



ANNUAL REPORT 2017-2018



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Introduction

About us

Rural Councils Victoria (RCV) is an organisation representing Victoria's rural councils with the aim of supporting and promoting sustainable, liveable and prosperous rural communities.

RCV was originally formed in 2005 under the umbrella of the Municipal Association of Victoria (MAV).

Its aim was to form a co-ordinated network of the rural councils across Victoria and assist them to better understand, articulate and address the issues affecting them.

In 2016 RCV's member councils agreed to transition to a stand-alone entity, with RCV becoming incorporated on 29 June 2016.

A Committee of 12, comprising two representatives (a Councillor and a CEO) from each of the six MAV rural regions, oversees RCV's activities.

RCV aims to:

- Heighten awareness and understanding of issues that impact on rural communities
- Use policy, strategy, advocacy and evidence-based research to secure better outcomes for our member councils
- Assist with building the capacity of rural councils to face challenges
- Provide leadership on local governance.



Our Committee

The RCV Committee comprises two representatives (a Councillor and a CEO) from each of the six MAV rural regions.

The 2017-2018 Committee was:



Cr Rob Gersch
Chair

Hindmarsh Shire Council



Cr Gavan Holt
Deputy Chair

Loddon Shire Council



Cr Aaron Brown

South Gippsland Shire Council



Cr Mary-Ann Brown

Southern Grampians Shire Council



Cr Jenny O'Connor

Indigo Shire Council



Cr Robert Vance

Pyrenees Shire Council



Mr Michael Bailey

CEO
Northern Grampians Shire
Council



Mr Gary Gaffney

CEO
East Gippsland Shire
Council



Mr Lenny Jenner

CEO
Borough of Queenscliffe



Mr Andrew Mason

CEO
Corangamite Shire Council



Ms Juliana Phelps
Secretary

CEO
Towong Shire Council



Mr Jason Russell
Treasurer

CEO
Campaspe Shire Council

The Committee meets monthly to provide direction, identify priorities and guide the implementation of the RCV program.

Chair's Message

It is my great pleasure to present the Rural Councils Victoria 2017-2018 Annual Report.

This has been an important year for the organisation, with significant progress being made towards the delivery of key projects and advocating on behalf of rural Victorian communities and councils.

One of our key achievements was our submission to the 2018-2019 Victorian Government Budget. Our submission focused on the need to improve liveability in rural Victoria to ensure that rural communities are provided with the same opportunities and living standards as Melbourne's residents. Our submission was supported by a strong advocacy and communications strategy which included meetings with Treasurer Tim Pallas, Minister for Regional Development Jaala Pulford, Minister for Local Government Marlene Kairouz and Minister for Roads and Road Safety Luke Donnellan.

We were pleased to see that the 2018-2019 Budget announced in May included \$20 million for the Rural Councils Transformation Program and \$100 million for the Fixing Country Roads Program, however there is still a great amount of work to be done to improve liveability, sustainability, economic growth and effective service delivery for rural Victorians.

We were delighted to host three highly successful and well-attended events in 2017-2018 – two Mayors, Councillors and CEOs Forums and our Rural Summit. The forums provided our member council representatives with the opportunity to be updated on RCV's projects and priorities, as well as to hear updates from key government agencies. The summit, hosted by East Gippsland Shire Council in Lakes Entrance, focused on rural liveability.

In terms of our policy work, we are proud to have completed the first two projects

identified in the Population Attraction and Retention Strategies for Rural Victorian Communities report.

The first project, the Population Growth in Rural Victoria: Opportunities and Actions report, draws on research, analysis and consultation with our members to lead to the clear conclusion that Victoria requires a population strategy and associated population targets for rural areas. The strategy and targets need to be supported by a range of actions to ensure the ongoing sustainability of rural Victoria and the State as a whole.

The second project, the Rural Workforce Development Plan, aligns strongly with the population project to outline opportunities to develop the rural workforce to increase the supply of workers with the skills needed for rural-based businesses.

We have continued to roll out social enterprise workshops across the state in partnership with the Australian Centre for Rural Entrepreneurship. Social enterprises are becoming increasingly attractive and effective as a vehicle for organisations to sustainably generate income and deliver increased social impact within their communities. We have received great feedback from participants in the workshops and we look forward to continuing to provide these workshops in 2018-2019.

I would like to take this opportunity to thank my fellow Committee members for their continued commitment to achieving improved outcomes for rural Victoria.

We look forward to working with our member councils in 2018-2019.

Cr Rob Gersch
Chair
Rural Councils Victoria

Victorian Government Budget Submission 2018-2019

RCV acknowledges that urgent investment is needed to give rural Victorians the same opportunities and living standards as their Melbourne counterparts.

In collaboration with community groups, local businesses and its member councils, RCV identified four key priorities that get to the heart of what rural Victorians need – liveability, sustainability, economic growth and effective service delivery.

Fixing up ageing roads

Key asks:

- Rural Roads Support Fund - \$200 million over four years
- VicRoads funding to repair key rural roads - \$100 million over four years
- Liveable Rural Communities Fund - \$100 million over four years

With small ratepayer populations, limited sources of revenue and thousands of kilometres of roads to maintain, rural councils are starting from behind when it comes to maintaining the key road links that keep Victoria's produce economy going.

For rural councils, the gap between revenue and infrastructure expenditure is significant, and growing.

Closing the rural infrastructure gap needs government investment. By creating a Rural Roads Support Fund, which

co-invests with councils in repairing key local roads, rural councils will be able to maintain the roads communities rely on.

An injection of extra funding to VicRoads to repair rural main roads will also help regain some of the lost ground and keep up with the wear and tear rural roads face from constant freight movements.

A liveable rural communities fund would assist rural councils to capitalise on investment through developing complementary infrastructure for pedestrians and public transport.

Smarter service delivery

Key asks:

- A State takeover of funding for rural school crossing supervisors
- Moving fire prevention activities into the remit of the CFA

Local governments are used to working in partnership with other levels of government to deliver services. While many of these partnerships work well, they could work even better.

Often, funding models are maintained purely for historical reasons rather than a logical connection. For example, councils have assumed responsibility for road crossing supervision and make a contribution to the costs of that service.

Victorian Government Budget Submission 2018-2019 (cont.)

Crossing supervisors at schools may be managed and report to the Department of Education for various functions, but paid by councils, leading to a complex web that makes service delivery worse for employees, schools and students.

In addition, local councils are responsible for maintaining many fire breaks and access tracks used by state agencies.

With organisations like the CFA and DELWP dependent on many of these routes during routine maintenance or emergencies, it doesn't make sense for small councils to manage these critical pieces of infrastructure when state agencies could manage them more effectively and in line with their needs.

If councils continue to bear responsibility for funding programs in areas where they lack expertise and economies of scale, it's unlikely that rural Victorians will see best practices or good value for money.

A strong voice for rural Victorians

Key asks:

- Minister for Rural Victoria
- Ongoing funding for Rural Councils Victoria - \$3.5 million over four years

For Victorians living in cities, regional and rural Victoria are often put in the same basket. In reality, the needs of regional cities like Geelong and small rural communities like Nhill couldn't be further apart.

That's why rural Victorians need a dedicated voice in cabinet.

A Minister for Rural Communities will give the one in 10 Victorians who live in rural areas a spot at the cabinet table, ensuring policies deliver for all Victorians – not just those in our cities.

Representing the 750,000 people who call rural Victoria home, RCV has worked to connect rural communities for more than 10 years.

From policy and research work that examines the needs and trends of rural Victoria, to developing programs that help local councils attract and engage with residents, we're a vital link between towns from Murrayville to Mallacoota.

Financial sustainability for rural councils

Key asks:

- Funding to set up collaborative procurement projects - \$5 million over four years
- Funding to set up energy saving projects - \$5 million over four years

Rural councils want to be more efficient to keep rates low for residents, spend revenue responsibly and deliver fantastic liveability. By investing in shared service provision, energy saving programs and collaborative procurement, councils will be able to make every dollar go further, but we need the state government's help to get there.

Mayors, Councillors and CEOs Forums

In 2017-2018 RCV hosted two Mayors, Councillors and CEOs Forums, both in Melbourne.

The first forum was held in 18 October 2017 at the Melbourne Cricket Ground.

It provided an opportunity for more than 80 representatives from our member councils to hear from a wide variety of speakers on key issues affecting rural Victorians.

Some of these opportunities included being briefed on the interim findings from the consultation phase of the Regional and Rural Councils Sustainability Reform Program, as well as RCV's Population Attraction and Retention Strategies for Rural Victorian Communities project.

Attendees also heard from Opposition Leader Matthew Guy, Regional Development Victoria Chief Executive Officer James Flintoft, Australian Centre for Rural Entrepreneurship (ACRE) Chief Executive Officer Matt Pfahlert and Local Government Victoria Director Sector Innovation Performance and Resilience Gerry Smith.

The four key priorities identified in RCV's Victorian Government Budget 2018-2019 submission, as well as the supporting advocacy and communications campaigns, were presented.

The second forum, held on 11 April 2018 at Zinc Federation Square, was attended by more than 100 delegates.

Guest speakers included Minister for Regional Development Jaala Pulford, Opposition Leader Matthew Guy, Tribus Chief Executive Officer Dean Landy, Local Government Victoria Executive Director Graeme Emonson, Independent Broad-based Anti-corruption Commission Chief Executive Officer Alistair Maclean and Local Government Investigations and Compliance Inspectorate Chief Municipal Inspector David Wolf.

An overview and update of RCV advocacy efforts was provided, as well as updates on key policy projects.



Social enterprise workshops

RCV continued its partnership with the Australian Centre for Rural Entrepreneurship (ACRE) to deliver Understanding Social Enterprise workshops across the State.

Social enterprise is becoming an increasingly attractive way for organisations to generate income and deliver increased social impacts throughout their community.

The two-day workshop introduces learners to the objectives, value, purpose and practice of social enterprise. Outcomes of this program to date have been a greater

understanding of using social enterprise to bolster economic and community development.

Member councils who haven't hosted a workshop are encouraged to contact RCV to express their interest.

During the year, videos with people who had participated in the workshop from East Gippsland and Wellington Shires were made, which have been widely used to promote the social enterprise workshops.



Rural Summit 2018

The Rural Summit is RCV's key annual event and provides a forum for councillors and officers, local business owners and industry leaders, academics and education providers and community development practitioners to tackle head on the unique and diverse plethora that is living in rural Victoria.

This year the theme for the summit was Rural Liveability – Victoria's Backyard. More than 100 delegates attended the two-day event in Lakes Entrance, hosted by East Gippsland Shire Council, which aimed to equip delegates with the skills, information and capacity to respond to change.

Key topics discussed included:

- Liveability in regional Victoria - how do we see the future?
- Our vision for the future - how do we sell regional Victoria to Australia?
- What are the factors that develop lifestyle opportunities in rural Australia?
- The role of government and private industries in supporting rural communities through transport and infrastructure.
- What models of service delivery best support and attract families and communities?

Speakers came from diverse backgrounds including government, industry, tourism and the business sector as well as those specialising in the forecasting of the future of

rural areas and how we can best adapt and prepare ourselves for the future.

Presentations also included the analysis of key economic and other change drivers, emerging opportunities for rural communities, examples of innovative practice and practical skills development for practitioners and participants.

We encouraged participants through the summit to engage with new people, share their ideas, swap learnings from their own rural experiences with others and expand their thinking.

A highlight of the summit included a Liberal-National party pledge to restore the planning flying squad program if elected, which would help take the pressure off rural and regional councils.

The winners of RCV's inaugural Community Innovators Awards were announced at the summit. The awards recognise innovative ideas and projects that strengthen rural Victorian communities.

Winners were:

- Library Services: (joint winners) CWA Dingee and Campaspe Regional Library.
- Saving Energy: Totally Renewable Yackandandah.
- Fire Safety: The Bushfire Foundation.

Rural Summit 2018 (cont.)



Population Growth in Rural Victoria: Opportunities and Actions

In 2017-2018 RCV delivered the first project identified in the *Population Attraction and Retention Strategies for Rural Victorian Communities* report.

Developed by Urban Enterprise, the *Population Growth in Rural Victoria: Opportunities and Actions* report sets out the population challenges and opportunities for rural Victoria, an area that is critically important to the ongoing prosperity of the State.

Although the State population is projected to increase by 1.68 million residents over the next 15 years, only 6% of this growth is projected to occur in rural Victoria and 84% (more than 80,000 residents) of this growth is projected to occur in peri-urban areas. A number of municipalities in rural Victoria are projected to decline in population, particularly in Western Victoria.

The projections reflect a continuation of recent trends, with metropolitan Melbourne attracting the vast majority of growth, regional centres generally increasing in population at a steady rate, and remaining rural areas experiencing low or negative rates of growth. As a result, rural Victoria's population is declining as a proportion of the State population.

The following objectives and actions were identified in the report:

1. Rural Victoria is strongly represented in the State Government.
2. Prepare a Rural and Regional Population Strategy.
3. Clearly differentiate between rural and regional Victoria in programs and incentives for population and employment attraction.
4. Address population risk in western Victoria.
5. Leverage strengths of rural areas to attract population.
6. Address weaknesses of rural areas to attract, retain and accommodate population.
7. Facilitate second move migration to address labour force and skills shortage.
8. Support existing and new businesses in rural Victoria.
9. Gather empirical and ongoing evidence on population and business movement.
10. Align population attraction and retention initiatives to RCV Rural Workforce Development Plan recommendations.

Rural Workforce Development Plan

In 2017-2018 RCV delivered the second project identified in the *Population Attraction and Retention Strategies for Rural Victorian Communities* report.

Developed by Dench McClean Carlson, the *Rural Workforce Development Plan* identifies and quantifies the jobs required in rural Victoria, and provides information about the scale and range of employment requirements and the potential sources of workers including immigration. The plan also identifies what support can be given to fostering start-ups in rural Victoria.

The following objectives and actions were identified in the report:

1. Host a Rural Workforce Development Summit.
2. Improve identification of employment opportunities in rural LGAs.
3. Support the development of improved recruitment capability of businesses in rural Victoria.
4. Pursue a greater engagement of rural residents into the rural workforce.
5. Advocate for improved career advice resources.
6. Foster the relocation/settlement of refugee communities to rural Victoria.
7. Collaborate with the Office of the Victorian Skills Commissioner.
8. Advocate for equitable access to vocational training resources.
9. Advocate for equitable access to employment services.
10. Advocate for rural-based merit criteria in Government-funded "Skills Development" programs.
11. Establish a start-up pilot.
12. Advocate for Improved transport services for rural workers.
13. Advocate for policy that supports a growth in the availability of rental housing.



Peri Urban Economic Development Strategy

RCV is providing funding support to the Peri Urban Group of Rural Councils (PUGRC) to deliver the Peri Urban Economic Development Strategy.

The PUGRC forms a key part of Victoria's growth response outside metropolitan areas and regional cities. Peri urban municipalities contain a sizeable portion of Victoria's tourism assets, recreation opportunities, water catchments and productive agricultural areas.

To successfully manage the population growth and visitor populations, the PUGRC is developing an overarching strategy that will identify suitable employment and investment opportunities and the required infrastructure projects for the region.

An analysis has commenced of the United Nations Sustainable Development Goals and how these goals can be better applied and measured across Victoria at a local government level.

The strategy will enable both Local and State Government to have a clear and comprehensive understanding of the strategic requirements for the region.



Program communications

Getting the news, messages, event times and developments out to our members and stakeholders in a timely and concise fashion is integral to the smooth running of RCV.

The refreshed RCV website has proved an invaluable tool for ensuring all parties are across all our information.

Coupled with monthly newsletters, a social media presence and regular contact and collaboration with media organisations, we are getting our important messages and work out there to the community.

We want to use our networking and advocacy tools to continue to ensure first class communications across our member councils and other key stakeholders.

We regularly reassess our methods of communication to ensure best practice is being achieved.



Key facts and figures 2017-2018

Advocacy meetings held:

- Local Government Minister Marlene Kairouz
- Victorian Treasurer Tim Pallas
- Office of the Victorian Skills Commissioner
- NBN
- VicTrack
- Minister for Regional Development Jaala Pulford
- Minister for Roads and Road Safety Luke Donnellan

Hits on website: 8234

Social media activity:

Facebook: 630 likes (Facebook page established in April 2018)

Twitter: 641 followers

Number of newsletters published to an audience of 658 people: Eight





FINANCIAL REPORT 2017-2018



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INCOME STATEMENTS

for the period ending 30 June 2018

	Note	2018 \$	2017 \$
Revenue from operations			
Grant income		173,850	918,176
Membership income		108,000	114,000
Contributed income - pre-incorporation body		-	111,016
Total revenue from operations	3	281,850	1,143,192
Expenses from operations			
Materials and services		612,590	505,443
Total expenses from operations	3	612,590	505,443
Surplus/(deficit)		(330,740)	637,749
Other comprehensive income		-	-
Total comprehensive income for the period		(330,740)	637,749

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

BALANCE SHEET

for the period ending 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents		338,831	514,083
Trade and other receivables		-	171,600
Total current assets		338,831	685,683
Total assets		338,831	685,683
Liabilities			
Current liabilities			
Trade and other payables		11,811	-
Other payables	2	20,011	47,934
Total current liabilities		31,822	47,934
Total liabilities		31,822	47,934
Net assets		307,009	637,749
Equity			
Accumulated surplus		307,009	637,749
Total equity		307,009	637,749

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

STATEMENT OF CHANGES IN EQUITY

for the period ending 30 June 2018

	Note	2018 Retained earnings \$
Balance at the beginning of the period (1 July 2017)		637,749
Surplus/(deficit) for the period		(330,740)
Balance at the end of the financial period		307,009

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

	Note	2017 Retained earnings \$
Balance at the beginning of the period (1 July 2016)		-
Surplus for the period		637,749
Balance at the end of the financial period		637,749

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

STATEMENT OF CASH FLOWS

for the period ending 30 June 2018

	Notes	2018 Inflows/ (Outflows) \$	2017 Inflows/ (Outflows) \$
Cash flows from operating activities			
Receipts from operating activities (inclusive of GST)		523,091	971,592
Payments to suppliers and employees (inclusive of GST)		(698,343)	(457,509)
Net cash provided by/(used in) operating activities	5	(175,252)	514,083
Cash flows from investing activities			
Payments for investments		-	-
Net cash provided by/(used in) investing activities		-	-
Cash flows from financing activities			
Payments for financing		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(175,252)	514,083
Cash and cash equivalents at the beginning of the financial period		514,083	-
Cash and cash equivalents at the end of the financial period		338,831	514,083

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

for the period ending 30 June 2018

Introduction

The Financial Statements cover Rural Councils Victoria Incorporated as an individual entity which was incorporated on 30 June 2016. Rural Councils Victoria Incorporated is an incorporated association under the Associations Incorporation Reform Act 2012.

Basis of preparation

These general purpose financial statements have been prepared in accordance to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Note 1: Accounting policies

a) Revenue and other income

Revenue is recognised upon the provision of the service to the customer.

Grant funding is recognised at the time of receipt of funding.

Council contributions are recognised at the time membership invoices are raised to member Councils

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

b) Income tax

The Association is a not-for-profit organisation and is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

c) Employee provisions

The Association has no employees.

d) Cash and cash equivalents

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

e) Accounts receivable

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from grants from government departments. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

f) 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

g) Accounts payable and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

for the period ending 30 June 2018

Note 2: Other payables	2018 \$	2017 \$
GST liability	15,211	43,134
Other payables	4,800	4,800
Total other payables	20,011	47,934

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ending 30 June 2018

Note 3: Comprehensive income statement - Member detail (2018)			
	Government funding	Member funding	Total
	\$	\$	\$
Income			
Grant funding - Stronger Rural Councils Initiative (SRCI)	173,850	-	173,850
Council membership fees	-	108,000	108,000
Total income	173,850	108,000	281,850
Expenses			
Workstream 1: RCV governance, networking and communications			
- Rural summit	67,903	-	67,903
- Mayors, CEOs and Councillors Forum	39,259	-	39,259
- Secretariat services	149,519	-	149,519
- Governance costs	11,793	-	11,793
- Committee expenses	7,650	-	7,650
- Communication tools	13,386	-	13,386
	289,510	-	289,510
Workstream 2: Sustainable rural councils			
- Capacity building	2,645	-	2,645
- Build the evidence base	1,250	-	1,250
	3,895	-	3,895
Workstream 3: Sustainable rural communities			
- Foundation project - detail	10,990	-	10,990
- Rural Population Growth Policy	70,920	-	70,920
- Rural Workforce Development Plan	79,140	-	79,140
- Understanding social enterprise workshops	85,576	-	85,576
	246,626	-	246,626
Advocacy			
- Consultants - advocacy	-	72,559	72,559
	-	72,559	72,559
Total expenses	540,031	72,559	612,590
Surplus/(deficit) for the year	(366,181)	35,441	(330,740)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ending 30 June 2018

Note 3: Comprehensive income statement - Member detail (2017)

	Government funding	Member funding	Total
	\$	\$	\$
Income			
Grant funding - Stronger Rural Councils Initiative (SRCI)	918,176	-	918,176
Council membership fees	-	114,000	114,000
Contribution income – pre-incorporation body	-	111,016	111,016
Total income	918,176	225,016	1,143,192
Expenses			
Workstream 1: RCV governance, networking and communications			
- Rural summit	5,675	3,500	9,175
- Mayors, CEOs and Councillors Forum	11,678	-	11,678
- Secretariat services	148,003	-	148,003
- Governance costs	19	-	19
- Committee expenses	1,446	-	1,446
- Communication tools	3,457	-	3,457
	170,278	3,500	173,778
Workstream 2: Sustainable rural councils			
- Shared services and collaboration	861	-	861
- Build the evidence base	4,000	-	4,000
	4,861	-	4,861
Workstream 3: Sustainable rural communities			
- Foundation project - brief	10,000	-	10,000
- Foundation project - detail	40,554	-	40,554
- Rural Living Campaign - brief	9,000	-	9,000
- Understanding social enterprise workshops	147,250	-	147,250
	206,804	-	206,804
Advocacy			
- Consultants - advocacy	-	80,000	80,000
- Consultants – advocacy (pre-incorporation)	-	40,000	40,000
	-	120,000	120,000
Total expenses	381,943	123,500	505,443
Surplus for the year	536,233	101,516	637,749

for the period ending 30 June 2018

Note 4: Related party transactions	2018 \$	2017 \$
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a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Key management personnel compensation:

- Short term benefits	-	-
- Post-employment benefits	-	-
- Other long-term benefits	-	-
	-	-

b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

Transactions between related parties:

Expenditure transactions

- Services rendered from Towong Shire Council	149,519	148,000
- Reimbursement paid to Pyrenees Shire Council for invoices paid on behalf of RCV (pre-incorporation)	-	43,500
- Services rendered from Borough of Queenscliffe (pre-incorporation)	-	9,600
- Services rendered from Baw Baw Shire Council (pre-incorporation)	-	4,800
- Services rendered from Loddon Shire Council (pre-incorporation)	-	4,000
	149,519	209,900

All related party transactions above are with Councils that are members of Rural Councils Victoria Incorporated. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

The Association conducted an Expression of Interest for a member Council to provide Secretariat services to the entity. As a result of this process, Towong Shire Council was appointed Secretariat for a three year period commencing 1 July 2016.

Towong Shire Council's Chief Executive Officer is the Secretary for Rural Councils Victoria Incorporated. This role is independent of the Secretariat service.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ending 30 June 2018

Note 5: Reconciliation of cash flows from operating activities with net current year surplus/(deficit)	2018 \$	2017 \$
Net current year surplus/(deficit)	(330,740)	637,749
Change in assets and liabilities:		
(Increase)/decrease in accounts receivable and other debtors	171,600	(171,600)
Increase/(decrease) in accounts payable and other payables	(16,112)	47,934
Net cash provided by/ (used in) operating activities	(175,252)	514,083

for the period ending 30 June 2018

Note 6: Financial risks management

The Association's financial instruments consist of deposits with banks, receivables and payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

Credit risk

The maximum exposure to credit risk by classes of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. The Association's financial assets and liabilities are all non-interest bearing.

Interest rate risk

As there are no investments or borrowings, there is no interest rate risk applicable to RCV.

Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities.

The Association manages this risk by monitoring the total inflows and outflows expected on a monthly basis. The Association ensures that sufficient liquid assets are available to meet all the short-term cash payments.

The Association's contractual maturity for financial assets and liabilities are all due within 3 months or less.

Entity details

The registered office of the entity is:

32 Towong Street
Tallangatta VIC 3700

Note 7: Events occurring after reporting date

There were no material matters or circumstances which have arisen between 30 June 2018 and the date of this report that have significantly affected or may significantly affect the operations of the Association, the result of those operations or the state of affairs of the Association in subsequent financial periods.

Note 8: Contingent assets or liabilities

The Committee are not aware of any contingent assets or liabilities at balance date.

Note 9: Commitments

The Committee are not aware of any capital commitments at balance date.

COMMITTEE DECLARATION

In accordance with a resolution of the Committee of Rural Councils Victoria Incorporated, the Committee declare that:

The financial statements and notes, as set out on pages 3 to 13, are in accordance with the Associations Incorporation Reform Act 2012 and give a true and fair view of the financial position and performance of the Association during and as at the financial year ending 30 June 2018.

In the opinion of the Committee there are reasonable grounds to believe that Rural Councils Victoria incorporated will be able to pay its debts as and when they become due and payable.



Cr Robert Gersch (Chair)

25 September 2018



Ms Juliana Phelps (Secretary)

25 September 2018



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Independent auditor's report to the members of Rural Councils Victoria Inc.

Opinion

We have audited the financial statements, being general purpose financial statements, of Rural Councils Victoria Inc., which comprises the balance sheet as at 30 June 2018, and the income statement, statement of changes in equity and the statement of cash flows for the period ended on that date, notes to the financial statements, including a summary of accounting policies and other explanatory notes and the committee declaration.

In our opinion, the accompanying financial statements of Rural Councils Victoria Inc. are in accordance with the *Associations Incorporation Reform Act 2012*, including:

- a) giving a true and fair view of Rural Councils Victoria Inc.'s financial position as at 30 June 2018 and of its performance for the financial period ended on that date, and
- b) complying with Australian Accounting Standards and the *Associations Incorporation Reform Regulations 2012*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report

The Committee of Management is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2018, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members (continued)

Responsibilities of the Committee of Management for the Financial Statements

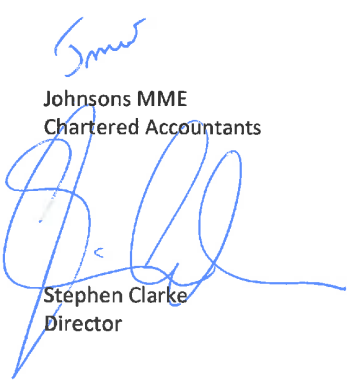
The Committee of Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Reform Act 2012* and for such internal control as the Committee determine is necessary to enable the preparation of the financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee of Management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



Johnsons MME
Chartered Accountants

Stephen Clarke
Director

Albury
25 September 2018

