



Mildura Rural City Council

Financial Statements  
for the Year Ended 30 June 2016





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

		Consolidated		Council	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Income</b>					
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	-
<b>Total income</b>		<b>104,754</b>	<b>115,329</b>	<b>99,550</b>	<b>111,104</b>
<b>Expenses</b>					
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)
<b>Total expenses</b>		<b>(97,311)</b>	<b>(94,045)</b>	<b>(92,681)</b>	<b>(90,429)</b>
<b>Surplus for the year</b>		<b>7,443</b>	<b>21,284</b>	<b>6,869</b>	<b>20,675</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods</b>					
Net financial asset revaluation increment/(decrement)	29	-	-	574	609
Net asset revaluation increment/(decrement)	29	29,821	40,563	29,821	40,563
<b>Total comprehensive result</b>		<b>37,264</b>	<b>61,847</b>	<b>37,264</b>	<b>61,847</b>

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
<b>Assets</b>					
<b>Current assets</b>					
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
<b>Total current assets</b>		<b>53,402</b>	<b>48,816</b>	<b>49,757</b>	<b>45,708</b>
<b>Non-current assets</b>					
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
<b>Total non-current assets</b>		<b>733,721</b>	<b>692,280</b>	<b>736,795</b>	<b>694,915</b>
<b>Total assets</b>		<b>787,123</b>	<b>741,096</b>	<b>786,552</b>	<b>740,623</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
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
<b>Total current liabilities</b>		<b>20,253</b>	<b>17,769</b>	<b>19,851</b>	<b>17,370</b>
<b>Non-current liabilities</b>					
Provisions	27	16,423	8,635	16,357	8,581
Interest-bearing loans and borrowings	28	18,043	19,552	17,939	19,531
<b>Total non-current liabilities</b>		<b>34,466</b>	<b>28,187</b>	<b>34,296</b>	<b>28,112</b>
<b>Total liabilities</b>		<b>54,719</b>	<b>45,956</b>	<b>54,147</b>	<b>45,482</b>
<b>Net Assets</b>		<b>732,404</b>	<b>695,140</b>	<b>732,405</b>	<b>695,141</b>
<b>Equity</b>					
Accumulated surplus		309,665	296,984	296,112	284,005
Reserves	29	422,739	398,156	436,293	411,136
<b>Total Equity</b>		<b>732,404</b>	<b>695,140</b>	<b>732,405</b>	<b>695,141</b>

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

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

Consolidated

	Note	Total 2016 \$'000	Accumulated Surplus 2016 \$'000	Revaluation Reserve 2016 \$'000	Other Reserves 2016 \$'000
<b>2016</b>					
Balance at beginning of the financial year		695,140	296,984	381,205	16,951
Surplus for the year		7,443	7,443	-	-
Net asset revaluation increment/(decrement)	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
<b>Balance at end of the financial year</b>		<b>732,404</b>	<b>309,665</b>	<b>411,026</b>	<b>11,713</b>

		Total 2015 \$'000	Accumulated Surplus 2015 \$'000	Revaluation Reserve 2015 \$'000	Other Reserves 2015 \$'000
<b>2015</b>					
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
<b>Balance at end of the financial year</b>		<b>695,140</b>	<b>296,984</b>	<b>381,205</b>	<b>16,951</b>

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

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

Council

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

		Accumulated	Revaluation	Other
	Total	Surplus	Reserve	Reserves
	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000
<b>2015</b>				
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
<b>Balance at end of the financial year</b>	<b>695,141</b>	<b>284,005</b>	<b>394,177</b>	<b>16,959</b>

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



Statement of Cash Flows  
For the Year Ended 30 June 2016

	Note	Consolidated		Council	
		2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>					
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)
<b>Net cash provided by operating activities</b>	30	<b>32,379</b>	<b>47,238</b>	<b>31,196</b>	<b>45,911</b>
<b>Cash flows from investing activities</b>					
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)
<b>Net cash used in investing activities</b>		<b>(33,567)</b>	<b>(27,573)</b>	<b>(32,730)</b>	<b>(26,744)</b>
<b>Cash flows from financing activities</b>					
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)
<b>Net cash used in financing activities</b>		<b>(3,117)</b>	<b>(2,206)</b>	<b>(3,195)</b>	<b>(2,152)</b>
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
<b>Cash and cash equivalents at the end of the financial year</b>	18,31	<b>34,866</b>	<b>39,171</b>	<b>31,659</b>	<b>36,388</b>
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

	Consolidated		Council	
Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Capital expenditure areas</b>				
<b>Property</b>				
Land	375	11	239	11
Buildings	4,092	2,789	3,670	2,789
<b>Total property</b>	<b>4,467</b>	<b>2,800</b>	<b>3,909</b>	<b>2,800</b>
<b>Plant and equipment</b>				
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
<b>Total plant and equipment</b>	<b>4,240</b>	<b>4,645</b>	<b>4,095</b>	<b>4,425</b>
<b>Infrastructure</b>				
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
<b>Total infrastructure</b>	<b>18,982</b>	<b>19,436</b>	<b>18,865</b>	<b>18,827</b>
<b>Total capital works</b>	<b>27,689</b>	<b>26,881</b>	<b>26,869</b>	<b>26,052</b>
Intangible Assets - Software	77	117	77	117
<b>Total</b>	<b>77</b>	<b>117</b>	<b>77</b>	<b>117</b>
<b>Total capital works</b>	<b>27,766</b>	<b>26,998</b>	<b>26,946</b>	<b>26,169</b>
<b>Represented by:</b>				
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
<b>Total capital works</b>	<b>27,766</b>	<b>26,998</b>	<b>26,946</b>	<b>26,169</b>

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

## Notes to the Financial Report For the Year Ended 30 June 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](http://www.mildura.vic.gov.au)

### Statement of compliance

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

## Notes to the Financial Report For the Year Ended 30 June 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 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
<b>Income</b>					
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		
<b>Total income</b>	<b>105,166</b>	<b>99,550</b>	<b>(5,616)</b>		
<b>Expenses</b>					
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
<b>Total Expenses</b>	<b>(91,770)</b>	<b>(92,681)</b>	<b>(911)</b>		
<b>Surplus / (deficit)</b>	<b>13,396</b>	<b>6,869</b>	<b>(6,527)</b>		

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

(l) Explanation of material variations

Variance

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>b) Capital Works</b>					
<b>Property</b>					
Land	710	239	(471)	(66)	1
Buildings	6,048	3,670	(2,378)	(39)	2
<b>Plant and equipment</b>					
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
<b>Infrastructure</b>					
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	
<b>Total Capital Works</b>	<b>34,642</b>	<b>26,946</b>	<b>(7,696)</b>		

*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
<b>Total Capital Works</b>	<b>34,642</b>	<b>26,946</b>	<b>(7,696)</b>	

## 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	Requested 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 \$'000	2015 \$'000	2016 \$'000	2015 \$'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
<b>Total rates and charges</b>	<b>61,903</b>	<b>59,233</b>	<b>62,046</b>	<b>59,370</b>

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
<b>Total statutory fees and fines</b>	<b>1,894</b>	<b>2,120</b>	<b>1,894</b>	<b>2,120</b>

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

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 5 User fees</b>				
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
<b>Total user fees</b>	<b>11,824</b>	<b>10,263</b>	<b>6,430</b>	<b>5,840</b>

**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
<b>Total grants received</b>	<b>22,704</b>	<b>39,412</b>	<b>22,704</b>	<b>38,933</b>



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

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 6 Grants (cont)</b>				
<b>Operating Grants</b>				
<i>Recurrent - Commonwealth Government</i>				
Family services	228	227	228	227
Youth services	-	210	-	210
Social development and projects	-	8	-	8
	<b>228</b>	<b>445</b>	<b>228</b>	<b>445</b>
<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
<i>Road construction and maintenance</i>	157	144	157	144
	<b>12,297</b>	<b>25,887</b>	<b>12,297</b>	<b>25,887</b>
<b>Total recurrent operating grants</b>	<b>12,525</b>	<b>26,332</b>	<b>12,525</b>	<b>26,332</b>

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

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 6 Grants (cont)</b>				
<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>
<b>Total non-recurrent operating grants</b>	<b>503</b>	<b>983</b>	<b>503</b>	<b>983</b>
<b>Total operating grants</b>	<b>13,028</b>	<b>27,315</b>	<b>13,028</b>	<b>27,315</b>
<b>Capital Grants</b>				
<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>
<b>Total recurrent capital grants</b>	<b>5,192</b>	<b>1,810</b>	<b>5,192</b>	<b>1,810</b>
<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
<b>Note 6 Grants (cont)</b>				
<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
	<b>4,485</b>	<b>7,768</b>	<b>4,485</b>	<b>7,768</b>
<b>Total non-recurrent capital grants</b>	<b>4,485</b>	<b>9,808</b>	<b>4,485</b>	<b>9,808</b>
<b>Total capital grants</b>	<b>9,677</b>	<b>11,618</b>	<b>9,677</b>	<b>11,618</b>
<b>Unspent grants received on condition that they be spent</b>				
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	<b>2,913</b>	<b>4,171</b>	<b>2,913</b>	<b>4,171</b>
<b>Note 7 Contributions</b>				
<b>Monetary</b>				
Community services	251	293	251	293
Developer contributions	936	705	936	705
Capital contributions	181	264	181	264
Other	76	30	76	30
<b>Total contributions</b>	<b>1,444</b>	<b>1,292</b>	<b>1,444</b>	<b>1,292</b>
<b>Non-monetary</b>				
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>				
Infrastructure	4,197	385	4,197	385
<b>Total non-monetary contributions</b>	<b>4,197</b>	<b>385</b>	<b>4,197</b>	<b>385</b>
<b>Total contributions</b>	<b>5,641</b>	<b>1,677</b>	<b>5,641</b>	<b>1,677</b>

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

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>				
Proceeds of sale	708	695	708	695
Written down value of assets disposed	(6,350)	(3,284)	(6,350)	(3,284)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(5,642)</b>	<b>(2,589)</b>	<b>(5,642)</b>	<b>(2,589)</b>
<b>Note 9 Other income</b>				
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
<b>Total other income</b>	<b>5,285</b>	<b>5,692</b>	<b>5,332</b>	<b>5,753</b>

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

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Asset recognition	1,144	-	1,144	-
<b>Total asset recognition</b>	<b>1,144</b>	<b>-</b>	<b>1,144</b>	<b>-</b>

**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.

**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
<b>Total employee costs</b>	<b>45,048</b>	<b>41,780</b>	<b>42,920</b>	<b>40,208</b>

**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	-	-	-	-
	<b>468</b>	<b>499</b>	<b>468</b>	<b>499</b>

**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
	<b>3,385</b>	<b>3,075</b>	<b>3,215</b>	<b>2,945</b>
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
<b>Note 12 Materials and services</b>				
Contractors	8,230	8,103	7,977	7,874
Consultants	1,394	2,030	1,394	2,030
Enironmental 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
<b>Total materials and services</b>	<b>28,447</b>	<b>29,184</b>	<b>27,049</b>	<b>28,187</b>

**Note 13 Bad and doubtful debts**

Other debtors	(2)	15	2	15
Infringements	45	174	45	174
<b>Total bad and doubtful debts</b>	<b>43</b>	<b>189</b>	<b>47</b>	<b>189</b>

**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
<b>Note 14 Depreciation and amortisation (cont)</b>				
<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
<b>Total</b>	<b>18,681</b>	<b>16,666</b>	<b>17,770</b>	<b>15,779</b>
<b>Intangible assets</b>				
Software	215	166	215	166
<b>Total</b>	<b>215</b>	<b>166</b>	<b>215</b>	<b>166</b>
<b>Total depreciation and amortisation</b>	<b>18,896</b>	<b>16,832</b>	<b>17,985</b>	<b>15,945</b>
 <b>Note 15 Borrowing costs</b>				
Interest - borrowings	1,269	1,304	1,266	1,317
Interest - finance leases	2	3	2	3
<b>Total borrowing costs</b>	<b>1,271</b>	<b>1,307</b>	<b>1,268</b>	<b>1,320</b>
 <b>Note 16 Other expenses</b>				
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
<b>Total other expenses</b>	<b>3,606</b>	<b>1,240</b>	<b>3,412</b>	<b>1,067</b>

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

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

**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
<b>Total cash and cash equivalents</b>	<b>34,866</b>	<b>39,171</b>	<b>31,659</b>	<b>36,388</b>

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	<b>4,455</b>	<b>3,378</b>	<b>4,454</b>	<b>3,378</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>30,411</b>	<b>35,793</b>	<b>27,205</b>	<b>33,010</b>

**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
<b>Total funds subject to intended allocations</b>	<b>24,843</b>	<b>27,786</b>	<b>24,786</b>	<b>27,786</b>
<b>Total cash and cash equivalents free of intended allocations</b>	<b>5,568</b>	<b>8,007</b>	<b>2,419</b>	<b>5,224</b>



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

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 19 Trade and other receivables</b>				
<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
<b>Total</b>	<b>6,868</b>	<b>6,209</b>	<b>6,517</b>	<b>5,949</b>
<i>Non-current</i>				
Loan to Mildura Airport Pty Ltd	-	-	1,906	2,116
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,906</b>	<b>2,116</b>
<b>Total trade and other receivables</b>	<b>6,868</b>	<b>6,209</b>	<b>8,423</b>	<b>8,065</b>
<b>a) Ageing of Receivables</b>				
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
<b>Total trade &amp; other receivables</b>	<b>3,173</b>	<b>2,151</b>	<b>2,629</b>	<b>2,151</b>
<b>b) Movement in provisions for doubtful debts</b>				
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	-	-	-	-
<b>Balance at end of year</b>	<b>1,125</b>	<b>1,106</b>	<b>1,125</b>	<b>1,102</b>

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 (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	<u>47</u>	<u>189</u>	<u>47</u>	<u>189</u>

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	<u>10,271</u>	<u>2,288</u>	<u>10,271</u>	<u>2,288</u>

*Non-current*

Floating notes	-	1,475	-	1,475
Total non-current other financial assets	<u>-</u>	<u>1,475</u>	<u>-</u>	<u>1,475</u>

Note 21 Inventories

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

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

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

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
<b>Total</b>	<b>1,107,751</b>	<b>(380,320)</b>	<b>727,431</b>	<b>1,075,591</b>	<b>(390,240)</b>	<b>685,351</b>

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
<b>Total</b>	<b>16,384</b>	<b>12,980 -</b>	<b>2,252</b>	<b>-</b>	<b>27,112</b>

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	730,498	(254,350)	476,148	710,900	(266,320)	444,580
Work in progress	26,769	-	26,769	15,837	-	15,837
<b>Total</b>	<b>1,072,721</b>	<b>(375,017)</b>	<b>697,704</b>	<b>1,041,381</b>	<b>(385,848)</b>	<b>655,533</b>

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
<b>Total</b>	<b>15,837</b>	<b>12,661</b>	<b>(1,729)</b>	<b>-</b>	<b>26,769</b>

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)
	<b>38,270</b>	<b>10,177</b>	<b>406</b>	<b>48,853</b>	<b>4,255</b>	<b>105,772</b>	<b>110,027</b>	<b>665</b>	<b>159,545</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	-	136	-	136	132	985	1,117	3,214	4,467
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Contributions by developer	-	-	88	88	-	-	-	-	88
Fair value of assets disposed	(5)	-	-	(5)	-	(341)	(341)	-	(346)
Transfers	-	-	-	-	525	237	762	(762)	-
	<b>(5)</b>	<b>136</b>	<b>88</b>	<b>219</b>	<b>657</b>	<b>881</b>	<b>1,538</b>	<b>2,452</b>	<b>4,209</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	-	(283)	(2,162)	(2,445)	-	(2,445)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	302	302	-	302
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(283)</b>	<b>(1,860)</b>	<b>(2,143)</b>	<b>-</b>	<b>(2,143)</b>
At fair value 30 June 2016	38,265	10,313	494	49,072	8,609	203,753	212,362	3,117	264,551
Accumulated depreciation at 30 June 2016	-	-	-	-	(3,980)	(98,960)	(102,940)	-	(102,940)
	<b>38,265</b>	<b>10,313</b>	<b>494</b>	<b>49,072</b>	<b>4,629</b>	<b>104,793</b>	<b>109,422</b>	<b>3,117</b>	<b>161,611</b>

Notes to the Financial Report  
For the Year Ended 30 June 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
<b>Plant and equipment</b>									
At fair value 1 July 2015	30,929	197	4,080	1,240	27,581	3,425	67,452	175	67,627
Accumulated depreciation at 1 July 2015	(13,944)	(197)	(2,947)	(1,240)	-	(2,128)	(20,456)	-	(20,456)
	<b>16,985</b>	<b>-</b>	<b>1,133</b>	<b>-</b>	<b>27,581</b>	<b>1,297</b>	<b>46,996</b>	<b>175</b>	<b>47,171</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	3,305	-	472	-	26	259	4,062	178	4,240
Revaluation increments/decrements	-	-	-	-	-	-	-	-	-
Fair value of assets disposed	(2,443)	-	(1,817)	-	-	-	(4,260)	-	(4,260)
Transfers to Intangible Assets	-	-	-	-	-	-	-	-	-
Transfers	25	-	110	-	-	23	158	(158)	-
	<b>887</b>	<b>-</b>	<b>(1,235)</b>	<b>-</b>	<b>26</b>	<b>282</b>	<b>(40)</b>	<b>20</b>	<b>(20)</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(2,591)	-	(305)	-	-	(196)	(3,092)	-	(3,092)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	1,822	-	1,809	-	-	-	3,631	-	3,631
	<b>(769)</b>	<b>-</b>	<b>1,504</b>	<b>-</b>	<b>-</b>	<b>(196)</b>	<b>539</b>	<b>-</b>	<b>539</b>
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)
	<b>17,103</b>	<b>-</b>	<b>1,402</b>	<b>-</b>	<b>27,607</b>	<b>1,383</b>	<b>47,495</b>	<b>195</b>	<b>47,690</b>

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

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

Consolidated

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



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

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

Consolidated

2016	drainage	landfill	aerodromes	recreational, leisure and community	parks, open spaces and streetscapes	off street carparks	Total Infrastructure	Work in Progress	Total Infrastructure
Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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)
	<b>98,569</b>	<b>6,880</b>	<b>15,817</b>	<b>38,726</b>	<b>10,225</b>	<b>13,050</b>	<b>183,267</b>	<b>14,991</b>	<b>198,258</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	390	10	-	587	363	288	1,638	5,660	7,298
Revaluation increments/decrements	200	4	-	98	498	480	1,280	-	1,280
Contributions by developer	1,535	-	-	-	-	-	1,535	-	1,535
Fair value of assets disposed	(3,142)	-	-	(414)	(38)	(65)	(3,659)	-	(3,659)
Transfers from provision	-	5,218	-	-	-	-	5,218	-	5,218
Recognition of assets at fair value	-	-	-	267	-	383	650	-	650
Transfers	53	-	-	163	484	13	713	(781)	(68)
	<b>(964)</b>	<b>5,232</b>	<b>-</b>	<b>701</b>	<b>1,307</b>	<b>1,099</b>	<b>7,375</b>	<b>4,879</b>	<b>12,254</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(966)	(265)	(330)	(2,533)	(277)	(585)	(4,956)	-	(4,956)
Accumulated depreciation of disposals	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
	<b>6,761</b>	<b>(220)</b>	<b>(330)</b>	<b>11,939</b>	<b>1,138</b>	<b>(244)</b>	<b>19,044</b>	<b>-</b>	<b>19,044</b>
At fair value 30 June 2016	127,395	13,695	17,860	59,173	14,014	17,794	249,931	19,870	269,801
Accumulated depreciation at 30 June 2016	(23,029)	(1,803)	(2,373)	(7,807)	(1,344)	(3,889)	(40,245)	-	(40,245)
	<b>104,366</b>	<b>11,892</b>	<b>15,487</b>	<b>51,366</b>	<b>12,670</b>	<b>13,905</b>	<b>209,686</b>	<b>19,870</b>	<b>229,556</b>

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

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

Council

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

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

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

Council

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
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)
	<b>15,055</b>	<b>-</b>	<b>1,133</b>	<b>-</b>	<b>27,581</b>	<b>1,297</b>	<b>45,066</b>	<b>175</b>	<b>45,241</b>
<b>Movements in fair value</b>									
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)	-
	<b>815</b>	<b>-</b>	<b>(1,308)</b>	<b>-</b>	<b>26</b>	<b>282</b>	<b>(185)</b>	<b>20</b>	<b>(165)</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(2,353)	-	(269)	-	-	(196)	(2,818)	-	(2,818)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	1,822	-	1,809	-	-	-	3,631	-	3,631
	<b>(531)</b>	<b>-</b>	<b>1,540</b>	<b>-</b>	<b>-</b>	<b>(196)</b>	<b>813</b>	<b>-</b>	<b>813</b>
At fair value 30 June 2016	28,918	-	2,772	1,240	27,607	3,707	64,244	195	64,439
Accumulated depreciation at 30 June 2016	(13,579)	-	(1,407)	(1,240)	-	(2,324)	(18,550)	-	(18,550)
	<b>15,339</b>	<b>-</b>	<b>1,365</b>	<b>-</b>	<b>27,607</b>	<b>1,383</b>	<b>45,694</b>	<b>195</b>	<b>45,889</b>

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

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

Council

2016	roads	kerb and channel	footpaths and cycleways	Total Roads	Work in progress	Total Roads
Infrastructure	\$'000	\$'000	\$'000		\$'000	\$'000
At fair value 1 July 2015	394,292	56,087	39,143	489,522	553	490,075
Accumulated depreciation at 1 July 2015	(149,652)	(34,078)	(25,968)	(209,698)	-	(209,698)
	<b>244,640</b>	<b>22,009</b>	<b>13,175</b>	<b>279,824</b>	<b>553</b>	<b>280,377</b>

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
	<b>7,409</b>	<b>3,478</b>	<b>1,453</b>	<b>12,340</b>	<b>3,377</b>	<b>15,717</b>

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)
	<b>(4,570)</b>	<b>(3,787)</b>	<b>837</b>	<b>(7,520)</b>	<b>-</b>	<b>(7,520)</b>

At fair value 30 June 2016	401,701	59,565	40,596	501,862	3,930	505,792
Accumulated depreciation at 30 June 2016	(154,222)	(37,865)	(25,131)	(217,218)	-	(217,218)
	<b>247,479</b>	<b>21,700</b>	<b>15,465</b>	<b>284,644</b>	<b>3,930</b>	<b>288,574</b>

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

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

Council

2016	drainage	waste management	aerodromes	recreational, leisure and community	parks, open spaces and streetscapes	off street carparks	Total Infrastructure	Work in Progress	Total Infrastructure
Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2015	127,897	8,463	-	58,204	12,374	14,440	221,378	14,508	235,886
Accumulated depreciation at 1 July 2015	(29,729)	(1,583)	-	(19,704)	(2,317)	(3,289)	(56,622)	-	(56,622)
	<b>98,168</b>	<b>6,880</b>	<b>-</b>	<b>38,500</b>	<b>10,057</b>	<b>11,151</b>	<b>164,756</b>	<b>14,508</b>	<b>179,264</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	390	10	-	587	363	171	1,521	5,660	7,181
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)
Asset movement reflected in landfill provision	-	5,218	-	-	-	-	5,218	-	5,218
Recognition of assets at fair value	-	-	-	267	-	383	650	-	650
Transfers	53	-	-	163	484	13	713	(781)	(68)
	<b>(964)</b>	<b>5,232</b>	<b>-</b>	<b>701</b>	<b>1,307</b>	<b>982</b>	<b>7,258</b>	<b>4,879</b>	<b>12,137</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(956)	(265)	-	(2,509)	(266)	(514)	(4,510)	-	(4,510)
Accumulated depreciation of disposals	795	-	-	-	11	15	821	-	821
Revaluation increments/decrements	6,932	45	-	14,472	1,374	404	23,227	-	23,227
Recognition of assets at fair value	-	-	-	-	-	(78)	(78)	-	(78)
Transfers	-	-	-	-	30	-	30	-	30
	<b>6,771</b>	<b>(220)</b>	<b>-</b>	<b>11,963</b>	<b>1,149</b>	<b>(173)</b>	<b>19,490</b>	<b>-</b>	<b>19,490</b>
At fair value 30 June 2016	126,933	13,695	-	58,905	13,681	15,422	228,636	19,387	248,023
Accumulated depreciation at 30 June 2016	(22,958)	(1,803)	-	(7,741)	(1,168)	(3,462)	(37,132)	-	(37,132)
	<b>103,975</b>	<b>11,892</b>	<b>-</b>	<b>51,164</b>	<b>12,513</b>	<b>11,960</b>	<b>191,504</b>	<b>19,387</b>	<b>210,891</b>

**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 Practicing 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
<b>Reconciliation of specialised land</b>		
Land under roads	494	406
Land	38,265	38,270
<b>Total specialised land</b>	<b>38,759</b>	<b>38,676</b>

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

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 24 Intangible assets</b>				
Software at cost	1,014	1,230	1,014	1,230
<b>Intangible assets software</b>				
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	-
<b>Total intangible assets</b>	<b>6,290</b>	<b>5,454</b>	<b>6,229</b>	<b>5,409</b>
<b>Gross carrying amount</b>				
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	<b>7,123</b>	<b>6,072</b>	<b>7,062</b>	<b>6,027</b>
<b>Accumulated amortisation and impairment</b>				
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	<b>833</b>	<b>618</b>	<b>833</b>	<b>618</b>
Net book value at 30 June 2016	<b>6,290</b>	<b>5,454</b>	<b>6,229</b>	<b>5,409</b>

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	-
<b>Total</b>	<b>-</b>	<b>5,138</b>	<b>-</b>

Water rights are valued at current market values. The valuation is based on market transactions being the trading of water shares. The valuations were completed by Mr Con Demis AAPI, Certified Practising Valuer, recognised valuer, (Council Officer), as at 30 June 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
<b>Note 25 Trade and other payables</b>				
Trade payables	4,444	3,231	4,289	3,038
Accrued expenses	1,460	710	1,367	618
<b>Total trade and other payables</b>	<b>5,904</b>	<b>3,941</b>	<b>5,656</b>	<b>3,656</b>

**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
<b>Total trust funds and deposits</b>	<b>1,976</b>	<b>1,527</b>	<b>1,967</b>	<b>1,527</b>

**Purpose and nature of items**

***Refundable contract deposits***

Footpath retention

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

***Refundable civic facilities deposits***

Facility hire bonds

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

***Retention amounts***

Other retention funds

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

**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
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Note 26 Trust funds and deposits (cont)

*Other Refundable deposits*

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 \$'000	Long service leave \$'000	Rostered day off and time off in lieu \$'000	Redundancy \$'000	Landfill rehabilitation \$'000	Total \$'000
<b>2016</b>						
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	<b>4,188</b>	<b>7,188</b>	<b>709</b>	<b>156</b>	<b>15,224</b>	<b>27,465</b>
<b>2015</b>						
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	<b>4,124</b>	<b>6,868</b>	<b>644</b>	<b>-</b>	<b>7,631</b>	<b>19,267</b>

Council

	Annual leave \$'000	Long service leave \$'000	Rostered day off and time off in lieu \$'000	Redundancy \$'000	Landfill rehabilitation \$'000	Total \$'000
<b>2016</b>						
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	<b>4,071</b>	<b>6,959</b>	<b>709</b>	<b>156</b>	<b>15,224</b>	<b>27,119</b>
<b>2015</b>						
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	<b>4,033</b>	<b>6,659</b>	<b>644</b>	<b>-</b>	<b>7,631</b>	<b>18,967</b>

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
<b>(a) Employee provisions</b>				
<b>Current provisions expected to be settled within 12 months</b>				
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
	<b>3,893</b>	<b>4,187</b>	<b>3,776</b>	<b>4,096</b>
<b>Current provisions expected to be settled after 12 months</b>				
Annual leave	1,949	1,362	1,949	1,362
Long service leave	5,044	4,928	5,037	4,928
	<b>6,993</b>	<b>6,290</b>	<b>6,986</b>	<b>6,290</b>
Total current employee provisions	<b>10,886</b>	<b>10,477</b>	<b>10,762</b>	<b>10,386</b>
<b>Non-current</b>				
Long service leave	1,199	1,004	1,133	950
Total non-current employee provision	<b>1,199</b>	<b>1,004</b>	<b>1,133</b>	<b>950</b>
Aggregate carrying amount of employee provisions:				
Current	10,886	10,477	10,762	10,386
Non-current	1,199	1,004	1,133	950
<b>Total aggregate carry amount of employee provision</b>	<b>12,085</b>	<b>11,481</b>	<b>11,895</b>	<b>11,336</b>
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>(b) Landfill restoration</b>				
Under the Environmental Protection Act Council is obligated to restore the Mildura Landfill site to a particular standard. Current projections indicate that the Mildura Landfill site will cease operation in 2048 and restoration work is expected to commence shortly thereafter. The forecast life of the Mildura Landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.				
The following assumptions were adopted in measuring the present value of landfill rehabilitation:				
Projected increase in costs	2.25%	2.25%	2.25%	2.25%
Projected discount rates starting at year 1	1.59%	1.93%	1.59%	1.93%
<b>Non-current</b>				
Landfill restoration	15,224	7,631	15,224	7,631
<b>Total landfill restoration</b>	<b>15,224</b>	<b>7,631</b>	<b>15,224</b>	<b>7,631</b>
<b>Total provisions</b>				
Current	10,886	10,477	10,762	10,386
Non-current	16,423	8,635	16,357	8,581
<b>Total provisions</b>	<b>27,309</b>	<b>19,112</b>	<b>27,119</b>	<b>18,967</b>

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

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 28 Interest-bearing loans and borrowings</b>				
<i>Current</i>				
Borrowings - secured <sup>(1)</sup>	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 <sup>(1)</sup>	18,043	19,535	17,939	19,514
	<u>18,043</u>	<u>19,535</u>	<u>17,939</u>	<u>19,514</u>
<b>Total</b>	<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	<u>1</u>	<u>3</u>	<u>1</u>	<u>3</u>
	<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>
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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
<b>Total interest-bearing loans and borrowings</b>	<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
(a) Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000
<b>2016</b>				
<b>Property</b>				
Buildings	60,964	-	-	60,964
Land	17,128	-	-	17,128
Land under roads	-	-	-	-
	<b>78,092</b>	<b>-</b>	<b>-</b>	<b>78,092</b>
<b>Plant and Equipment</b>				
Artwork	14,595	-	-	14,595
	<b>14,595</b>	<b>-</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>				
Aerodromes	9,594	-	-	9,594
Drainage	38,064	7,132	-	45,196
Off street 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
	<b>286,305</b>	<b>28,863</b>	<b>-</b>	<b>315,168</b>
<b>Water rights</b>				
Water rights	2,213	958	-	3,171
	<b>2,213</b>	<b>958</b>	<b>-</b>	<b>3,171</b>
<b>Total asset revaluation reserve</b>	<b>381,205</b>	<b>29,821</b>	<b>-</b>	<b>411,026</b>

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

Note 29 Reserves (cont)

Consolidated

	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserve 2015</b>				
<b>Property</b>				
Land	17,658	-	(530)	17,128
Land under roads	1,041	-	(1,041)	-
Buildings	58,831	2,133	-	60,964
	<b>77,530</b>	<b>2,133</b>	<b>(1,571)</b>	<b>78,092</b>
<b>Plant and equipment</b>				
Artwork	14,567	28	-	14,595
	<b>14,567</b>	<b>28</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>				
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)	-
	<b>248,190</b>	<b>39,888</b>	<b>(1,773)</b>	<b>286,305</b>
<b>Water rights</b>				
Water rights	355	1,858	-	2,213
	<b>355</b>	<b>1,858</b>	<b>-</b>	<b>2,213</b>
<b>Total asset revaluation reserve</b>	<b>340,642</b>	<b>43,907</b>	<b>(3,344)</b>	<b>381,205</b>

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



Notes to the Financial Report  
For the Year Ended 30 June 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
<b>2015</b>				
<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
<b>Total</b>	<b>2,360</b>	<b>994</b>	<b>(1,503)</b>	<b>1,851</b>
<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
<b>Total</b>	<b>9,739</b>	<b>14,716</b>	<b>(9,355)</b>	<b>15,100</b>
<b>Total other reserves</b>	<b>12,099</b>	<b>15,710</b>	<b>(10,858)</b>	<b>16,951</b>

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
<b>2016</b>				
<b>Property</b>				
Buildings	60,827	-	-	60,827
Land	17,128	-	-	17,128
Land under roads	-	-	-	-
	<b>77,955</b>	<b>-</b>	<b>-</b>	<b>77,955</b>
<b>Plant and equipment</b>				
Artwork	14,595	-	-	14,595
	<b>14,595</b>	<b>-</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>				
Aerodromes	9,594	-	-	9,594
Drainage	38,064	7,132	-	45,196
Off street 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
	<b>286,305</b>	<b>28,863</b>	<b>-</b>	<b>315,168</b>
<b>Water rights</b>				
Water rights	2,213	958	-	3,171
	<b>2,213</b>	<b>958</b>	<b>-</b>	<b>3,171</b>
<b>Total asset revaluation reserve</b>	<b>381,068</b>	<b>29,821</b>	<b>-</b>	<b>410,889</b>

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

Note 29 Reserves (cont)

Council	Balance at beginning of reporting period	Increment	Decrement	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserve 2015</b>				
<b>Property</b>				
Buildings	58,694	2,133	-	60,827
Land	17,658	-	(530)	17,128
Land under roads	1,041	-	(1,041)	-
	<b>77,393</b>	<b>2,133</b>	<b>(1,571)</b>	<b>77,955</b>
<b>Plant and equipment</b>				
Artwork	14,567	28	-	14,595
	<b>14,567</b>	<b>28</b>	<b>-</b>	<b>14,595</b>
<b>Infrastructure</b>				
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)	-
	<b>248,190</b>	<b>39,888</b>	<b>(1,773)</b>	<b>286,305</b>
<b>Water rights</b>				
Water rights	355	1,858	-	2,213
	<b>355</b>	<b>1,858</b>	<b>-</b>	<b>2,213</b>
<b>Total asset revaluation reserve</b>	<b>340,505</b>	<b>43,907</b>	<b>(3,344)</b>	<b>381,068</b>

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	\$'000	\$'000	\$'000	\$'000
<b>2016</b>				
<i>Non discretionary reserves</i>				
Apex Park reserve	432	90	(301)	221
Drainage	186	-	-	186
Developer contribution reserve	1,025	1,511	(643)	1,893
Library book bequest reserve	107	-	(33)	74
DGR donations reserve - MAC Theatre	109	4	-	113
<b>Total</b>	<b>1,859</b>	<b>1,605</b>	<b>(977)</b>	<b>2,487</b>
<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)	-
<b>Total</b>	<b>15,100</b>	<b>8,660</b>	<b>(14,526)</b>	<b>9,234</b>
<b>Total other reserves</b>	<b>16,959</b>	<b>10,265</b>	<b>(15,503)</b>	<b>11,721</b>

Notes to the Financial Report  
For the Year Ended 30 June 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
<b>2015</b>				
<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
<b>Total</b>	<b>2,368</b>	<b>994</b>	<b>(1,503)</b>	<b>1,859</b>
<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
<b>Total</b>	<b>9,739</b>	<b>14,716</b>	<b>(9,355)</b>	<b>15,100</b>
<b>Total other reserves</b>	<b>12,107</b>	<b>15,710</b>	<b>(10,858)</b>	<b>16,959</b>

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

### Note 29 Reserves (cont)

<b>Name of Reserve</b>	<b>Nature and Purpose</b>
<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
	<b>13,109</b>	<b>574</b>	<b>-</b>	<b>13,683</b>
<b>Total financial assets revaluation</b>	<b>13,109</b>	<b>574</b>	<b>-</b>	<b>13,683</b>

2015

Interest in Mildura Airport Pty Ltd	12,500	609	-	13,109
Land under roads	-	-	-	-
Land improvements	-	-	-	-
	-	-	-	-
Heritage buildings	-	-	-	-
	<b>12,500</b>	<b>609</b>	<b>-</b>	<b>13,109</b>
<b>Total financial assets revaluation</b>	<b>12,500</b>	<b>609</b>	<b>-</b>	<b>13,109</b>

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

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 30 Reconciliation of cash flows from operating activities to surplus (deficit)</b>				
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 provsion discount amount	2,375	(581)	2,375	(581)
<b>Change in assets and liabilities:</b>				
(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
<b>Net cash provided by operating activities</b>	<b>32,379</b>	<b>47,238</b>	<b>31,196</b>	<b>45,911</b>
<b>Note 31 Reconciliation of cash and cash equivalents</b>				
Cash and cash equivalents (see note 18)	34,866	39,171	31,659	36,388
<b>Total reconciliation of cash and cash equivalents</b>	<b>34,866</b>	<b>39,171</b>	<b>31,659</b>	<b>36,388</b>
<b>Note 32 Financing arrangements</b>				
Bank overdraft	-	-	-	-
Credit card facility	800	800	800	800
	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>
Used Facilities	(119)	(115)	(119)	(115)
Unused Facilities	<b>681</b>	<b>685</b>	<b>681</b>	<b>685</b>



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
<b>2016</b>					
<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
<b>Total</b>	<b>8,898</b>	<b>3,191</b>	<b>5,224</b>	<b>3,145</b>	<b>20,458</b>
<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
<b>Total</b>	<b>9,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,706</b>

Notes to the Financial Report  
For the Year Ended 30 June 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
<b>2015</b>					
<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
<b>Total</b>	<b>8,302</b>	<b>3,406</b>	<b>1,152</b>	<b>-</b>	<b>12,860</b>
<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
<b>Total</b>	<b>3,719</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,719</b>

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
<b>2016</b>					
<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
<b>Total</b>	<b>8,898</b>	<b>3,191</b>	<b>5,224</b>	<b>3,145</b>	<b>20,458</b>
<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
<b>Total</b>	<b>9,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,706</b>

Notes to the Financial Report  
For the Year Ended 30 June 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
<b>2015</b>					
<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
<b>Total</b>	<b>7,238</b>	<b>1,404</b>	<b>-</b>	<b>-</b>	<b>8,642</b>
<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
<b>Total</b>	<b>6,839</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,839</b>

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:

<b>Councillors</b>	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
<b>Chief Executive Officer</b>	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>
	<b>\$'000</b>	<b>\$'000</b>
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 - \$139,990	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 Sharyon Peart  
**Councillor**

Dated: 22 September 2016  
Mildura



Gerard Jose  
**Chief Executive Officer**

Dated: 22 September 2016  
Mildura