 Quarterly Statement No 2: 22 October 2015 Quarterly Statement No 3: 28 January 2016 Quarterly Statement No 4: 28 April 2016

Column 1 Governance and Management Items	Column 2 Assessment
<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>	<p>Quarterly reports <input checked="" type="checkbox"/></p> <p>Date of reports:</p> <p>Risk Management Report No 1: 30 September 2015</p> <p>Risk Management Report No 2: 31 December 2015</p> <p>Risk Management Report No 3: 31 March 2016</p> <p>Risk Management Report No 4: 30 June 2016</p>
<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>	<p>Reports <input checked="" type="checkbox"/></p> <p>Date of reports: 10 September 2015 and 4 March 2016</p>
<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>	<p>Considered at a meeting of council in accordance with section 134 of the Act <input checked="" type="checkbox"/></p> <p>Date statements presented: 22 October 2015</p>
<p>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)</p>	<p>Reviewed in accordance with section 76C of the Act <input checked="" type="checkbox"/></p> <p>Date reviewed: 14 April 2016</p>
<p>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)</p>	<p>Reviewed in accordance with section 98(6) of the Act <input checked="" type="checkbox"/></p> <p>Date of review:</p> <ul style="list-style-type: none"> • S5 Instrument of Delegation to the Chief Executive Officer: 24 March 2016 • S6 Instrument of Delegation Members of Staff: 26 May 2016

Column 1 Governance and Management Items	Column 2 Assessment
	<ul style="list-style-type: none"> • S7 Instrument of Sub-delegation by CEO: 28 April 2016 • S12 Instrument of Delegation and Authorisation by Municipal Building Surveyor: 16 October 2014
<p>24. Meeting procedures (a local law governing the conduct of meetings of council and special committees)</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act <input checked="" type="checkbox"/></p> <p>Date local law made: 27 August 2009</p>

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



Gerard José
 Chief Executive Officer

Dated: 22 September 2016



Cr Glenn Milne
 Mayor

Dated: 22 September 2016

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 2015–2016:

Service sustainability reviews completed:

- Financial Services
- Environmental Sustainability
- Governance.

Major continuous improvement activities [Plan-Do-Study-Act (PDSA)/Approach-Deployment-Results-Improvement (ADRI)] undertaken during 2015-2016 included:

- Location and distribution of dog waste bag dispensers
- Capital works handover process
- Maternal & Child Health increased participation rates
- Surveys
- Aged & Disability Services reporting
- Managing cross-functional strategies
- Asset Management System implementation
- Recreational facilities cross-functional PDSA.

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 its responsibilities outlined in the *Carers Recognition Act 2012*. We have also promoted the principles of the Act to people in care relationships who receive our services, to people in care relationships, and to the wider community by:

- distributing printed material through relevant Council services
- providing information to organisations represented in Council/community networks.

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

- Council induction and training programs for staff working in Aged and Disability Services, and front-line positions with the general community

- induction and training programs for volunteers working directly with the community.

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

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

Contracts

With one exception where a Ministerial Exemption was granted, we did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process,.

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

Disability Action Plan

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

We have implemented the following actions from the Community Access and Inclusion Plan 2014–2018:

- through our footpath and disability access maintenance program, rectified 66 access items and 57 access barriers for people with a disability
- ran 16 local community events, including International Day of People with a Disability, promoting participation by people with a disability
- encouraged recreation and sports associations to provide increased opportunities for participation in events by people with a disability (eg Mildura Day, Disability Expo at Special School, All Abilities Cricket Carnival/Tennis for All)
- with Mallee Sports Assembly, jointly funded the 'Athlete with a Disability Award'
- partnered with local providers to provide disability awareness training in schools
- awarded 27 grants to sporting groups to purchase equipment, build shade structures and seating, upgrade change rooms, construct toilet facilities and provide programs for people with a disability
- awarded four grants to enable groups to support community programs for the disabled, including the construction of access ramps and contract pathway from parking areas, the installation of Braille signage and the establishment of a training facility for young adults with Mildura Specialist School.
- provided Disability Awareness Training to 87 Council staff.
- to help people with a communication disability to understand our information, assisted Council branches to produce information in Easy English
- together with Family Relationship Support for Carers, assisted local providers to undertake counselling for the disabled community.

Domestic Animal Management Plan

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

Council adopted the Domestic Animal Management Plan 2014–2017 in June 2014. The annual review of the Domestic Animal Management Plan has been completed. The review identified no substantive changes to the plan.

The Domestic Animal Management Plan's policy direction and actions have enabled us to increase animal registration numbers and provide education and positive messages to the community (in association with volunteer organisations) about pet ownership. In addition, the Plan's policy direction and actions have positively contributed to the return and re-housing of animals.

We have completed an up-grade of its Animal Shelter to provide a better facility for clients, staff and the animals that flow through the facility.

Food Act Ministerial Directions

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

Freedom of Information

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

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

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

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

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

Further information regarding FOI can be found at www.foi.vic.gov.au 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.

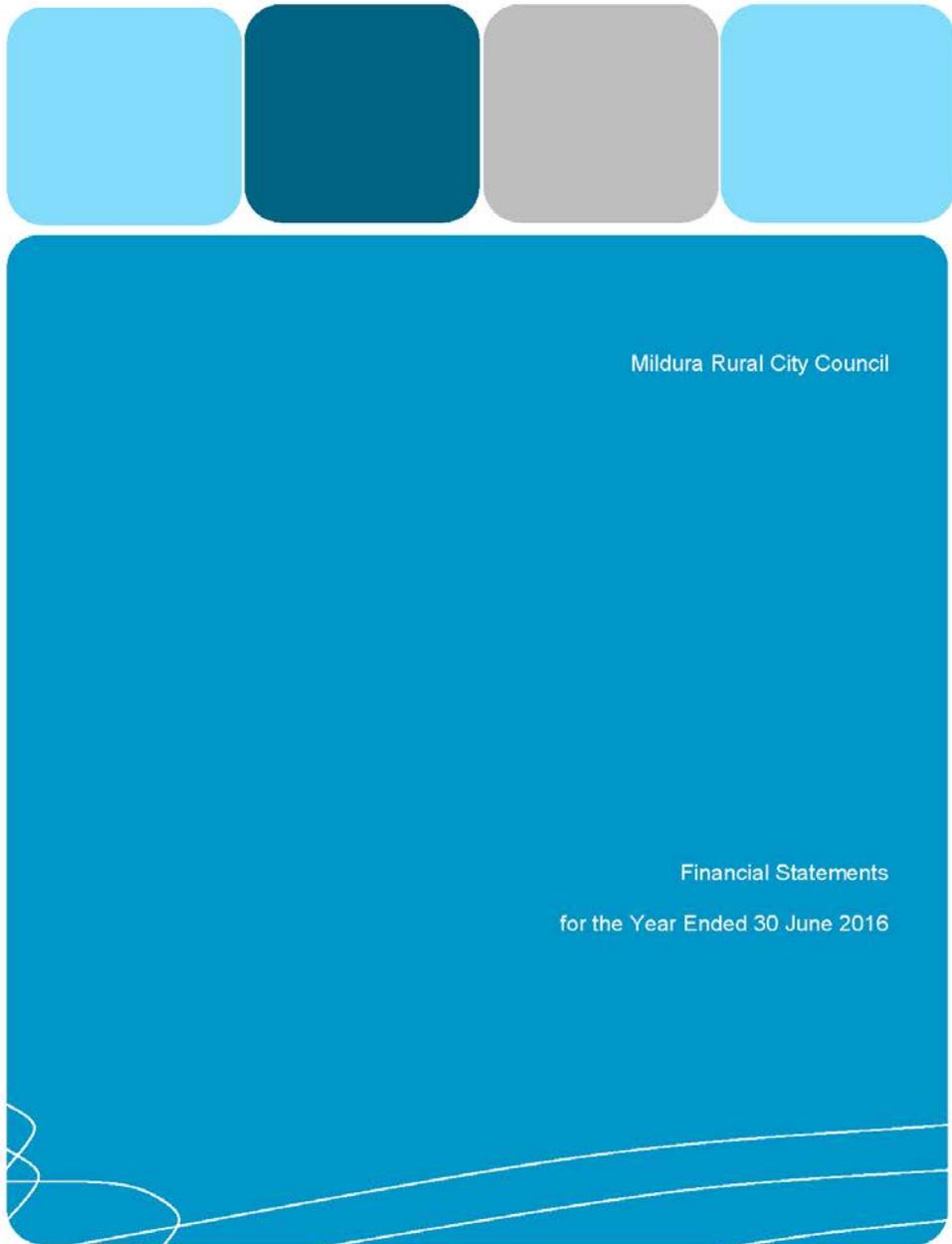
The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on our website.

During the 2015-2016 year, one disclosure was made to the Protected Disclosure Coordinator regarding the improper conduct of Council and its officers. Following an assessment by the Independent Broad-based Anti-corruption Commission (IBAC), it was determined that the disclosure did not engage the Commission's jurisdiction.

Road Management Act Ministerial direction

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

Part 2: Financial Statements



Mildura Rural City Council Financial Report Table of Contents

FINANCIAL REPORT	Page
Comprehensive Income Statement	1
Balance Sheet	2
Statement of Changes in Equity	3
Statement of Cash Flows	5
Statement of Capital Works	6
Notes to Financial Statements	
Introduction	7
Note 1 Significant accounting policies	8
Note 2 Budget comparisons	22
Note 3 Rates and charges	27
Note 4 Statutory fees and fines	27
Note 5 User fees	28
Note 6 Grants	28
Note 7 Contributions	31
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	32
Note 9 Other income	32
Note 10 Asset recognition	33
Note 11 Employee costs	33
Note 12 Materials and services	34
Note 13 Bad and doubtful debts	34
Note 14 Depreciation and amortisation	34
Note 15 Borrowing costs	35
Note 16 Other expenses	35
Note 17 Revaluation expense	36
Note 18 Cash and cash equivalents	36
Note 19 Trade and other receivables	37
Note 20 Other financial assets	38
Note 21 Inventories	38
Note 22 Other assets	39
Note 23 Property, infrastructure, plant and equipment	40
Note 24 Intangible assets	52
Note 25 Trade and other payables	53
Note 26 Trust funds and deposits	53
Note 27 Provisions	55
Note 28 Interest bearing loans and borrowings	57
Note 29 Reserves	58
Note 30 Reconciliation of cash flows from operating activities to surplus (deficit)	68
Note 31 Reconciliation of cash and cash equivalents	68
Note 32 Financing arrangements	68
Note 33 Commitments	69
Note 34 Operating leases	73
Note 35 Superannuation	74
Note 36 Contingent liabilities and contingent assets	76
Note 37 Financial Instruments	77
Note 38 Related party transactions	79
Note 39 Events occurring after balance date	80
Opinions and certifications	
Certification of the Financial Report	
Audit Opinion on Financial Statements	

**Comprehensive Income Statement
For the Year Ended 30 June 2016**

	Note	Consolidated		Council	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income					
Rates and charges	3	61,903	59,233	62,046	59,370
Statutory fees and fines	4	1,894	2,120	1,894	2,120
User fees	5	11,824	10,263	6,430	5,840
Grants - operating	6	13,028	27,315	13,028	27,315
Grants - capital	6	9,677	11,618	9,677	11,618
Contributions - monetary	7	1,444	1,292	1,444	1,292
Contributions - non-monetary	7	4,197	385	4,197	385
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(5,642)	(2,589)	(5,642)	(2,589)
Other income	9	5,285	5,692	5,332	5,753
Asset recognition	10	1,144	-	1,144	-
Total income		104,754	115,329	99,550	111,104
Expenses					
Employee costs	11	(45,048)	(41,780)	(42,920)	(40,208)
Materials and services	12	(28,447)	(29,184)	(27,049)	(28,187)
Bad and doubtful debts	13	(43)	(189)	(47)	(189)
Depreciation and amortisation	14	(18,896)	(16,832)	(17,985)	(15,945)
Borrowing costs	15	(1,271)	(1,307)	(1,268)	(1,320)
Other expenses	16	(3,606)	(1,240)	(3,412)	(1,067)
Revaluation expense	17	-	(3,513)	-	(3,513)
Total expenses		(97,311)	(94,045)	(92,681)	(90,429)
Surplus for the year		7,443	21,284	6,869	20,675
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net financial asset revaluation increment/(decrement)	29	-	-	574	609
Net asset revaluation increment/(decrement)	29	29,821	40,563	29,821	40,563
Total comprehensive result		37,264	61,847	37,264	61,847

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

Balance Sheet
As at 30 June 2016

	Note	Consolidated		Council	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets					
Current assets					
Cash and cash equivalents	18	34,866	39,171	31,659	36,388
Trade and other receivables	19	6,868	6,209	6,517	5,949
Other financial assets	20	10,271	2,288	10,271	2,288
Inventories	21	796	826	774	826
Other assets	22	601	322	536	257
Total current assets		53,402	48,816	49,757	45,708
Non-current assets					
Trade and other receivables	19	-	-	1,906	2,116
Other assets	22	-	-	30,956	30,382
Other financial assets	20	-	1,475	-	1,475
Property, infrastructure, plant and equipment	23	727,431	685,351	697,704	655,533
Intangible assets	24	6,290	5,454	6,229	5,409
Total non-current assets		733,721	692,280	736,795	694,915
Total assets		787,123	741,096	786,552	740,623
Liabilities					
Current liabilities					
Trade and other payables	25	5,904	3,941	5,656	3,656
Trust funds and deposits	26	1,976	1,527	1,967	1,527
Provisions	27	10,886	10,477	10,762	10,386
Interest-bearing loans and borrowings	28	1,487	1,824	1,466	1,801
Total current liabilities		20,253	17,769	19,851	17,370
Non-current liabilities					
Provisions	27	16,423	8,635	16,357	8,581
Interest-bearing loans and borrowings	28	18,043	19,552	17,939	19,531
Total non-current liabilities		34,466	28,187	34,296	28,112
Total liabilities		54,719	45,956	54,147	45,482
Net Assets		732,404	695,140	732,405	695,141
Equity					
Accumulated surplus		309,665	296,984	296,112	284,005
Reserves	29	422,739	398,156	436,293	411,136
Total Equity		732,404	695,140	732,405	695,141

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

Statement of Changes in Equity For the Year Ended 30 June 2016

Consolidated

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

		Total 2015 \$'000	Accumulated Surplus 2015 \$'000	Revaluation Reserve 2015 \$'000	Other Reserves 2015 \$'000
2015					
Balance at beginning of the financial year		633,293	280,552	340,642	12,099
Surplus for the year		21,284	21,284	-	-
Net asset revaluation increment/(decrement)	29(a, c)	40,563	-	40,563	-
Transfers to other reserves	29(b)	-	10,858	-	(10,858)
Transfers from other reserves	29(b)	-	(15,710)	-	15,710
Balance at end of the financial year		695,140	296,984	381,205	16,951

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

Statement of Changes in Equity
For the Year Ended 30 June 2016

Council		Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
		2016	2016	2016	2016
		\$'000	\$'000	\$'000	\$'000
2016					
	Balance at beginning of the financial year	695,141	284,005	394,177	16,959
	Surplus for the year	6,869	6,869	-	-
	Net asset revaluation increment/(decrement)	29(a) 30,395	-	30,395	-
	Net revaluation increment/(decrement)	29(d) -	-	-	-
	Transfers to other reserves	29(b) -	15,503	-	(15,503)
	Transfers from other reserves	29(b) -	(10,265)	-	10,265
	Balance at end of the financial year	732,405	296,112	424,572	11,721

		Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
		2015	2015	2015	2015
		\$'000	\$'000	\$'000	\$'000
2015					
	Balance at beginning of the financial year	633,294	268,182	353,005	12,107
	Surplus for the year	20,675	20,675	-	-
	Net asset revaluation increment/(decrement)	29(a) 41,172	-	41,172	-
	Transfers to other reserves	29(b) -	10,858	-	(10,858)
	Transfers from other reserves	29(b) -	(15,710)	-	15,710
	Balance at end of the financial year	695,141	284,005	394,177	16,959

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

Statement of Cash Flows
For the Year Ended 30 June 2016

	Note	Consolidated		Council	
		2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
Cash flows from operating activities					
Rates and charges		62,023	59,275	62,166	59,412
Statutory fees and fines		1,894	2,120	1,894	2,120
User fees		10,939	10,230	4,921	5,361
Contributions - monetary		1,516	1,357	1,516	1,357
Grants - operating		13,679	28,681	13,679	28,681
Grants - capital		10,901	18,655	10,901	18,655
Other receipts		6,387	4,078	6,660	4,340
Interest		1,370	1,180	1,513	1,112
Net GST refund		3,718	2,938	4,002	3,221
Trust funds and deposits taken		1,570	6,749	1,570	6,749
Materials and services		(32,948)	(37,937)	(31,025)	(36,498)
Employees costs		(44,081)	(42,395)	(42,012)	(40,844)
Trust funds and deposits repaid		(1,130)	(6,499)	(1,130)	(6,499)
Other payments		(3,459)	(1,194)	(3,459)	(1,256)
Net cash provided by operating activities	30	32,379	47,238	31,196	45,911
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	23,24	(27,766)	(26,998)	(26,946)	(26,169)
Proceeds from sale of property, infrastructure, plant and equipment	8	708	695	708	695
Net Proceeds from financial assets		(6,509)	(1,270)	(6,492)	(1,270)
Net cash used in investing activities		(33,567)	(27,573)	(32,730)	(26,744)
Cash flows from financing activities					
Finance costs		(1,271)	(1,307)	(1,268)	(1,320)
Proceeds from borrowings		-	1,000	-	1,000
Repayment of borrowings		(1,846)	(1,899)	(1,927)	(1,832)
Net cash used in financing activities		(3,117)	(2,206)	(3,195)	(2,152)
Net increase/(decrease) in cash and cash equivalents		(4,305)	17,459	(4,729)	17,015
Cash and cash equivalents at the beginning of the financial year		39,171	21,712	36,388	19,373
Cash and cash equivalents at the end of the financial year	18,31	34,866	39,171	31,659	36,388
Financing arrangements	32				
Restrictions on cash assets	18				

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

Statement of Capital Works
For the Year Ended 30 June 2016

Note	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Capital expenditure areas				
Property				
Land	375	11	239	11
Buildings	4,092	2,789	3,670	2,789
Total property	4,467	2,800	3,909	2,800
Plant and equipment				
Plant, machinery and equipment	3,378	3,943	3,233	3,723
Furniture and fittings	577	346	577	346
Library books and art works	285	356	285	356
Total plant and equipment	4,240	4,645	4,095	4,425
Infrastructure				
Roads	11,169	7,670	11,169	7,670
Footpaths and cycleway	515	388	515	388
Drainage	3,326	2,545	3,326	2,507
Recreational, leisure and community	712	1,581	712	1,581
Waste management	89	138	89	138
Parks, open spaces and streetscapes	2,870	6,935	2,870	6,378
Off street car parks	301	179	184	165
Total infrastructure	18,982	19,436	18,865	18,827
Total capital works	27,689	26,881	26,869	26,052
Intangible Assets - Software	77	117	77	117
Total	77	117	77	117
Total capital works	27,766	26,998	26,946	26,169
Represented by:				
Capital Renewal	13,881	12,704	13,881	12,704
Capital New	2,729	1,989	2,593	1,989
Capital Upgrade	5,078	5,368	4,394	4,539
Capital Expansion	6,001	6,820	6,001	6,820
Intangible Asset	77	117	77	117
Total capital works	27,766	26,998	26,946	26,169

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

Notes to the Financial Report For the Year Ended 30 June 2016

Introduction

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

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

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

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

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

Council uses the following service providers:

External Auditor - Auditor-General of Victoria

Internal Auditor - BDO Australia

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

Bankers - Commonwealth Bank of Australia Ltd

Council maintains the following website:

www.mildura.vic.gov.au

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Notes to the Financial Report For the Year Ended 30 June 2016

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

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

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

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

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

(b) Change in accounting policies

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

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 1 Significant accounting policies (cont)

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2016, 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

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

Entities consolidated into Council include:

- Mildura Airport Pty Ltd

(d) Committees of management

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

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 1 Significant accounting policies (cont)

(e) Revenue recognition

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

Rates and Charges

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

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

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

Statutory fees and fines

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

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs. A provision for doubtful debts is recognised when collection in full is no longer probable.

Grants

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 1 Significant accounting policies (cont)

(e) Revenue recognition (cont)

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Rental

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

Interest

Interest is recognised as it is earned

Dividends

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

Other Income

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

Notes to the Financial Report For the Year Ended 30 June 2016

Note 1 Significant accounting policies (cont)

(f) Fair value measurement

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

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

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

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

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

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

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

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

(g) Cash and cash equivalents

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

(h) Trade and other receivables

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

(i) Other financial assets

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

(j) Investments

Investments, other than investments in associates, are measured at cost. The carrying value of Council's investment in the Mildura Airport Pty Ltd was initially measured at cost, and adjusted each balance date thereafter for changes in the Council's share (100%) of the net assets of the company. Gains or losses arising are recognised directly in equity through the Financial Assets Revaluation Reserve (note 29 (c)).

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 1 Significant accounting policies (cont)

(k) Inventories

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

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

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

Acquisition

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

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

In accordance with Council's policy, the threshold limits detailed in Note 1 n have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Notes to the Financial Report For the Year Ended 30 June 2016

Note 1 Significant accounting policies (cont)

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment (furniture and fitting, library books, capital works in progress and landfill) are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 23 Property Plant and Equipment.

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

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

Land under roads

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

	Threshold Limit \$'000
Property	
Land	
land	5
land under roads	All
Buildings	
buildings	10
Plant and Equipment	
plant and equipment	5
plant and equipment - leased	5
furniture and fittings	5
furniture and fittings - leased	5
artworks	0.5
library books	In aggregate

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 1 Significant accounting policies (cont)

(m)	Recognition and measurement of property, plant and equipment, infrastructure, intangibles (cont.)	Threshold Limit \$'000
	Infrastructure	
	Roads	
	footpaths and cycleways	10
	road kerb and channel	10
	road pavements	10
	road seals	10
	Drainage	10
	Waste Management	10
	Aerodromes	10
	Off Street Carparks	10
	Recreational, leisure and community	10
	Parks, open spaces and streetscapes	10
	Intangible assets	
	Software	1
	Water rights	-
(n)	Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles	

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

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

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

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

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 1 Significant accounting policies (cont)

(n)	Depreciation and amortisation of property, infrastructure plant and equipment and intangibles (cont.)	2015/2016
	Property	
	Land	
	land improvements	
	Buildings	
	buildings	60 years
	Plant and Equipment	
	Plant	
	heavy equipment	
	graders	10 years
	loaders	7 years
	mowers	5 years
	rollers	12 years
	sweepers	7 years
	tractors	5 years
	trucks	6 years
	vehicles, light plant and equipment	
	light plant and equipment	4 years
	motor vehicle - commercial	4 years
	motor vehicle - passenger	3 years
	leased plant and equipment	8 years
	furniture and fittings	
	computers and telecommunications	4 years
	fixtures, fittings and furniture	10 years
	library books	7 years
	Infrastructure	
	Roads	
	footpaths and cycleways	10 - 50 years
	road kerb and channel	50 years
	road pavements	20 - 50 years
	road seals	5 - 50 years
	Drainage	50 - 150 years
	Off Street Carparks	50 years
	Recreational, leisure and community	
	outdoor furniture	10-25 years
	playground equipment	10 years
	sporting surfaces	20 years

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 1 Significant accounting policies (cont)

(n)	Depreciation and amortisation of property, infrastructure plant and equipment and intangibles (cont.)	2015/2016
	Parks, open spaces and streetscapes	
	access paths	50 years
	outdoor furniture	10-25 years
	parks and reserves	15 years
	playground equipment	10 years
	Aerodromes	50 years
	Waste Management	10-30 years
	Intangible assets	
	software	3-15 years

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

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

(q) **Trust funds and deposits**
Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 26).

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

Borrowing costs

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

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

Notes to the Financial Report For the Year Ended 30 June 2016

Note 1 Significant accounting policies (cont)

(s) Employee costs and benefits

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

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.

Long service leave

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

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

The components of this current liability are measured at :

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

Classification of employee costs

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

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

(iii) Termination benefits

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

(iv) Employee benefits on-costs

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

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 1 Significant accounting policies (cont)

(s) Employee costs and benefits (cont)

(v) Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Council to the relevant superannuation plans in respect to the services of Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Council is required to comply with.

(t) Landfill rehabilitation provision

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

(u) Leases

Finance leases

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

Operating leases

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

Leasehold improvements

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

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 1 Significant accounting policies (cont)

(v) Goods and Services Tax (GST)

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

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

(w) Impairment of assets

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

(x) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 36 contingent liabilities and contingent assets.

(y) Contingent assets and contingent liabilities and commitments

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

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

(z) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 1 Significant accounting policies (cont)

(aa) **Rounding**

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

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 2 Budget comparison

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

The budget figures detailed below are those adopted by Council on 25th June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

a) Income and Expenditure

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	%	Ref
Income					
Rates and charges	61,585	62,046	461	1	1
Fees, fines and user charges	5,029	6,430	1,401	28	2
Statutory fees and fines	1,749	1,894	145	8	
Grants - operating	18,505	13,028	(5,477)	(30)	3
Grants - capital	12,247	9,677	(2,570)	(21)	4
Contributions - cash	903	1,444	541	60	5
Contributions - non monetary	-	4,197	4,197	100	6
Net gain on disposal of property, infrastructure, plant and equipment	300	(5,642)	(5,942)	(1,981)	7
Other income	4,848	5,332	484	10	8
Asset recognition	-	1,144	1,144		
Total income	105,166	99,550	(5,616)		
Expenses					
Employee benefits	(41,701)	(42,920)	(1,219)	3	9
Materials and services	(27,013)	(27,049)	(36)	0	
Bad and doubtful debts	(164)	(47)	117	(71)	10
Depreciation and amortisation	(17,555)	(17,985)	(430)	2	11
Finance costs	(1,236)	(1,268)	(32)	3	
Other expenses	(4,101)	(3,412)	689	(17)	12
Total Expenses	(91,770)	(92,681)	(911)		
Surplus / (deficit)	13,396	6,869	(6,527)		

Notes to the Financial Report
VARIANCE EXPLANATION REPORT
For the Year Ended 30 June 2016

(l) Explanation of material variations

Variance

Ref	Item	Explanation
1	Rates and charges	During the financial year a special rate was struck of \$0.275 million for the Mildura City Heart zone, this funding is passed directly back to Mildura City Heart Inc.
2	Fees, fines and user charges	Mildura Landfill continued to receive additional commercial waste fees of \$1.0 million above budget expectation. Private works were \$0.2 million above budget expectation.
3	Grants - operating	In 2015-16 the Victorian Grant Commission funding of \$6.6 million was forward paid on 30th June 2015.
4	Grants - capital	Milestone payments delayed for Mildura Riverfront Redevelopment Precinct funding.
5	Contributions - cash	Developer contributions received this year was \$0.9 million, \$0.4 million of budget.
6	Contributions - non monetary	As well as our contributed infrastructure developer contributions for works completed in lieu of cash contribution for infrastructure under the DCP. These assets are recognised in to Councils asset register when they are considered 'handed over' to council, and are considered to be under the control of council. \$2.6 million Roads & \$1.5 million of drainage.
7	Net gain on disposal of property, infrastructure, plant and equipment	Council is required to recognise a disposal of assets when those assets are sold, renewed or replaced, or become decommissioned.
8	Other income	Other income has increased due to investment returns on cash balances that were higher than expectation.
9	Employee benefits	Employee expenses have increased due to funding received in 2014-15 for Healthy Communities that was not expected in the original budget. Council now runs regional pools in house adding \$0.511 million to employee expenditure. Shift in employee provision was \$0.559 million.
10	Bad and doubtful debts	Increased payment and compliance from parking fines and infringements, meant smaller amount for doubtful debts being recognised.

(l) Explanation of material variations (cont)

Variance

Ref	Item	Explanation
11	Depreciation and amortisation	Has increased by \$2.04 million compared to prior year due to a revaluation of infrastructure that had not been revalued since 2004 for Recreation & Community Facilities, Off Street Carparks, Waste Management & Drainage Basins. At the time of setting the budget the total revaluation impact was unknown, a variance exists due to a net increase in value to infrastructure assets \$58 million.
12	Other expenses	The result is mostly due to our antiipated Landfill Provision net present value movement being lower than expected. Our construction index that we use to inflate our future rehabilitation costs has stayed steady, where as the discount rate was higher than expected, resulting in a lower net present value movement of \$2.375 million.

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 2 Budget Comparison (cont)

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	%	Ref
b) Capital Works					
Property					
Land	710	239	(471)	(66)	1
Buildings	6,048	3,670	(2,378)	(39)	2
Plant and equipment					
Plant, machinery and equipment	2,228	3,233	1,005	45	3
Furniture and fittings	1,363	577	(786)	(58)	4
Library books and art works	604	285	(319)	(53)	5
Infrastructure					
Roads	11,017	11,169	152	1	
Footpaths and cycleway	3,800	515	(3,285)	(86)	6
Drainage	4,185	3,326	(859)	(21)	7
Recreational, leisure and community	1,313	712	(601)	(46)	8
Waste management	261	89	(172)	(66)	9
Parks, open spaces and streetscapes	3,005	2,870	(135)	(4)	10
Off street car parks	108	184	76	70	11
Intangible Assets - Software	-	77	77	100	
Total Capital Works	34,642	26,946	(7,696)		
Represented by:					
Capital Renewal	15,923	13,881	(2,042)	(13)	
Capital New	4,320	2,593	(1,727)	(40)	
Capital Upgrade	5,540	4,394	(1,146)	(21)	
Capital Expansion	8,859	6,001	(2,858)	(32)	
Intangible Assets	-	77	77	100	
Total Capital Works	34,642	26,946	(7,696)		

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 2 Budget Comparison (cont)

(i) Explanation of material variations

Variance Ref.	Item	Explanation
1	Land	Delay in acquisition of Land budgeted to be acquired during the year due to ongoing negotiations with Landowners and awaiting legal negotiations.
2	Buildings	The Mildura Riverfront project is part of a \$19 million project that spans over multiple years is currently being completed. Designs relating to the Rowing Club did not commence until late in the financial year. Installation of air conditioner project at Madden Avenue Service Centre and Mildura Arts Centre underway. Mildura Recreation Reserve Project is over \$1.16 million over multiple years. Building works at Mildura Recreation Reserve had not commenced as at 30 June 2016.
3	Plant, machinery and equipment	Due to Works and Infrastructure service review purchase of machinery was put on hold until it was completed in the current financial year.
4	Furniture and fittings	Ongoing implementation of the new Asset Management software is lengthy due to complexity and spans multiple financial years. Currently completing a fleet sustainability review and this will supply recommendation on a GPS tracking system for plant and vehicles. Madden and Deakin Service Centre Display Bench/Cabinet installation delayed due to works at Madden Avenue.
5	Library books and art works	Bequested funds awaiting approval for appropriate Library materials to be purchased. Art work acquisitions delayed due to lack of availability of appropriate pieces.
6	Footpaths and cycleway	Delay in final footpath designs. Tender package approved 12th May 2016 with works rescheduled for July 2016.
7	Drainage	Delay in final investigation and design for Infrastructure identified from CCTV footage caused Tender to be awarded late in the financial year, works scheduled to be completed in the 2016-17 financial year. Lengthy negotiations with land owners causing delay in land acquisition for multiple major drainage projects with construction scheduled for completion in the 2016-17 financial year.
8	Recreational, leisure and community	Major works to the Mildura Recreation Reserve is due to be completed over multiple years. Stage 1 design was delayed until May 2016.
9	Waste management	Ouyen and Murrayville Progressive Rehabilitations project was delayed due to additional funding and clarification for soil.
10	Parks, open spaces and streetscapes	Tracks and Trails walking project delayed due to DELWP permit approval and issuing.
11	Off street car parks	Car Park corner 13th Street and Ontario Avenue awaiting hearing at The Victorian Civil and Administrative Tribunal.

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Consolidated		Council	
2016	2015	2016	2015
\$'000	\$'000	\$'000	\$'000

Note 3 Rates and charges

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

The valuation base used to calculate general rates for 2015/2016 was \$7,184 million (2014/2015 \$6,967 million). The 2015/2016 rate in the dollar was \$0.007015 (2014/2015 \$0.006757).

General rates	39,390	37,362	39,533	37,499
Municipal charge	2,708	2,684	2,708	2,684
Cultural/recreational land	18	24	18	24
Mildura City Heart special rate	275	-	275	-
Mildura City Heart differential rate	-	2,294	-	2,294
Business differential rate	11,719	9,452	11,719	9,452
Garbage charges	7,793	7,417	7,793	7,417
Total rates and charges	61,903	59,233	62,046	59,370

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be first applied in the rating year commencing 1 July 2016.

Note 4 Statutory fees and fines

Licences and permits	355	323	355	323
Statutory planning fees	425	410	425	410
Infringements and costs	690	749	690	749
Land information certificates	97	102	97	102
Valuations database	195	407	195	407
Other statutory fees and fines	132	129	132	129
Total statutory fees and fines	1,894	2,120	1,894	2,120

**Notes to the Financial Report
For the Year Ended 30 June 2016**

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 5 User fees				
Rent/lease fees	794	813	513	531
Animal control and local Laws	431	397	431	397
Child care/children's programs	314	284	314	284
Aged and health services	1,200	1,127	1,200	1,127
Airport fees and charges	5,113	4,141	-	-
Swimming pool fees	94	3	94	3
Other fees and charges	436	384	436	384
Contract works	966	1,138	966	1,138
Entrance charges	547	500	547	500
Waste management services	1,766	1,287	1,766	1,287
Commission/agency fees	163	189	163	189
Total user fees	11,824	10,263	6,430	5,840

Note 6 Grants

Grants were received in respect of the following :

Summary of grants				
Commonwealth funded grants	5,417	4,329	5,417	4,330
State funded grants	17,287	35,083	17,287	34,603
Total grants received	22,704	39,412	22,704	38,933

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 6 Grants (cont)				
Operating Grants				
<i>Recurrent - Commonwealth Government</i>				
Family services	228	227	228	227
Youth services	-	210	-	210
Social development and projects	-	8	-	8
	<u>228</u>	<u>445</u>	<u>228</u>	<u>445</u>
<i>Recurrent - State Government</i>				
Victorian Grants Commission - general purpose	4,955	14,327	4,955	14,327
Victorian Grants Commission - local roads	1,888	5,550	1,888	5,550
Primary care partnerships	389	379	389	379
Aged care	2,777	2,713	2,777	2,713
Libraries	357	367	357	367
Maternal and child health	616	615	616	615
Family services	257	160	257	160
Youth services	275	267	275	267
Environmental health	38	7	38	7
Social development and projects	131	126	131	126
Environment	75	67	75	67
Local laws	98	95	98	95
Healthy together	75	861	75	861
Emergency management	29	29	29	29
Arts and Culture	180	180	180	180
Road construction and maintenance	157	144	157	144
	<u>12,297</u>	<u>25,887</u>	<u>12,297</u>	<u>25,887</u>
Total recurrent operating grants	<u>12,525</u>	<u>26,332</u>	<u>12,525</u>	<u>26,332</u>

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 6 Grants (cont)				
<i>Non-recurrent - Commonwealth Government</i>				
Family services	17	29	17	29
Libraries	-	5	-	5
	<u>17</u>	<u>34</u>	<u>17</u>	<u>34</u>
<i>Non-recurrent - State Government</i>				
Youth services	5	5	5	5
Primary care partnership	25	5	25	5
Community development	-	337	-	337
Social development and projects	161	176	161	176
Environment	120	124	120	124
Planning and development	-	9	-	9
Healthy together	-	40	-	40
Emergency management	120	120	120	120
Arts and culture	11	125	11	125
Aged and disability services	3	3	3	3
Family services	41	-	41	-
Libraries	-	5	-	5
	<u>486</u>	<u>949</u>	<u>486</u>	<u>949</u>
Total non-recurrent operating grants	<u>503</u>	<u>983</u>	<u>503</u>	<u>983</u>
Total operating grants	<u>13,028</u>	<u>27,315</u>	<u>13,028</u>	<u>27,315</u>
Capital Grants				
<i>Recurrent - Commonwealth Government</i>				
Commonwealth Government - Roads to recovery	5,172	1,810	5,172	1,810
	<u>5,172</u>	<u>1,810</u>	<u>5,172</u>	<u>1,810</u>
<i>Recurrent - State Government</i>				
Libraries	9	-	9	-
Recreation and sport	11	-	11	-
	<u>20</u>	<u>-</u>	<u>20</u>	<u>-</u>
Total recurrent capital grants	<u>5,192</u>	<u>1,810</u>	<u>5,192</u>	<u>1,810</u>
<i>Non-recurrent - Commonwealth Government</i>				
Recreation and sport	-	2,040	-	2,040
	<u>-</u>	<u>2,040</u>	<u>-</u>	<u>2,040</u>

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 6 Grants (cont)				
<i>Non-recurrent - State Government</i>				
Community development	12	6	12	6
Environment	3	354	3	354
Local laws	-	46	-	46
Arts and culture	-	80	-	80
Libraries	162	12	162	12
Maternal and child health	64	-	64	-
Recreation and sport	2,833	5,606	2,833	5,606
Road construction and maintenance	1,411	1,664	1,411	1,664
	<u>4,485</u>	<u>7,768</u>	<u>4,485</u>	<u>7,768</u>
Total non-recurrent capital grants	4,485	9,808	4,485	9,808
Total capital grants	9,677	11,618	9,677	11,618
Unspent grants received on condition that they be spent				
Balance at start of year	4,171	3,954	4,171	3,954
Received during the financial year and remained unspent at balance date	1,310	3,333	1,310	3,333
Received in prior years and spent during the financial year	(2,568)	(3,116)	(2,568)	(3,116)
Balance at year end	<u>2,913</u>	<u>4,171</u>	<u>2,913</u>	<u>4,171</u>
Note 7 Contributions				
Monetary				
Community services	251	293	251	293
Developer contributions	936	705	936	705
Capital contributions	181	264	181	264
Other	76	30	76	30
Total contributions	<u>1,444</u>	<u>1,292</u>	<u>1,444</u>	<u>1,292</u>
Non-monetary				
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>				
Infrastructure	4,197	385	4,197	385
Total non-monetary contributions	<u>4,197</u>	<u>385</u>	<u>4,197</u>	<u>385</u>
Total contributions	<u>5,641</u>	<u>1,677</u>	<u>5,641</u>	<u>1,677</u>

**Notes to the Financial Report
For the Year Ended 30 June 2016**

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment				
Proceeds of sale	708	695	708	695
Written down value of assets disposed	(6,350)	(3,284)	(6,350)	(3,284)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(5,642)	(2,589)	(5,642)	(2,589)
Note 9 Other income				
Interest	1,142	691	1,209	796
Interest on rates	304	316	304	316
Sales	461	740	461	740
Other	128	141	33	31
Child care reimbursement	1,227	1,131	1,227	1,131
Fuel tax rebate	286	240	286	240
Workcover costs reimbursements	77	150	77	150
Legal costs recouped	182	247	182	247
Airport reimbursement	-	-	-	4
Aged care package reimbursement	291	431	291	431
Cemetery reimbursement	451	253	451	253
Utilities reimbursement	304	308	304	308
Youth case management reimbursement	221	36	221	36
Other costs reimbursed	211	427	286	489
Decrease in landfill provision discounted amount	-	581	-	581
Total other income	5,285	5,692	5,332	5,753

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 10 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	1,144	-	1,144	-
Total asset recognition	1,144	-	1,144	-
Note 11 Employee costs				
Wages and salaries	40,968	37,987	38,999	36,545
Payroll tax	9	8	20	8
Superannuation	3,853	3,574	3,683	3,444
Fringe benefits tax	218	211	218	211
Total employee costs	45,048	41,780	42,920	40,208
Super				
Council made contributions to the following funds:				
Defined benefit fund				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	468	499	468	499
Employer contributions - other funds	-	-	-	-
	468	499	468	499
Note 11 Employee costs (cont)				
Employer contributions payable at reporting date.				
Accumulation funds				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,137	2,203	2,137	2,073
Employer contributions - other funds	1,248	872	1,078	872
	3,385	3,075	3,215	2,945
Employer contributions payable at reporting date.	82	157	82	140
Refer to note 35 for further information relating to Council's superannuation obligations				

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 12 Materials and services				
Contractors	8,230	8,103	7,977	7,874
Consultants	1,394	2,030	1,394	2,030
Environmental protection waste levy	1,690	1,024	1,690	1,024
Grants, contributions and donations	2,769	3,610	2,769	3,550
Utilities	3,376	3,745	3,214	3,554
Office administration	1,019	1,069	949	962
Materials purchased	4,124	3,855	3,825	3,523
Plant and vehicle costs	2,550	2,480	2,167	2,480
Information technology	1,047	933	1,013	933
Insurance	937	857	840	857
Training	832	933	832	933
General maintenance	479	545	379	467
Total materials and services	28,447	29,184	27,049	28,187
Note 13 Bad and doubtful debts				
Other debtors	(2)	15	2	15
Infringements	45	174	45	174
Total bad and doubtful debts	43	189	47	189
Note 14 Depreciation and amortisation				
<i>Buildings</i>				
Buildings	2,445	2,435	2,254	2,259
<i>Plant and equipment</i>				
Plant and equipment	2,591	2,408	2,353	2,138
Furniture and fittings	305	208	269	208
Furniture and fittings (leased)	-	4	-	4
Library books	196	167	196	167

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 14 Depreciation and amortisation (cont)				
<i>Infrastructure</i>				
Roads	8,188	7,872	8,188	7,872
Drainage	966	982	956	973
Waste management	265	319	265	190
Recreational, leisure and community	2,533	848	2,509	837
Parks, open spaces and streetscapes	277	898	266	874
Off street carparks	585	197	514	128
Aerodromes	330	328	-	129
Total	18,681	16,666	17,770	15,779
Intangible assets				
Software	215	166	215	166
Total	215	166	215	166
Total depreciation and amortisation	18,896	16,832	17,985	15,945
Note 15 Borrowing costs				
Interest - borrowings	1,269	1,304	1,266	1,317
Interest - finance leases	2	3	2	3
Total borrowing costs	1,271	1,307	1,268	1,320
Note 16 Other expenses				
Auditors' remuneration - VAGO - audit of the financial statements and performance statement	71	70	58	57
Auditors' remuneration - Internal	117	159	117	159
Councillors' allowances	310	306	310	306
Directors' fees	82	82	-	-
Refunds	46	46	46	46
Operating lease rentals	135	150	135	150
Increase in landfill provision discounted amount	2,375	-	2,375	-
Other	470	427	371	349
Total other expenses	3,606	1,240	3,412	1,067

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 17 Revaluation Expense				
Land under roads	-	3,225	-	3,225
Waste management	-	288	-	288
Total Revaluation expense	-	3,513	-	3,513

Note 18 Cash and cash equivalents

Cash on hand	37	36	11	11
Cash at bank	8,825	17,527	5,644	17,377
Short term deposits	26,004	21,608	26,004	19,000
Total cash and cash equivalents	34,866	39,171	31,659	36,388

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

Statutory Reserve funds (note 29)	2,479	1,851	2,487	1,851
Trust funds and deposits (note 26)	1,976	1,527	1,967	1,527
Restricted funds	4,455	3,378	4,454	3,378
Total unrestricted cash and cash equivalents	30,411	35,793	27,205	33,010

Intended allocations

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

Unexpended grants (note 6)	2,913	4,171	2,913	4,171
Discretionary reserves (note 29)	9,234	15,100	9,234	15,100
Long service leave 25% (note 27)	1,797	1,665	1,740	1,665
Cash held to fund carried forward capital works	10,899	6,850	10,899	6,850
Total funds subject to intended allocations	24,843	27,786	24,786	27,786
Total cash and cash equivalents free of intended allocations	5,568	8,007	2,419	5,224

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 19 Trade and other receivables				
<i>Current</i>				
Rates debtors	3,349	3,469	3,349	3,469
Infringement debtors	1,317	1,237	1,317	1,237
Provision for doubtful debts - infringements	(1,082)	(1,043)	(1,082)	(1,043)
General debtors	1,856	1,470	1,312	914
Provision for doubtful debts - other debtors	(43)	(63)	(43)	(59)
Accrued income	1,068	652	1,050	652
GST receivable	403	487	403	487
Loan to Mildura Airport Pty Ltd	-	-	211	292
Total	6,868	6,209	6,517	5,949
<i>Non-current</i>				
Loan to Mildura Airport Pty Ltd	-	-	1,906	2,116
Total	-	-	1,906	2,116
Total trade and other receivables	6,868	6,209	8,423	8,065
a) Ageing of Receivables				
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:				
Current (not yet due)	1,641	862	1,111	862
Past due by up to 30 days	159	31	146	31
Past due between 31 and 180 days	200	136	199	136
Past due between 181 and 365 days	90	80	90	80
Past due by more than 1 year	1,083	1,042	1,083	1,042
Total trade & other receivables	3,173	2,151	2,629	2,151
b) Movement in provisions for doubtful debts				
Balance at the beginning of the year	1,102	942	1,102	938
New Provisions recognised during the year	47	189	47	189
Amounts already provided for and written off as uncollectible	(24)	(25)	(24)	(25)
Amounts provided for but recovered during the year	-	-	-	-
Balance at end of year	1,125	1,106	1,125	1,102

Notes to the Financial Report
For the Year Ended 30 June 2016

Consolidated		Council	
2016	2015	2016	2015
\$'000	\$'000	\$'000	\$'000

Note 19 Trade and other receivables (cont)

c) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$46,832 (2015: \$189,287) were impaired. The amount of the provision raised against these debtors was \$46,832 (2015: \$189,287). The individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-	-	-
Past due by up to 30 days	-	-	-	-
Past due between 31 and 180 days	-	-	-	-
Past due between 181 and 365 days	7	15	7	15
Past due by more than 1 year	40	174	40	174
Total trade & other receivables	47	189	47	189

Note 20 Other financial assets

Current

Term deposits	8,780	2,288	8,780	2,288
Floating notes	1,491	-	1,491	-
Total current other financial assets	10,271	2,288	10,271	2,288

Non-current

Floating notes	-	1,475	-	1,475
Total non-current other financial assets	-	1,475	-	1,475

Note 21 Inventories

Inventories held for distribution	685	826	685	748
Inventories held for sale	111	-	89	78
Total inventories	796	826	774	826

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 22 Other assets				
Prepayments				
<i>Current</i>				
Prepayments	601	322	536	257
Total prepayments	601	322	536	257
<i>Non-current</i>				
Interest in Mildura Airport Pty Ltd	-	-	30,956	30,382
Total	-	-	30,956	30,382
Total other assets	601	322	31,492	30,639

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

Consolidated

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Land	49,072	-	49,072	48,853	-	48,853
Buildings	212,362	(102,940)	109,422	210,824	(100,797)	110,027
Plant and Equipment	67,412	(19,917)	47,495	67,452	(20,456)	46,996
Infrastructure	751,793	(257,463)	494,330	732,078	(268,987)	463,091
Work in progress	27,112	-	27,112	16,384	-	16,384
Total	1,107,751	(380,320)	727,431	1,075,591	(390,240)	685,351

Summary of Work in Progress

	Opening WIP	Acquisitions	Transfers	Write Offs	Closing WIP
Buildings	665	3,214	762	-	3,117
Plant and Equipment	175	178	158	-	195
Infrastructure	15,544	9,588	1,332	-	23,800
Total	16,384	12,980	2,252	-	27,112

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

Council	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Land	48,936	-	48,936	48,853	-	48,853
Buildings	202,274	(102,117)	100,157	201,362	(100,165)	101,197
Plant and Equipment	64,244	(18,550)	45,694	64,429	(19,363)	45,066
Infrastructure	730,488	(254,350)	476,148	710,900	(266,320)	444,580
Work in progress	26,769	-	26,769	15,837	-	15,837
Total	1,072,721	(375,017)	697,704	1,041,381	(385,848)	655,533

Summary of Work in Progress

	Opening WIP	Acquisitions	Transfers	Write Offs	Closing WIP
Buildings	601	2,895	(239)	-	3,257
Plant and Equipment	175	178	(158)	-	195
Infrastructure	15,061	9,588	(1,332)	-	23,317
Total	15,837	12,661	(1,729)	-	26,769

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment (cont)

Consolidated

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment (cont)

Consolidated

2016	plant and equipment \$'000	plant and equipment (leased) \$'000	furniture and fittings \$'000	furniture and fittings (leased) \$'000	artwork \$'000	library books \$'000	Total plant and equipment \$'000	Work in Progress \$'000	Total plant and equipment \$'000
Plant and equipment									
At fair value 1 July 2015	30,929	197	4,080	1,240	27,581	3,425	67,452	175	67,627
Accumulated depreciation at 1 July 2015	(13,944)	(197)	(2,947)	(1,240)	-	(2,128)	(20,456)	-	(20,456)
	16,985	-	1,133	-	27,581	1,297	46,996	175	47,171
Movements in fair value									
Acquisition of assets at fair value	3,305	-	472	-	26	259	4,062	178	4,240
Revaluation increments/decrements	-	-	-	-	-	-	-	-	-
Fair value of assets disposed	(2,443)	-	(1,817)	-	-	-	(4,260)	-	(4,260)
Transfers to Intangible Assets	-	-	-	-	-	-	-	-	-
Transfers	25	-	110	-	-	23	158	(158)	-
	887	-	(1,235)	-	26	282	(40)	20	(20)
Movements in accumulated depreciation									
Depreciation	(2,591)	-	(305)	-	-	(196)	(3,092)	-	(3,092)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	1,822	-	1,809	-	-	-	3,631	-	3,631
	(769)	-	1,504	-	-	(196)	539	-	539
At fair value 30 June 2016	31,816	197	2,845	1,240	27,607	3,707	67,412	195	67,607
Accumulated depreciation at 30 June 2016	(14,713)	(197)	(1,443)	(1,240)	-	(2,324)	(19,917)	-	(19,917)
	17,103	-	1,402	-	27,607	1,383	47,495	195	47,690

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment (cont)

Consolidated

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment (cont)
Consolidated

2016	drainage \$'000	landfill \$'000	aerodromes \$'000	recreational, leisure and community \$'000	park, open spaces and streetscapes \$'000	off street carparks \$'000	Total Infrastructure \$'000	Work in Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2015	128,359	8,463	17,860	58,472	12,707	16,695	242,556	14,991	257,547
Accumulated depreciation at 1 July 2015	(29,790)	(1,583)	(2,043)	(19,746)	(2,482)	(3,645)	(59,289)	-	(59,289)
	98,569	6,880	15,817	38,726	10,225	13,050	183,267	14,991	198,258
Movements in fair value									
Acquisition of assets at fair value	390	10	-	587	363	288	1,638	5,660	7,298
Revaluation increments/decrements	200	4	-	98	498	480	1,280	-	1,280
Contributions by developer	1,535	-	-	-	-	-	1,535	-	1,535
Fair value of assets disposed	(3,142)	-	-	(414)	(38)	(65)	(3,659)	-	(3,659)
Transfers from provision	-	5,218	-	-	-	-	5,218	-	5,218
Recognition of assets at fair value	-	-	-	267	-	383	650	-	650
Transfers	53	-	-	163	484	13	713	(781)	(68)
	(964)	5,232	-	701	1,307	1,089	7,375	4,879	12,254
Movements in accumulated depreciation									
Depreciation	(966)	(265)	(330)	(2,533)	(277)	(585)	(4,956)	-	(4,956)
Accumulated depreciation of disposals	795	-	-	-	11	15	821	-	821
Revaluation increments/decrements	6,932	45	-	14,472	1,374	404	23,227	-	23,227
Impairment losses recognised in operating result	-	-	-	-	-	(78)	(78)	-	(78)
Transfers	-	-	-	-	30	-	30	-	30
	6,761	(220)	(330)	11,939	1,138	(244)	19,044	-	19,044
At fair value 30 June 2016	127,395	13,685	17,860	59,173	14,014	17,794	249,931	19,870	269,801
Accumulated depreciation at 30 June 2016	(23,029)	(1,803)	(2,373)	(7,807)	(1,344)	(3,889)	(40,245)	-	(40,245)
	104,366	11,882	15,487	51,366	12,670	13,905	209,686	19,870	229,556

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment (cont)

Council	Specialised Land \$'000	Non Specialised Land \$'000	land Under roads \$'000	Total Land \$'000	Specialised Buildings \$'000	Non Specialised Buildings \$'000	Specialised Buildings \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
2016	38,270	10,177	406	48,853	7,952	(3,697)	193,410	201,362	601	250,816
At fair value 1 July 15	-	-	-	-	-	-	(96,468)	(100,165)	-	(100,165)
Accumulated depreciation at 1 July 2015	38,270	10,177	406	48,853	4,255		96,942	101,197	601	150,651
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	29		985	1,014	2,895	3,909
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-	-
Contributions by developer	-	-	88	88	-	-	-	-	-	88
Fair value of assets disposed	(5)	-	-	(5)	-	-	(341)	(341)	-	(346)
Transfers	-	-	-	-	2		237	239	(239)	-
	(5)	-	88	83	31		881	912	2,656	3,651
Movements in accumulated depreciation										
Depreciation	-	-	-	-	(92)		(2,162)	(2,254)	-	(2,254)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-		302	302	-	302
	-	-	-	-	(92)		(1,860)	(1,952)	-	(1,952)
At fair value 30 June 16	38,265	10,177	494	48,936	7,983	(3,789)	194,291	202,274	3,257	254,467
Accumulated depreciation at 30 June 2016	-	-	-	-	(3,789)		(98,328)	(102,117)	-	(102,117)
	38,265	10,177	494	48,936	4,194		95,963	100,157	3,257	152,350

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment (cont)

Council	plant and equipment \$'000	plant and equipment (leased) \$'000	furniture and fittings \$'000	furniture and fittings (leased) \$'000	artwork \$'000	library books and equipment \$'000	Total plant and equipment \$'000	Work in Progress \$'000	Total plant and equipment \$'000
2016									
Plant and equipment									
At fair value 1 July 15	28,103	-	4,080	1,240	27,581	3,425	64,429	175	64,604
Accumulated depreciation at 1 July 2015	(13,048)	-	(2,947)	(1,240)	-	(2,128)	(19,363)	-	(19,363)
	15,055	-	1,133	-	27,581	1,297	45,066	175	45,241
Movements in fair value									
Acquisition of assets at fair value	3,233	-	399	-	26	259	3,917	178	4,095
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Fair value of assets disposed	(2,443)	-	(1,817)	-	-	-	(4,260)	-	(4,260)
Transfers to intangible assets	-	-	-	-	-	-	-	-	-
Transfers	25	-	110	-	-	23	158	(158)	-
	815	-	(1,308)	-	26	282	(185)	20	(165)
Movements in accumulated depreciation									
Depreciation	(2,353)	-	(269)	-	-	(196)	(2,818)	-	(2,818)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	1,822	-	1,809	-	-	-	3,631	-	3,631
	(531)	-	1,540	-	-	(196)	813	-	813
At fair value 30 June 2016	28,918	-	2,772	1,240	27,607	3,707	64,244	195	64,439
Accumulated depreciation at 30 June 2016	(13,579)	-	(1,407)	(1,240)	-	(2,324)	(18,550)	-	(18,550)
	15,339	-	1,365	-	27,607	1,383	45,694	195	45,889

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment (cont)

Council	roads \$'000	kerb and channel \$'000	footpaths and cycleways \$'000	Total Roads \$'000	Work in progress \$'000	Total Roads \$'000
2016						
Infrastructure						
At fair value 1 July 2015	394,292	56,087	39,143	489,522	563	490,075
Accumulated depreciation at 1 July 2015	(149,652)	(34,078)	(25,968)	(209,698)	-	(209,698)
	244,640	22,009	13,175	279,824	563	280,377
Movements in fair value						
Acquisition of assets at fair value	6,715	699	342	7,756	3,928	11,684
Revaluation increments/(decrements)	6,006	2,468	152	8,626	-	8,626
Contributions by developer	1,459	699	416	2,574	-	2,574
Fair value of assets disposed	(7,126)	(536)	(431)	(8,093)	-	(8,093)
Recognition of assets at fair value	-	-	858	858	-	858
Transfers	355	148	116	619	(551)	68
	7,409	3,478	1,453	12,340	3,377	15,717
Movements in accumulated depreciation						
Depreciation	(6,624)	(901)	(663)	(8,188)	-	(8,188)
Revaluation increments/(decrements)	(2,925)	(3,018)	1,673	(4,270)	-	(4,270)
Accumulated depreciation of disposals	4,979	132	143	5,254	-	5,254
Recognition of assets at fair value	-	-	(286)	(286)	-	(286)
Transfers	-	-	(30)	(30)	-	(30)
	(4,570)	(3,787)	837	(7,520)	-	(7,520)
At fair value 30 June 2016	401,701	59,565	40,596	501,862	3,930	505,792
Accumulated depreciation at 30 June 2016	(154,222)	(37,865)	(25,131)	(217,218)	-	(217,218)
	247,479	21,700	15,465	284,644	3,930	288,574

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment (cont)

Council

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment (cont)

Valuation of land and buildings

An valuation of Council's land and buildings was performed by qualified valuer Mr Con Demis AAPI, Certified Practising Valuer (Council Officer). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Land	-	10,177	38,759
Buildings	-	4,194	95,963
Total	-	14,371	134,722

Valuation of infrastructure

Valuation of infrastructure assets has been undertaken by Ken Conrick (Dip. Tech. Surveying & Grad Dip. Mining Eng.) (Council Officer)

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
roads	-	-	247,479
kerb and channel	-	-	21,700
footpaths and cycleways	-	-	15,465
drainage	-	-	103,975
waste management	-	-	11,892
recreational, leisure and community	-	-	51,164
parks, open spaces and streetscapes	-	-	12,513
off street carparks	-	-	11,960

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment (cont)

	2016 \$'000	2015 \$'000
<i>Description of significant unobservable inputs into level 3 valuations</i>		
<i>Specialised land and land under roads</i> is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 30% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.003 and \$350.00 per square metre. Land under roads was revalued this year with a restriction of use has been applied.	38,759	38,676
<i>Specialised buildings</i> are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$66 to \$6184 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.	95,963	96,942
<i>Infrastructure assets</i> are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure asses are determined on the basis of the current condition of the asset and vary from 1 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.	476,148	444,580
Reconciliation of specialised land		
Land under roads	494	406
Land	38,265	38,270
Total specialised land	38,759	38,676

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 24 Intangible assets				
Software at cost	1,014	1,230	1,014	1,230
Intangible assets software				
Opening work in progress	-	75	-	75
Transfers in	77	190	77	190
Transfers out	-	(265)	-	(265)
Closing work in progress	77	-	77	-
Water Rights - at valuation 30/06/14	-	45	-	-
Water Rights - at valuation 30/06/15	-	4,179	-	4,179
Water Rights - at valuation 30/06/16	5,199	-	5,138	-
Total intangible assets	6,290	5,454	6,229	5,409
Gross carrying amount				
Balance at 1 July 2014	-	3,816	-	3,787
Additions	-	382	-	382
Other	-	1,874	-	1,858
Balance at 1 July 2015	6,072	6,072	6,027	6,027
Additions	77	-	77	-
Revaluation increment/(decrement)	974	-	958	-
Balance at 30 June 2016	7,123	6,072	7,062	6,027
Accumulated amortisation and impairment				
Balance at 1 July 2014	-	452	-	452
Amortisation expense	-	166	-	166
Balance at 1 July 2015	618	618	618	618
Amortisation expense	215	-	215	-
Balance at 30 June 2016	833	618	833	618
Net book value at 30 June 2016	6,290	5,454	6,229	5,409

Details of the Mildura Rural City Council's Water Rights; and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Water Rights	-	5,138	-
Total	-	5,138	-

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 2015 and as at 30 June 2016.

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 25 Trade and other payables				
Trade payables	4,444	3,231	4,289	3,038
Accrued expenses	1,460	710	1,367	618
Total trade and other payables	5,904	3,941	5,656	3,656

Note 26 Trust funds and deposits

Refundable contract deposits	103	319	103	319
Fire service levy	733	487	733	487
Refundable civic facilities deposits	2	2	2	2
Retention amounts	382	215	382	215
Income received in advance	9	42	-	42
Other refundable deposits	747	462	747	462
Total trust funds and deposits	1,976	1,527	1,967	1,527

Purpose and nature of items

Refundable contract deposits

Footpath retention

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

Refundable civic facilities deposits

Facility hire bonds

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

Retention amounts

Other retention funds

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

Fire Service Levy

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.

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated	Council
Note 26 Trust funds and deposits (cont)		
<i>Other Refundable deposits</i>		
Security deposits		Deposits levied against private contractors where damage could occur to a Council owned asset.
Planning bonds		Bonds collected from developers for statement of compliance but works are incomplete. Refunded when all works are completed.
Trust funds		Funds held in trust for private drainage works.
Purchase recoups		Monies collected on behalf of other entities for payment of accounts received by Council.
Building permit levies		Levies collected on behalf of the Building Commission.
EPA levy		Levies collected on behalf of the Environment Protection Authority.
Roden White Kilburn Trust		Monies trusted to Rio Vista to enable live performances to take place in the Rio Vista building.
Art purchase fund		Monies donated to the Mildura Arts Centre for the purchase of art works.
Rio Vista restoration fund		Heritage funding received for restoration projects to the Rio Vista building.
Mildura Visitor Information Centre Trust		Commission retained by Mildura Visitor Information Centre for accommodation bookings are made.

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 27 Provisions

Consolidated	Annual leave	Long service leave	Rostered day off and time off in lieu	Redundancy	Landfill rehabilitation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016						
Balance at beginning of the financial year	4,124	6,868	644	-	7,631	19,267
Additional provisions	3,143	920	1,727	156	5,218	11,164
Amounts used	(3,079)	(808)	(1,662)	-	-	(5,549)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	-	208	-	-	2,375	2,583
Balance at the end of the financial year	4,188	7,188	709	156	15,224	27,465
2015						
Balance at beginning of the financial year	4,000	6,386	651	46	7,400	18,483
Additional provisions	3,237	1,155	1,580	-	812	6,784
Amounts used	(3,113)	(828)	(1,587)	(46)	-	(6,155)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	-	155	-	-	(581)	(426)
Balance at the end of the financial year	4,124	6,868	644	-	7,631	19,267
Council						
	Annual leave	Long service leave	Rostered day off and time off in lieu	Redundancy	Landfill rehabilitation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016						
Balance at beginning of the financial year	4,033	6,659	644	-	7,631	18,967
Additional provisions	3,040	900	1,727	156	5,218	11,041
Amounts used	(3,002)	(808)	(1,662)	-	-	(5,472)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	-	208	-	-	2,375	2,583
Balance at the end of the financial year	4,071	6,959	709	156	15,224	27,119
2015						
Balance at beginning of the financial year	3,914	6,333	651	46	7,400	18,344
Additional provisions	3,232	979	1,580	-	812	6,758
Amounts used	(3,113)	(808)	(1,587)	(46)	-	(6,135)
Bond rates						-
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	-	155	-	-	(581)	(426)
Balance at the end of the financial year	4,033	6,659	644	-	7,631	18,967

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 27 Provisions (cont)

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(a) Employee provisions				
Current provisions expected to be settled within 12 months				
Annual leave	2,239	2,762	2,122	2,671
Long service leave	789	781	789	781
Redundancy	156	-	156	-
Rostered day off and time off in lieu	709	644	709	644
	3,893	4,187	3,776	4,096
Current provisions expected to be settled after 12 months				
Annual leave	1,949	1,362	1,949	1,362
Long service leave	5,044	4,928	5,037	4,928
	6,993	6,290	6,986	6,290
Total current employee provisions	10,886	10,477	10,762	10,386
Non-current				
Long service leave	1,199	1,004	1,133	950
Total non-current employee provision	1,199	1,004	1,133	950
Aggregate carrying amount of employee provisions:				
Current	10,886	10,477	10,762	10,386
Non-current	1,199	1,004	1,133	950
Total aggregate carry amount of employee provision	12,085	11,481	11,895	11,336

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	4.13%	4.44%	4.13%	4.44%
Weighted average discount rates	1.99%	3.03%	1.99%	3.03%
Weighted average settlement period	12	12	12	12

(b) Landfill restoration

Under the Environmental Protection Act Council is obligated to restore the Mildura Landfill site to a particular standard. Current projections indicate that the Mildura Landfill site will cease operation in 2048 and restoration work is expected to commence shortly thereafter. The forecast life of the Mildura Landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

The following assumptions were adopted in measuring the present value of landfill rehabilitation:

Projected increase in costs	2.25%	2.25%	2.25%	2.25%
Projected discount rates starting at year 1	1.59%	1.93%	1.59%	1.93%

Non-current

Landfill restoration	15,224	7,631	15,224	7,631
Total landfill restoration	15,224	7,631	15,224	7,631
Total provisions				
Current	10,886	10,477	10,762	10,386
Non-current	16,423	8,635	16,357	8,581
Total provisions	27,309	19,112	27,119	18,967

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 28 Interest-bearing loans and borrowings				
<i>Current</i>				
Borrowings - secured ⁽¹⁾	1,470	1,809	1,449	1,786
	<u>1,470</u>	<u>1,809</u>	<u>1,449</u>	<u>1,786</u>
<i>Non-current</i>				
Borrowings - secured ⁽¹⁾	18,043	19,535	17,939	19,514
	<u>18,043</u>	<u>19,535</u>	<u>17,939</u>	<u>19,514</u>
Total	<u>19,513</u>	<u>21,344</u>	<u>19,388</u>	<u>21,300</u>

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

The maturity profile for Council's borrowings is:

Loans - security

Not later than one year	1,470	1,809	1,449	1,786
Later than one year and not later than five years	3,661	6,359	2,977	6,338
Later than five years	14,382	13,176	14,962	13,176
	<u>19,513</u>	<u>21,344</u>	<u>19,388</u>	<u>21,300</u>

Finance leases

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

Not later than one year	18	17	18	17
Later than one year and not later than five years	-	18	-	18
Later than five years	-	-	-	-
Minimum lease payments	<u>18</u>	<u>35</u>	<u>18</u>	<u>35</u>
Less: Future finance charges	1	3	1	3
	<u>17</u>	<u>32</u>	<u>17</u>	<u>32</u>

Current

Leases	17	15	17	15
	<u>17</u>	<u>15</u>	<u>17</u>	<u>15</u>

Non-current

Leases	-	17	-	17
	<u>-</u>	<u>17</u>	<u>-</u>	<u>17</u>

Total finance leases	<u>17</u>	<u>32</u>	<u>17</u>	<u>32</u>
-----------------------------	-----------	-----------	-----------	-----------

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

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	1,487	1,824	1,466	1,801
Non-current	18,043	19,552	17,939	19,531
Total interest-bearing loans and borrowings	<u>19,530</u>	<u>21,376</u>	<u>19,405</u>	<u>21,332</u>

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 29 Reserves

Consolidated

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 29 Reserves (cont)

Consolidated

	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserve 2015				
Property				
Land	17,658	-	(530)	17,128
Land under roads	1,041	-	(1,041)	-
Buildings	58,831	2,133	-	60,964
	77,530	2,133	(1,571)	78,092
Plant and equipment				
Artwork	14,567	28	-	14,595
	14,567	28	-	14,595
Infrastructure				
Aerodromes	9,594	-	-	9,594
Drainage	39,635	-	(1,571)	38,064
Off street carparks	368	8,076	-	8,444
Recreational, leisure and community	1,180	30,765	-	31,945
Parks, open spaces and streetscapes	5,767	1,047	-	6,814
Roads	191,566	-	(122)	191,444
Waste management	80	-	(80)	-
	248,190	39,888	(1,773)	286,305
Water rights				
Water rights	355	1,858	-	2,213
	355	1,858	-	2,213
Total asset revaluation reserve	340,642	43,907	(3,344)	381,205

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 29 Reserves (cont)

Consolidated

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 29 Reserves (cont)

Consolidated

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves (cont)	\$'000	\$'000	\$'000	\$'000
2015				
<i>Non discretionary reserves</i>				
Apex Park reserve	557	87	(212)	432
Car parking	34	-	(34)	-
Drainage	401	-	(215)	186
Resort/recreation/open space	103	-	(103)	-
Nature strips and trees	18	-	(18)	-
Developer contribution reserve	1,041	903	(919)	1,025
Library book bequest reserve	99	-	-	99
DGR donations reserve - MAC Theatre	107	4	(2)	109
Total	2,360	994	(1,503)	1,851
<i>Discretionary reserves</i>				
Artwork acquisition reserve	81	43	(69)	55
Asset renewal reserve	414	-	(414)	-
Landfill redevelopment	7,331	7,425	(7,866)	6,890
Landfill rehabilitation reserve	1,073	165	(280)	958
Primary Care Partnership reserve	210	474	(565)	119
Small towns redevelopment reserve	620	-	(159)	461
Street light pole	10	-	(2)	8
VGC advance grants reserve	-	6,609	-	6,609
Total	9,739	14,716	(9,355)	15,100
Total other reserves	12,099	15,710	(10,858)	16,951

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 29 Reserves (cont)

Council

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

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 29 Reserves (cont)

Council	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserve 2015				
Property				
Buildings	58,694	2,133	-	60,827
Land	17,658	-	(530)	17,128
Land under roads	1,041	-	(1,041)	-
	<u>77,393</u>	<u>2,133</u>	<u>(1,571)</u>	<u>77,955</u>
Plant and equipment				
Artwork	14,567	28	-	14,595
	<u>14,567</u>	<u>28</u>	<u>-</u>	<u>14,595</u>
Infrastructure				
Aerodromes	9,594	-	-	9,594
Drainage	39,635	-	(1,571)	38,064
Off street carparks	368	8,076	-	8,444
Recreational, leisure and community	1,180	30,765	-	31,945
Parks, open spaces and streetscapes	5,767	1,047	-	6,814
Roads	191,566	-	(122)	191,444
Waste management	80	-	(80)	-
	<u>248,190</u>	<u>39,888</u>	<u>(1,773)</u>	<u>286,305</u>
Water rights				
Water rights	355	1,858	-	2,213
	<u>355</u>	<u>1,858</u>	<u>-</u>	<u>2,213</u>
Total asset revaluation reserve	<u>340,505</u>	<u>43,907</u>	<u>(3,344)</u>	<u>381,068</u>

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 29 Reserves (cont)

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 29 Reserves (cont)

Council	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves (cont.)	\$'000	\$'000	\$'000	\$'000
2015				
<i>Non discretionary reserves</i>				
Apex Park reserve	557	87	(212)	432
Car parking	34	-	(34)	-
Drainage	401	-	(215)	186
Resort/Recreation/Open Space	103	-	(103)	-
Nature strips and trees	18	-	(18)	-
Developer contribution reserve	1,041	903	(919)	1,025
Library book bequest reserve	107	-	-	107
DGR donations reserve - MAC Theatre	107	4	(2)	109
Total	2,368	994	(1,503)	1,859
<i>Discretionary reserves</i>				
Artwork acquisition reserve	81	43	(69)	55
Asset renewal reserve	414	-	(414)	-
Landfill redevelopment	7,331	7,425	(7,866)	6,890
Landfill rehabilitation reserve	1,073	165	(280)	958
Primary Care Partnership reserve	210	474	(565)	119
Small towns redevelopment reserve	620	-	(159)	461
Street light pole	10	-	(2)	8
VGC advance grants reserve	-	6,609	-	6,609
Total	9,739	14,716	(9,355)	15,100
Total other reserves	12,107	15,710	(10,858)	16,959

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 29 Reserves (cont)

Name of Reserve	Nature and Purpose
<i>Non discretionary reserves</i>	
Apex Park reserve	Set up under a Committee of Management agreement with N.R.E., where surplus funds are to be set aside for improvements to the park lands.
Car parking reserve	Statutory contributions under development plans to be used for the advancement of car parking facilities within the municipality.
Developer Contribution reserve	Statutory developer contributions to be used for infrastructure asset categories which do not have a dedicated reserve above.
DGR donations reserve - MAC Theatre	Reserve to hold deductible gifts for the Mildura Arts Centre theatre and is a requirement of being registered as a deductible gift recipient by the Australian Taxation Office.
Drainage reserve	Developer contributions and E.P.A. grant, to be used for drainage studies.
Nature strips and trees reserve	Statutory developer contributions to be spent on street beautification.
Resort/Recreation/Open Space reserve	Statutory developer contributions to be used for parks development.
Library book bequest reserve	Established to hold Library Book Bequest from deceased estate.
<i>Discretionary reserves</i>	
Artwork acquisition reserve	A reserve created to account for any annual unspent capital works expenditure allocation towards the restoration and expansion of Council's permanent artwork collection.
Asset renewal reserve	Established in order to take advantage of any possible matching funding, by way of government grants, for renewal of Council assets.
Landfill redevelopment reserve	Surplus on waste management operations, to be used for landfill reinstatement and purchase of new landfill sites.
Landfill rehabilitation reserve	A reserve created to provide for future landfill rehabilitation expenditure.
Primary Care Partnership reserve	A reserve created to account for the unspent portion of Primary Care Partnership grant funding received.
Street light pole reserve	Developer contributions for replacement of specialised street lighting poles in various subdivisions.
Small town redevelopment reserve	A reserve for funds set aside for long term strategies for the small towns within the municipality.
VGC advance grants reserve	Reserve created to hold Victorian Grants Commissions funds received in advance

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 29 Reserves (cont)

Council

	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
(c) Financial assets revaluation	\$'000	\$'000	\$'000	\$'000
2016				
Interest in Mildura Airport Pty Ltd	13,109	574	-	13,683
	<u>13,109</u>	<u>574</u>	<u>-</u>	<u>13,683</u>
Total financial assets revaluation	<u>13,109</u>	<u>574</u>	<u>-</u>	<u>13,683</u>
2015				
Interest in Mildura Airport Pty Ltd	12,500	609	-	13,109
Land under roads	-	-	-	-
Land improvements	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Heritage buildings	-	-	-	-
	<u>12,500</u>	<u>609</u>	<u>-</u>	<u>13,109</u>
Total financial assets revaluation	<u>12,500</u>	<u>609</u>	<u>-</u>	<u>13,109</u>

Notes to the Financial Report
For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 30 Reconciliation of cash flows from operating activities to surplus (deficit)				
Surplus for the year	7,443	21,284	6,869	20,675
Depreciation/amortisation	18,896	16,832	17,985	15,945
(Profit) loss on disposal of property, plant and equipment, infrastructure	5,642	2,589	5,642	2,589
Gain/(loss) on recognition of non current assets	(1,144)	(16)	(1,144)	-
Contributions - non-monetary assets	(4,197)	(385)	(4,197)	(385)
Interest expense	1,271	1,307	1,268	1,320
Revaluation of financial asset	(16)	(15)	(16)	(15)
Decrease in asset carrying amount	-	3,513	-	3,513
(Increase)/decrease in landfill provision discount amount	2,375	(581)	2,375	(581)
Change in assets and liabilities:				
(Increase)/decrease in trade and other receivables	(659)	5,894	(358)	6,111
(Increase)/decrease in prepayments	(279)	(48)	(279)	8
Increase/(decrease) in accrued income	-	3	-	-
Increase/(decrease) in trust fund deposits	449	250	440	250
Increase/(decrease) in trade and other payables	1,963	(3,677)	2,000	(3,801)
(Increase)/decrease in inventories	30	(110)	52	(110)
Increase/(decrease) in provisions	605	398	559	392
Net cash provided by operating activities	32,379	47,238	31,196	45,911
Note 31 Reconciliation of cash and cash equivalents				
Cash and cash equivalents (see note 18)	34,866	39,171	31,659	36,388
Total reconciliation of cash and cash equivalents	34,866	39,171	31,659	36,388
Note 32 Financing arrangements				
Bank overdraft	-	-	-	-
Credit card facility	800	800	800	800
	800	800	800	800
Used Facilities	(119)	(115)	(119)	(115)
Unused Facilities	681	685	681	685

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 33 Commitments

The Council has entered into the following commitments

Consolidated

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 33 Commitments (cont)

Consolidated

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2015					
<i>Operating</i>					
Swimming pool management	783	137	-	-	920
Telecommunications	779	802	1,152	-	2,733
Waste management	2,412	490	-	-	2,902
Cleaning services	368	379	-	-	747
Security services	506	521	-	-	1,027
Project design	1,195	-	-	-	1,195
Other	2,259	1,077	-	-	3,336
Total	8,302	3,406	1,152	-	12,860
<i>Capital</i>					
Building construction	97	-	-	-	97
Design and project management	54	-	-	-	54
Office equipment	90	-	-	-	90
Other	7	-	-	-	7
Recreation	1,527	-	-	-	1,527
Roadworks	500	-	-	-	500
Drainage	293	-	-	-	293
Plant and equipment	1,025	-	-	-	1,025
Waste management	126	-	-	-	126
Total	3,719	-	-	-	3,719

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 33 Commitments (cont)

The Council has entered into the following commitments

Council

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 33 Commitments (cont)

Council

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2015					
<i>Operating</i>					
Swimming pool management	55	-	-	-	55
Telecommunications	779	672	-	-	1,451
Waste management	1,884	99	-	-	1,983
Cleaning services	347	240	-	-	587
Security services	323	3	-	-	326
Project design	1,199	-	-	-	1,199
Other	2,651	390	-	-	3,041
Total	7,238	1,404	-	-	8,642
<i>Capital</i>					
Building construction	253	-	-	-	253
Design and project management	2	-	-	-	2
Office equipment	3	-	-	-	3
Other	510	-	-	-	510
Recreation	4,473	-	-	-	4,473
Roadworks	189	-	-	-	189
Drainage	77	-	-	-	77
Plant and equipment	249	-	-	-	249
Waste management	1,083	-	-	-	1,083
Total	6,839	-	-	-	6,839

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Consolidated		Council	
2016	2015	2016	2015
\$'000	\$'000	\$'000	\$'000

Note 34 Operating leases

(a) Operating lease commitments

At the reporting date, the Council had the no obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities

(b) Operating lease receivables

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

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

Not later than one year	497	457	232	228
Later than one year and not later than five years	1,324	1,294	656	736
Later than five years	1,023	1,096	576	660
	<u>2,844</u>	<u>2,847</u>	<u>1,464</u>	<u>1,624</u>

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 35 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 2016, 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 2015, 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 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

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

Vision Super has advised that the estimated VBI at June 2016 was 102%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 35 Superannuation (cont)

Employer Contributions

Regular Contributions

On the basis of the results of the 2015 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 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

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

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

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 million.

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 2015. 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. Council was notified of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$478,764.

**Notes to the Financial Report
For the Year Ended 30 June 2016**

Note 36 Contingent liabilities and contingent assets

Contingent liabilities

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

Council has entered into a commitment to engage the Victorian Electoral Commission to conduct the election on behalf of a council.

Guarantees for loans to other entities

Guarantees by Council to financial institutions over loans taken out by sporting clubs and community organisations within the municipality and performance guarantees for construction contracts amounting to \$251,836 (2015: \$251,836)

Contingent assets

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 37 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

(b) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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

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

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

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

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

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.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 36.

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 37 Financial Instruments (cont)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset. To help reduce these risks we:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 36, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 28.

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

(e) Fair value

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

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 1.05%.

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

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 38 Related party transactions

(i) Responsible Persons

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

Councillors	Glenn Milne (Mayor)	1/07/2015 to 30/06/2016
	John Arnold	1/07/2015 to 30/06/2016
	Judi Harris	1/07/2015 to 30/06/2016
	Max Thorburn	1/07/2015 to 30/06/2016
	Mark Eckel	1/07/2015 to 30/06/2016
	Sharyon Peart	1/07/2015 to 30/06/2016
	Ali Cupper	1/07/2015 to 30/06/2016
	Greg Brown	1/07/2015 to 30/06/2016
	Jill Joslyn	1/07/2015 to 30/06/2016
Chief Executive Officer	Gerard José	1/07/2015 to 30/06/2016

(ii) Remuneration of Responsible Persons

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

	2016	2015
	No.	No.
\$20,000 - \$29,999	8	8
\$70,000 - \$79,999	-	1
\$80,000 - \$89,999	1	-
\$190,000 - \$199,999	-	1
\$280,000 - \$299,999	1	-
	<u>10</u>	<u>10</u>
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	609	481

(iii) Retirement Benefits of Responsible Persons

Retirement benefits have been made by Council to a Responsible Person. Total Nil. (2014/15, Nil).

Notes to the Financial Report
For the Year Ended 30 June 2016

Note 38 Related party transactions (cont)

(iv) Loans to Responsible Persons

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2014/15, Nil).

(v) Transactions with Responsible Persons

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2014/15, Nil).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive or whose total annual remuneration exceeds \$139,000.

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

	2016	2015
Income Range:	No.	No.
\$139,000 - \$139,999	2	-
\$140,000 - \$149,999	2	5
\$150,000 - \$159,999	2	7
\$160,000 - \$169,999	9	1
\$170,000 - \$179,999	2	-
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	-	1
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	1	-
\$260,000 - \$269,999	1	-
	22	16
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	3,839	2,643

Note 39 Events occurring after balance date

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

Certification of the Financial Report

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



David Folvig - BBus
Principal Accounting Officer

Date: 22 September 2016
Mildura

In our opinion the accompanying financial statements present fairly the financial transactions of Mildura Rural City Council for the year ended 30 June 2016 and the financial position of the Council as at that date.

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

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



Cr Glenn Milne
Councillor

Dated: 22 September 2016
Mildura



Cr Sharyn Peart
Councillor

Dated: 22 September 2016
Mildura



Gerard Jose
Chief Executive Officer

Dated: 22 September 2016
Mildura



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Mildura Rural City Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Mildura Rural City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report.

The Councillors' Responsibility for the Financial Report

The Councillors of the Mildura Rural City Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

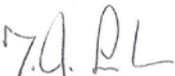
Independence

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

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Mildura Rural City Council as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
27 September 2016


Andrew Greaves
Auditor-General

Part 3: Performance Statement

Mildura Rural City Council

Performance Statement

For the year ended 30 June 2016

Performance Statement

For the year ended 30 June 2016

Description of municipality

Mildura is a growing regional city on the banks of the Murray River in north western Victoria bordering New South Wales and South Australia. Major townships within Mildura Rural City's urban area include Mildura, Irymple, Red Cliffs and Merbein. Other townships within Council's rural area include Ouyen, Walpeup, Murrayville, Underbool, Werrimull, Cullulleraine, Nangiloc and Colignan. The city's main industries include agriculture, horticulture, advanced manufacturing, logistics and services. The council covers an area of 22,330 square kilometres, making it the largest in Victoria and has an estimated resident population of 53,015¹ which is projected to grow to 59,439 by the year 2031².

¹ Australian Bureau of Statistics Catalogue 3218.0 Regional Population Growth, Australia - *Population Estimates by Local Government Area (Estimated Resident Population as at 30 June 2015(p))*

² Department of Transport, Planning and Local Infrastructure (DTPLI) - *Victoria in Future July 2016*

Sustainable Capacity Indicators

For the year ended 30 June 2016

<i>Indicator/measure</i>	Results		Material Variations
	2015	2016	
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,705.05* ¹	\$1,748.20	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$11,439.02* ²	\$12,354.94	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	10.32	10.31	
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,329.17* ³	\$1,343.09	
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$530.62* ⁴	\$334.17	The decrease that has occurred is due to the forward payment of our Victorian Grants Commission payment into the 2014-15 financial year of \$6.61M.
Disadvantage			
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3.00	3.00	

Notes:

* Denotes 2014-15 results that were incorrectly reported in the published Mildura Rural City Council Annual Report 2014-2015 and have been amended

*1 Expenses per head of municipal population – *this result was previously reported as \$1,701*

*2 Infrastructure per head of municipal population - *this result was previously reported as \$10,725*

*3 Own-source revenue per head of municipal population - *this result was previously reported as \$1,360*

*4 Recurrent grants per head of municipal population - *this result was previously reported as \$537*

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 2016

Service/indicator/measure	Results		Material Variations
	2015	2016	
Aquatic facilities			
Utilisation			
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	9.71	9.60	
Animal management			
Health and safety			
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	
Food safety			
Health and safety			
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	74.00%	91.53%	There has been a decrease in food premises being issued with critical non-compliance and major non-compliance notifications over the past 12 months along with a focus by council on following up non-compliance notifications.
Governance			
Satisfaction			
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54.00	51.00	
Home and community care			
Participation			
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	31.00%	22.23%	Council introduced new software in January 2015 resulting in more accurate reporting against this measure in 2015/16.
 <i>Participation</i>			
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	33.00%	33.16%	

<i>Service/indicator/measure</i>	Results		Material Variations
	2015	2016	
Libraries			
Participation			
<i>Active library members</i> [Number of active library members / Municipal population] x100	19.00%	18.02%	Trends indicate that less people are borrowing Library materials due to use of the Internet and e-resources.
Maternal and child health			
Participation			
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	77.00%	77.39%	
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	44.00%	51.47%	A flexible model of care is offered to ATSI families. Mallee District Aboriginal Service also provides a Maternal and Child Health service with some Aboriginal clients choosing to attend this service.
Roads			
Satisfaction			
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	58.00	54.00	
Statutory Planning			
Decision making			
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	82.00%	66.67%	This result has decreased however the raw data puts this result into perspective. In 2014/15 VCAT upheld 9 out of 11 Council decisions compared to 4 out of 6 in 2015/16.
Waste Collection			
Waste diversion			
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	33.00%	32.99%	

Definitions

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

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

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

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

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

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

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

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

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

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

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

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

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

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Financial Performance Indicators

For the year ended 30 June 2016

Dimension/indicator/measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Efficiency							
Revenue level							
Average residential rate per residential property assessment	\$1,436.85	\$1,376.88	\$1,500.70	\$1,547.53	\$1,595.06	\$1,643.64	
[Residential rate revenue / Number of residential property assessments]							
Expenditure level							
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,225.00	\$3,195.90	\$3,773.07	\$3,368.80	\$3,458.15	\$3,554.20	
Workforce turnover							
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.06%	11.35%	10.95%	10.95%	10.95%	10.95%	
Liquidity							
Working capital							
Current assets compared to current liabilities [Current assets / Current liabilities] x100	263.14%	250.65%	102.55%	108.05%	111.72%	114.83%	Due to capital works timing delays, the 2015/16 current asset position is greater than forecasts. In 2014/15 the forward payment of the Victorian Grants Commission occurred in June 2015. The 2016/2017 forecasts and onwards is based on the full completion of future years capital works.

Dimension/indicator/measure	Results					Forecasts			Material Variations
	2015	2016	2017	2018	2019	2020			
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	123.05%	119.21%	40.44%	45.35%	50.41%	54.93%			
Obligations Asset renewal Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	79.67%	78.11%	103.54%	91.06%	91.03%	91.00%			
Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	35.93%	31.41%	32.60%	29.75%	27.07%	24.46%		Loans and borrowings have decreased by \$1.9M as some loans are nearing the end of their terms.	
Loans and borrowings Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	5.31%	5.17%	4.34%	3.52%	3.35%	3.21%			
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	39.88%	48.17%	37.57%	35.35%	33.18%	31.07%		The landfill provision was revised in 2015/16 in line with our Rehabilitation and Aftercare Management Plan. We will now be embarking on a Geosynthetic clay liner and geomembrane landfill capping solution.	

Dimension/indicator/measure	Results		Forecasts			Material Variations
	2015	2016	2017	2018	2019	
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	9.52%	-3.26%	2.22%	2.36%	2.35%	2.26%
						The underlying deficit is due to the forward payment of our Victorian Grants Commission payment into the 2014-15 financial year of \$6.61M. A steady financial performance was expected over the period, indicating that we are achieving balanced budgets and not putting undue pressure on our cash reserves.
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	59.40%	68.82%	56.78%	65.57%	65.87%	66.14%
						This is increasing due to the forward payment of 50% of our Victorian Grants Commission funding from 2015/16 into 2014/15. This had the effect of increasing rates income showing our reliance on rates to be more than it would have been otherwise.
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.84%	0.85%	0.87%	0.90%	0.93%	0.95%
						Mildura Rural City Council will tend to have higher rates compared to property values due to the following inherent factors of our municipality: population size, population density, population dispersion and remoteness from a major population centre.

<p>Definitions</p> <p>"adjusted underlying revenue" means total income other than:</p> <p>(a) non-recurrent grants used to fund capital expenditure; and</p> <p>(b) non-monetary asset contributions; and</p> <p>(c) contributions to fund capital expenditure from sources other than those referred to above</p> <p>"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure</p> <p>"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</p> <p>"current assets" has the same meaning as in the AAS</p> <p>"current liabilities" has the same meaning as in the AAS</p> <p>"non-current assets" means all assets other than current assets</p> <p>"non-current liabilities" means all liabilities other than current liabilities</p> <p>"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</p> <p>"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants</p> <p>"population" means the resident population estimated by council</p> <p>"rate revenue" means revenue from general rates, municipal charges, service rates and service charges</p> <p>"recurrent grant" means a grant other than a non-recurrent grant</p> <p>"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties</p> <p>"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</p> <p>"unrestricted cash" means all cash and cash equivalents other than restricted cash.</p>

Other Information

For the year ended 30 June 2016

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.

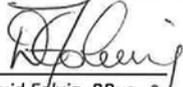
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

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 23 June 2016 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 Fdlvig, BBus
Principal Accounting Officer

Date: 22 September 2016
Mildura

In our opinion, the accompanying performance statement of the *Mildura Rural City Council* for the year ended 30 June 2016 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*.

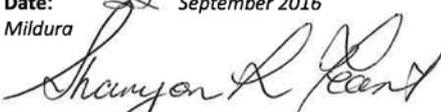
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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 Glenn Milne
Councillor

Date: 22 September 2016
Mildura


Cr Sharyon Peart
Councillor

Date: 22 September 2016
Mildura


Gerard José
Chief Executive Officer

Date: 22 September 2016
Mildura



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Mildura Rural City Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Mildura Rural City Council which comprises the statement, the related notes and the certification of the performance statement.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Mildura Rural City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

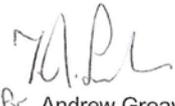
Independence

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

Auditor's Opinion

In my opinion, the performance statement of the Mildura Rural City Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
27 September 2016


R Andrew Greaves
Auditor-General