



Mildura Rural City Council

Annual Financial Report
For the Year Ended 30 June 2022



Mildura Rural City Council

Financial Report

Table of Contents

	Page
FINANCIAL REPORT	
Certification of the Financial Statements	4
Victorian Auditor-General's Office Report	5
 Financial Statements	
Comprehensive Income Statement	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	11
Statement of Capital Works	13
 Notes to Financial Statements	
Note 1 Overview	15
Note 2 2.1. Performance against budget	18
2.1.1. Income and expenditure	18
2.1.2. Capital works	21
2.2. Analysis of Council results by program	24
Note 3 Funding for the delivery of our services	
3.1. Rates and charges	26
3.2. Statutory fees and fines	26
3.3. User fees	27
3.4. Funding from other levels of government	27
3.5. Contributions	31
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	32
3.7. Other income	33
3.8. Asset recognition	33
Note 4 The cost of delivering services	
4.1. Employee costs	34
4.2. Materials and services	35
4.3. Depreciation	35
4.4. Amortisation - intangible assets	35
4.5. Amortisation - right of use assets	36
4.6. Bad and doubtful debts	36
4.7. Borrowing costs	36
4.8. Finance costs - leases	37
4.9. Other expenses	37

Mildura Rural City Council

Financial Report

Table of Contents

	Page
Note 5	Our financial position
	5.1. Financial assets 37
	5.2. Non-financial assets 41
	5.3. Payables, trust funds and deposits and unearned income/revenue 43
	5.4. Interest-bearing liabilities 44
	5.5. Provisions 46
	5.6. Financing arrangements 49
	5.7. Commitments 49
	5.8. Leases 54
Note 6	Assets we manage
	6.1. Non current assets classified as held for sale 56
	6.2. Property, infrastructure, plant and equipment 57
Note 7	People and relationships
	7.1. Council and key management remuneration 69
	7.2. Related party disclosure 71
Note 8	Managing uncertainties
	8.1. Contingent assets and liabilities 73
	8.2. Change in accounting standards 74
	8.3. Financial instruments 75
	8.4. Fair value measurement 77
	8.5. Events occurring after balance date 78
Note 9	Other matters
	9.1. Reserves 79
	9.2. Reconciliation of cash flows from operating activities to surplus/(deficit) 90
	9.3. Superannuation 91
Note 10	Change in accounting policy 95

Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Mark McMillan CPA

Principal Accounting Officer

Date : 25 October 2022

Mildura

In our opinion the accompanying financial statements present fairly the financial transactions of the Mildura Rural City Council Group and the Mildura Rural City Council for the year ended 30 June 2022 and the financial position of the Council as at that date.

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 2020* to certify the financial statements in their final form.

Liam Wood

Mayor

Date :

Mildura



25 October 2022

Jason Modica

Deputy Mayor

Date :

Mildura




25 October 2022

Martin Hawson

Chief Executive Officer

Date :

Mildura



25 October 2022

Independent Auditor's Report

To the Councillors of Mildura Rural City Council

Opinion	<p>I have audited the consolidated financial report of Mildura Rural City Council (the council) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none">• consolidated entity and council balance sheet as at 30 June 2022• consolidated entity and council comprehensive income statement for the year then ended• consolidated entity and council statement of changes in equity for the year then ended• consolidated entity and council statement of cash flows for the year then ended• consolidated entity and council statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's and the consolidated entity's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors • conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council and the consolidated entity to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation • obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the council and the consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the council and the consolidated entity. I remain solely responsible for my audit opinion.
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Auditor's responsibilities for the audit of the financial report	I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
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MELBOURNE
31 October 2022



Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2022

		Consolidated		Council	
	Note	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Income					
Rates and charges	3.1	79,281	76,576	79,405	76,576
Statutory fees and fines	3.2	2,394	2,293	2,394	2,293
User fees	3.3	9,038	7,344	6,404	5,548
Grants - operating	3.4	33,688	27,333	32,249	26,070
Grants - capital	3.4	15,309	40,315	15,809	40,273
Contributions - monetary	3.5	3,502	1,402	3,318	1,222
Contributions - non monetary	3.5	823	1,238	823	1,238
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	3.6	(3,685)	(899)	(3,685)	(916)
Other income	3.7	7,272	6,193	6,958	6,025
Asset recognition	3.8	5,762	3,367	3,950	3,367
Total income		153,384	165,162	147,625	161,696
Expenses					
Employee costs	4.1	(55,787)	(53,214)	(52,485)	(50,266)
Materials and services	4.2	(43,760)	(39,104)	(43,146)	(40,200)
Depreciation	4.3	(23,323)	(19,056)	(19,955)	(17,426)
Amortisation - intangible assets	4.4	(225)	(221)	(225)	(221)
Amortisation - right of use assets	4.5	(130)	(98)	(99)	(68)
Bad and doubtful debts	4.6	(39)	(56)	(39)	(104)
Borrowing costs	4.7	(843)	(958)	(828)	(943)
Finance costs - leases	4.8	(61)	(62)	(51)	(51)
Other expenses	4.9	(1,812)	(1,829)	(1,702)	(1,719)
Total expenses		(125,980)	(114,598)	(118,530)	(110,998)
Surplus/(deficit) for the year		27,404	50,564	29,095	50,698
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment (decrement)	9.1(a)	3,688	14,978	3,658	14,978
Share of other comprehensive income of associates and joint ventures	9.1(c)	-	-	(1,661)	(134)
Total other comprehensive income		3,688	14,978	1,997	14,844
Total comprehensive result		31,092	65,542	31,092	65,542

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

Balance Sheet As at 30 June 2022

		Consolidated		Council	
		2022	2021	2022	2021
	Note	\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	5.1	25,811	31,686	22,631	27,054
Trade and other receivables	5.1	6,908	9,044	6,758	9,206
Other financial assets	5.1	79,600	59,350	79,600	59,350
Inventories	5.2	559	593	550	586
Other assets	5.2	351	297	315	262
Total current assets		113,229	100,970	109,854	96,458
Non-current assets					
Trade and other receivables	5.1	-	-	4,863	4,095
Other financial assets	5.1	-	1,750	-	1,750
Other assets	5.2	-	-	49,897	51,457
Property, infrastructure, plant and equipment	6.2	970,364	962,736	917,620	909,974
Right-of-use assets	5.8	1,235	1,398	1,032	1,164
Intangible assets	5.2	14,120	11,181	13,969	11,060
Total non-current assets		985,719	977,065	987,381	979,500
Total assets		1,098,948	1,078,035	1,097,235	1,075,958
Liabilities					
Current liabilities					
Trade and other payables	5.3	2,767	4,308	2,188	3,117
Trust funds and deposits	5.3	2,523	3,182	2,515	3,175
Unearned income/revenue	5.3	3,050	1,154	2,666	1,154
Provisions	5.5	13,575	13,215	13,363	12,996
Interest-bearing liabilities	5.4	1,023	3,325	929	3,231
Lease liabilities	5.8	136	121	108	94
Total current liabilities		23,074	25,305	21,769	23,767
Non-current liabilities					
Provisions	5.5	30,996	33,654	30,958	33,607
Interest-bearing liabilities	5.4	9,439	14,560	9,255	14,281
Lease liabilities	5.8	1,541	1,710	1,354	1,496
Total non-current liabilities		41,976	49,924	41,567	49,384
Total liabilities		65,050	75,229	63,336	73,151
Net assets		1,033,898	1,002,806	1,033,899	1,002,807
Equity					
Accumulated surplus		458,790	442,121	426,422	408,062
Reserves	9.1	575,108	560,685	607,477	594,745
Total equity		1,033,898	1,002,806	1,033,899	1,002,807

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

Statement of Changes in Equity For the Year Ended 30 June 2022

Consolidated	Note	Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
2022					
Balance at beginning of the financial year		1,002,806	442,121	521,122	39,563
Surplus/(deficit) for the year		27,404	27,404	-	-
Net asset revaluation increment/(decrement)	6.2, 9.1	3,688	-	3,688	-
Transfers to other reserves	9.1(b)	-	16,190	-	(16,190)
Transfers from other reserves	9.1(b)	-	(26,925)	-	26,925
		31,092	16,669	3,688	10,735
Balance at end of the financial year		1,033,898	458,790	524,810	50,298
2021					
Balance at beginning of the financial year		937,264	387,851	506,144	43,269
Surplus/(deficit) for the year		50,564	50,564	-	-
Net asset revaluation increment/(decrement)	6.2	14,978	-	14,978	-
Transfers to other reserves	9.1(b)	-	24,181	-	(24,181)
Transfers from other reserves	9.1(b)	-	(20,475)	-	20,475
		65,542	54,270	14,978	(3,706)
Balance at end of the financial year		1,002,806	442,121	521,122	39,563

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

Statement of Changes in Equity For the Year Ended 30 June 2022

Council	Note	Accumulated Revaluation			Other
		Total \$'000	Surplus \$'000	Reserve \$'000	Reserves \$'000
2022					
Balance at beginning of the financial year		1,002,807	408,062	520,937	73,808
Surplus/(deficit) for the year		29,095	29,095	-	-
Net asset revaluation increment/(decrement)	6.2, 9.1	1,997	-	3,658	(1,661)
Transfers to other reserves	9.1(b)	-	16,190	-	(16,190)
Transfers from other reserves	9.1(b)	-	(26,925)	-	26,925
		31,092	18,360	3,658	9,074
Balance at end of the financial year		1,033,899	426,422	524,595	82,882
2021					
Balance at beginning of the financial year		937,265	353,658	505,959	77,648
Surplus/(deficit) for the year		50,698	50,698	-	-
Net asset revaluation increment/(decrement)	6.2	14,844	-	14,978	(134)
Transfers to other reserves	9.1(b)	-	24,181	-	(24,181)
Transfers from other reserves	9.1(b)	-	(20,475)	-	20,475
		65,542	54,404	14,978	(3,840)
Balance at end of the financial year		1,002,807	408,062	520,937	73,808

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

Statement of Cash Flows For the Year Ended 30 June 2022

	Note	Consolidated		Council	
		2022	2021	2022	2021
		Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000
Cash flows from operating activities					
Rates and charges		79,994	76,115	79,994	76,115
Statutory fees and fines		2,394	2,293	2,394	2,293
User fees		11,750	6,099	8,196	4,012
Grants - operating		34,800	29,002	33,861	27,374
Grants - capital		18,111	39,705	18,111	39,663
Contributions - monetary		3,839	1,283	3,484	1,283
Interest received		1,080	962	1,202	1,069
Trust funds and deposits taken		8,588	7,209	8,588	7,209
Other receipts		6,459	5,109	6,057	5,254
Net GST refund (payment)		2,960	1,998	2,969	2,027
Employee costs		(54,477)	(51,622)	(51,867)	(49,424)
Materials and services		(50,837)	(41,566)	(48,512)	(42,230)
Short-term, low value and variable lease payments		(113)	(405)	(113)	(405)
Trust funds and deposits repaid		(9,248)	(5,545)	(9,248)	(5,545)
Other payments		(2,407)	(1,044)	(2,353)	(1,044)
Net cash provided by/(used in) operating activities	9.2	52,893	69,593	52,763	67,651
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	6.2	(32,691)	(61,859)	(31,150)	(58,870)
Proceeds from sale of property, infrastructure, plant and equipment		716	558	714	558
Payments for investments		(18,500)	(56,500)	(18,500)	(56,500)
Net cash provided by/(used in) investing activities		(50,475)	(117,801)	(48,936)	(114,812)

Statement of Cash Flows For the Year Ended 30 June 2022

	Note	Consolidated		Council	
		2022	2021	2022	2021
		Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000
Cash flows from financing activities					
Finance costs		(836)	(953)	(828)	(943)
Repayment of borrowings		(7,327)	(901)	(7,328)	(1,120)
Interest paid - lease liability		(51)	(50)	(51)	(50)
Repayment of lease liabilities		(79)	(25)	(43)	-
Net cash provided by/(used in) financing activities		(8,293)	(1,929)	(8,250)	(2,113)
Net increase/(decrease) in cash and cash equivalents		(5,875)	(50,137)	(4,423)	(49,274)
Cash and cash equivalents at the beginning of the financial year		31,686	81,823	27,054	76,328
Cash and cash equivalents at the end of the financial year	5.1	25,811	31,686	22,631	27,054

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

Statement of Capital Works For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Property				
Land	1,905	577	1,905	577
Total land	1,905	577	1,905	577
Buildings	5,778	22,194	5,714	22,177
Total buildings	5,778	22,194	5,714	22,177
Total property	7,683	22,771	7,619	22,754
Plant and equipment				
Computers and telecommunications	1,184	433	1,172	413
Fixtures, fittings and furniture	588	833	525	738
Library books and art works	298	297	298	297
Plant, machinery and equipment	2,862	3,727	2,846	3,247
Total plant and equipment	4,932	5,290	4,841	4,695
Infrastructure				
Roads	11,228	21,823	11,228	21,823
Footpaths and cycle ways	1,779	1,018	1,779	1,018
Drainage	492	4,994	492	4,994
Recreational, leisure and community facilities	1,879	1,827	1,879	1,827
Waste management	1,435	89	1,435	89
Parks, open space and streetscapes	1,008	1,201	1,008	1,072
Kerb and channel	180	373	180	373
Off street car parks	689	215	689	215
Other infrastructure	1,386	2,271	-	-
Total infrastructure	20,076	33,811	18,690	31,411
Intangible				
Software	-	11	-	11
Total intangible	-	11	-	11
Total capital works expenditure	32,691	61,883	31,150	58,871

Statement of Capital Works For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Represented by:				
New asset expenditure	9,335	28,469	9,243	25,641
Asset renewal expenditure	17,023	26,091	16,540	26,030
Asset expansion expenditure	1,072	730	589	669
Asset upgrade expenditure	5,261	6,582	4,778	6,520
Intangible asset	-	11	-	11
Total capital works expenditure	32,691	61,883	31,150	58,871

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

Notes to the Financial Report For the Year Ended 30 June 2022

Note 1 OVERVIEW

Introduction

The Mildura Rural City Council (Council) was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate. Council's main office is located at 108 - 116 Madden Avenue, Mildura.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cashflow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.2)
- the determination of employee provisions (refer to note 5.5)
- the determination of landfill provisions (refer to note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities* (refer to Note 3)

Notes to the Financial Report For the Year Ended 30 June 2022

(a) Basis of accounting (cont'd)

- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgments

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

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

(b) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2022, and their income and expenses for that part of the reporting period in which control existed.

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

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

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

Entities consolidated into Council include:

- Mildura Airport Pty Ltd - 100% owned
- Mildura Tourism and Economic Development Ltd trading as Mildura Regional Development - 100% owned

Notes to the Financial Report For the Year Ended 30 June 2022

(c) Impact of Covid-19

During 2021-22 the COVID-19 pandemic continued to impact on Council's operations. Council has noted the following significant impacts on its financial operations:

- Additional revenue - Council has received additional operating grants in the areas of community health, social development and projects, economic development and tourism and critical community services. These include support programs to assist with community support, economic recovery and directly with COVID-19. The majority related to Hands up Mallee funding, outdoor and community activation projects, and other employment and social programs.
- Revenue foregone – As part of efforts to support the community recovery from COVID-19 some revenue for user fees were waived including environmental health registration fees as part of Council's business assistance measures. In addition, Council did not pursue parking infringements during periods of restrictions associated with COVID-19.
- Additional cost – Bad and doubtful debts has reduced due to deferments of debtors payments and other support measures implemented by Council. Some increase in cleaning and hygiene supplies have continued however this is becoming a normalised expenditure.
- Other - Council's net loss on disposal was greater than budgeted due to supply constraints associated with COVID-19 from previous years, which has directly impacted our fleet and plant replacement program. Inflationary impacts have increased cost to Council along with supply constraints which have increased carried forward capital works projects. Provisions for annual leave, rostered days off and time in lieu have also increased due to impacts of COVID-19. These are being managed through implementation staff leave plans and recruitment of unfilled positions.

Notes to the Financial Report For the Year Ended 30 June 2022

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of 10 percent and \$250,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 23 June 2021. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income and expenditure	Council Budget 2022 \$'000	Council Actual 2022 \$'000	Variance \$'000	Variance % Ref
Income				
Rates and charges	79,014	79,405	391	-
Statutory fees and fines	2,391	2,394	3	-
User fees	8,620	6,404	(2,216)	(26) 1
Grants - operating	22,056	32,249	10,193	46 2
Grants - capital	15,010	15,809	799	5
Contributions - monetary	1,282	3,318	2,036	159 3
Contributions - non monetary	1,952	823	(1,129)	(58) 4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,683)	(3,685)	(2,002)	119 5
Other income	5,761	6,958	1,197	21 6
Asset recognition	-	3,950	3,950	100 7
Total income	134,403	147,625	13,222	10
Expenses				
Employee costs	(53,446)	(52,485)	961	(2)
Materials and services	(45,123)	(43,146)	1,977	(4)
Depreciation	(17,607)	(19,955)	(2,348)	13 8
Amortisation - intangible assets	(161)	(225)	(64)	40 9
Amortisation - right of use assets	(74)	(99)	(25)	34 10
Bad and doubtful debts	(133)	(39)	94	(71) 11
Borrowing costs	(1,079)	(828)	251	(23) 12
Finance costs - leases	(51)	(51)	-	-
Other expenses	(1,434)	(1,702)	(268)	19 13
Total expenses	(119,108)	(118,530)	578	(0)
Surplus/(deficit) for the year	15,295	29,095	13,800	90

Notes to the Financial Report For the Year Ended 30 June 2022

2.1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees	The COVID-19 pandemic and inflationary impacts and supply constraints have all contributed to reductions in some user fees. These include reductions in land fill fees, facility hire fees, registrations and child care fees.
2	Grants - operating	The majority of this increase relates to the 75% brought forward payment of next years financial assistance grants. This is reported in current financial year but carried forward through reserves to be spent in the 2022/23 financial year. Council also received many community support grants to aid in recovery from COVID-19.
3	Contributions - monetary	Relates to developer contributions which are difficult to predict the exact timing of. Increased activity in building industry have contributed to many projects being completed.
4	Contributions - non monetary	These contributions are due to works completed predominantly residential sub-divisions. These are received in lieu of cash, and are recognised when handed over to Council and are considered to be under control of Council. These are difficult to predict timing of.
5	Net gain (loss) on disposal of property, infrastructure, plant and equipment	The majority of this loss relates to disposal of road assets associated with the asset renewal program, and also fleet replacement including vehicles, plant and equipment.
6	Other income	While user fees were reduced due to COVID-19 and economic impacts, this was offset by increases in childcare subsidies from the government and other reimbursements.

Notes to the Financial Report For the Year Ended 30 June 2022

2.1 Performance against budget (cont'd)

(i) Explanation of material variations (cont'd)

Variance Ref	Item	Explanation
7	Asset recognition	These are accounting entries only (non-cash), and result from internal asset procedures and audits of fixed assets. These found assets are then valued and included on Council's fixed asset register.
8	Depreciation	Completion of major capital works projects including Mildura Sporting Precinct have occurred with final capitalisation of asset occurring this financial year along with other works in progress.
9	Amortisation - intangible assets	Capitalisation of software purchases in 2020-21 resulted in increased amortisation in 2021-22 financial year.
10	Amortisation - right of use asset	These relate to accounting treatment of leases under AASB 16 which occur at the end of financial year with adjustments dependent on rental increases and indicative borrowing rates.
11	Bad and doubtful debts	This reduced due to community relief and support measures for COVID-19 including deferments and waiving of fees, and a reduction in collection of user fees contributing to lower need for debt collection.
12	Borrowing expenses	Council delayed new borrowings as projected in budget which resulted in reduced interest cost for this financial year.
13	Other expenses	This increase relates to increased operating lease payments for the financial year due to delays in obtaining IT equipment.

Notes to the Financial Report For the Year Ended 30 June 2022

2.1.2 Capital works	Council Budget 2022 \$'000	Council Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	-	1,905	1,905	100	1
Total land	-	1,905	1,905	100	
Buildings	18,902	5,714	(13,188)	(70)	2
Total buildings	18,902	5,714	(13,188)	(70)	
Total property	18,902	7,619	(11,283)	(60)	
Plant and equipment					
Computers and telecommunications	811	1,172	361	45	3
Fixtures, fittings and furniture	185	525	340	184	4
Library books and artworks	315	298	(17)	(5)	
Plant, machinery and equipment	2,369	2,846	477	20	5
Total plant and equipment	3,680	4,841	1,161	32	
Infrastructure					
Roads	12,803	11,228	(1,575)	(12)	6
Footpaths and cycle ways	1,022	1,779	757	74	7
Drainage	658	492	(166)	(25)	8
Recreational, leisure and community facilities	1,939	1,879	(60)	(3)	
Waste management	2,723	1,435	(1,288)	(47)	9
Parks, open space and streetscapes	1,635	1,008	(627)	(38)	10
Kerb and channel	371	180	(191)	(51)	11
Off street car parks	-	689	689	100	12
Total infrastructure	21,151	18,690	(2,461)	(12)	
Total capital works expenditure	43,733	31,150	(12,583)	(29)	
Represented by:					
New asset expenditure	18,006	9,243	(8,763)	(49)	
Asset renewal expenditure	18,566	16,540	(2,026)	(11)	
Asset expansion expenditure	1,951	589	(1,362)	(70)	
Asset upgrade expenditure	5,210	4,778	(432)	(8)	
Total capital works expenditure	43,733	31,150	(12,583)	(29)	

Notes to the Financial Report For the Year Ended 30 June 2022

Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	During the financial year there was one strategic land purchase. Due to difficulty in timing such purchases this was not included in the annual budget, but was funded from the land acquisition reserve.
2	Building	Variance predominately relates to the timing of expenditure for Stage 2 of the Mildura Sporting Precinct which will now occur during 2022/23 financial year.
3	Computers and telecommunications	Prior financial year supply constraints have resulted in actual expenditure occurring in 2021/22 financial year.
4	Fixtures, fittings and furniture	Additional grant funded expenditure occurred on outdoor alfresco areas and bench seats and tables.
5	Plant, machinery and equipment	Impacts of COVID-19 and supply constraints resulted in expenditure being carried forward with results occurring this financial year.
6	Roads	Additional grant funding as part of Local Roads and Community Infrastructure grants included in original budget, is being delivered over two financial years with some expenditure now occurring in 2022/23.
7	Footpaths and cycle ways	Impacts of COVID-19 with supply and contractor constraints prevented the capital works from being completed in previous financial year, this expenditure occurred during the 2021/22 financial year.

Notes to the Financial Report For the Year Ended 30 June 2022

Performance against budget (cont'd)

(i) Explanation of material variations (cont'd)

Variance		
Ref	Item	Explanation
8	Drainage	Delays due to impacts of COVID-19 and supply constraints have prevented the capital works from being completed this financial year.
9	Waste management	The waste management program and specifically landfill capping has been delayed due to delays in approval of the capping design. This has been carried forward to the next financial year.
10	Parks, open space and streetscapes	Delays due to a longer than expected community consultation process and constraints with supply and contractor availability with expenditure now occurring next financial year.
11	Kerb and channel	Delays due to impacts of COVID-19 and supply constraints have prevented the capital works from being completed this financial year.
12	Off-street carparks	Grants were received during the financial with additional expenditure on the carpark occurring this financial year.

Notes to the Financial Report For the Year Ended 30 June 2022

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Community

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

Financial Management

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

Corporate

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

Development

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

Executive

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

Notes to the Financial Report For the Year Ended 30 June 2022

2.2.2 Summary of income, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Community	12,340	(25,396)	(13,056)	6,422	235,091
Financial management	126,307	(27,498)	98,809	40,528	254,550
Corporate	2,297	(18,137)	(15,840)	684	167,895
Development	6,681	(46,534)	(39,853)	424	430,766
Executive	-	(965)	(965)	-	8,933
	147,625	(118,530)	29,095	48,058	1,097,235

	Income	Expenses	Surplus/ (deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Community	11,793	(24,743)	(12,950)	7,582	239,846
Financial management	140,467	(22,128)	118,339	57,453	214,498
Corporate	2,885	(18,752)	(15,867)	993	181,772
Development	6,551	(44,404)	(37,853)	315	430,430
Executive	-	(971)	(971)	-	9,412
	161,696	(110,998)	50,698	66,343	1,075,958

Notes to the Financial Report For the Year Ended 30 June 2022

Consolidated		Council	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000

Note 3 Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2021/22 is \$13.670 billion (2020/21 was \$10.493 billion)

General rates	42,124	40,498	42,124	40,498
Waste management charge	12,157	11,657	12,157	11,657
Mildura City Heart special rate	633	616	633	616
Business differential rate	12,933	13,179	13,057	13,179
Farming differential rate	11,179	10,498	11,179	10,498
Payment in lieu of rates	255	128	255	128
Total rates and charges	79,281	76,576	79,405	76,576

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation will be first applied in the rating year commencing 1 July 2022.

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

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

3.2 Statutory fees and fines

Infringements and costs	411	349	411	349
Land information certificates	71	65	71	65
Permits	430	501	430	501
Other statutory fees and fines	314	314	314	314
Valuations database	243	249	243	249
Statutory planning fees	925	815	925	815
Total statutory fees and fines	2,394	2,293	2,394	2,293

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

Notes to the Financial Report For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
3.3 User fees				
Aged and health services	763	839	763	839
Child care/children's programs	505	408	505	408
Waste management services	2,399	1,897	2,399	1,897
Other fees and charges	261	232	261	232
Rent/lease fees	960	534	629	259
Animal control and local laws	579	652	579	652
Environmental health services	-	10	-	10
Airport fees and charges	2,303	1,521	-	-
Contract works	532	941	532	941
Entrance charges	572	178	572	178
Commission/agency fees	164	132	164	132
Total user fees	9,038	7,344	6,404	5,548

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

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	32,306	45,880	32,806	45,458
State funded grants	16,691	21,768	15,252	20,885
Total grants received	48,997	67,648	48,058	66,343

Notes to the Financial Report
For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
(a) Operating grants				
<i>Recurrent - Commonwealth Government</i>				
Hands up Mallee	815	310	815	310
Early years	-	136	-	136
Aged and disability services	2,242	2,201	2,242	2,201
Financial assistance grants - general purpose	16,184	11,033	16,184	11,033
Financial assistance grants - local roads	5,801	4,249	5,801	4,249
<i>Recurrent - State Government</i>				
Hands up Mallee	275	361	275	361
Aged and disability services	521	513	521	513
Libraries	426	391	426	391
Community health	1,267	1,262	1,267	1,262
Early years	277	298	277	298
Youth services	216	261	216	261
Environmental health	44	31	44	31
Social development and projects	75	-	75	-
Local laws	154	151	154	151
Arts and culture	190	190	190	190
Works and infrastructure services	106	123	106	123
Total recurrent operating grants	28,593	21,510	28,593	21,510

Notes to the Financial Report
For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
<i>Non-recurrent - Commonwealth Government</i>				
Airport operations	500	1,380	500	1,000
Early years	224	-	224	-
Social development and projects	-	279	-	279
<i>Non-recurrent - State Government</i>				
Youth services	2	4	2	4
Hands up Mallee	1,023	110	1,023	110
Community development	-	167	-	167
Social development and projects	413	1,090	413	1,090
Environmental sustainability	193	241	193	241
Governance and risk	-	266	-	266
Aged and disability services	112	65	112	65
Early years	16	22	16	22
Asset management	67	-	67	-
Economic development and tourism	120	120	120	120
Libraries	1	15	1	15
Sunraysia Pest Free	583	241	583	241
Critical community services - COVID-19 response	-	486	-	486
Local laws	23	-	23	-
Road safety	15	-	15	-
Emergency management and recovery	26	-	26	-
Community care services management	77	-	77	-
Event projects	203	-	203	-
Airport operations	1,439	883	-	-
Arts and culture	-	1	-	1
Recreation and sport	58	453	58	453
Total non-recurrent operating grants	5,095	5,823	3,656	4,560
Total operating grants	33,688	27,333	32,249	26,070
(b) Capital grants				
<i>Recurrent - Commonwealth Government</i>				
Roads to recovery	2,978	5,121	2,978	5,121
Total recurrent capital grants	2,978	5,121	2,978	5,121

Notes to the Financial Report For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
<i>Non-recurrent - Commonwealth Government</i>				
Buildings	2,650	15,046	2,650	15,046
Plant, machinery and equipment	-	-	-	-
Roads	1,354	5,583	1,354	5,583
Airport operations	(500)	42	-	-
Parks, open space and streetscapes	58	-	58	-
Drainage	-	500	-	500
<i>Non-recurrent - State Government</i>				
Computers and telecom	100	290	100	290
Footpaths and cycleways	-	242	-	242
Libraries	11	11	11	11
Recreation and sport	280	884	280	884
Buildings	6,239	9,861	6,239	9,861
Fixtures, fittings and furniture	782	-	782	-
Waste management	22	40	22	40
Parks open space and streetscapes	60	893	60	893
Early years	-	15	-	15
Roads	1,275	1,787	1,275	1,787
Total non-recurrent capital grants	12,331	35,194	12,831	35,152
Total capital grants	15,309	40,315	15,809	40,273
(c) Unspent grants received on condition that they be spent in a specific manner				
<i>Operating</i>				
Balance at start of year	784	641	784	641
Received during the financial year and remained unspent at balance date	384	557	-	557
Received in prior years and spent during the financial year	(145)	(414)	(145)	(414)
Balance at year end	1,023	784	639	784
<i>Capital</i>				
Balance at start of year	370	3,137	370	3,137
Received during the financial year and remained unspent at balance date	2,027	370	2,027	370
Received in prior years and spent during the financial year	(370)	(3,137)	(370)	(3,137)
Balance at year end	2,027	370	2,027	370
Total	3,050	1,154	2,666	1,154

Notes to the Financial Report For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
(d) Recognition of grant income				
Income recognised under AASB 1058 Income of Not-for-Profit Entities				
Other specific purpose grants	1,023	784	639	784
Revenue recognised under AASB 15 Revenue from Contracts with Customers				
Specific purpose grants	2,027	370	2,027	370
	<u>3,050</u>	<u>1,154</u>	<u>2,666</u>	<u>1,154</u>

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 *Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 *Income for Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

3.5 Contributions

Other contributions	1,884	448	1,700	268
Capital contributions	260	149	260	149
Developer contributions	1,358	805	1,358	805
Total monetary contributions	<u>3,502</u>	<u>1,402</u>	<u>3,318</u>	<u>1,222</u>
Non-monetary contributions	823	1,238	823	1,238
Total contributions	<u><u>4,325</u></u>	<u><u>2,640</u></u>	<u><u>4,141</u></u>	<u><u>2,460</u></u>

Notes to the Financial Report For the Year Ended 30 June 2022

Consolidated		Council	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000

3.5 Contributions (cont'd)

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

Drainage	5	1,183	5	1,183
Footpaths	101	-	101	-
Parks open space and streetscapes	717	55	717	55
Total non-monetary contributions	823	1,238	823	1,238

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

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	714	575	714	558
Written down value of assets disposed	(4,399)	(1,474)	(4,399)	(1,474)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(3,685)	(899)	(3,685)	(916)

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

Notes to the Financial Report For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
3.7 Other income				
Interest	364	502	481	566
Interest on rates	708	503	708	503
Sales	706	452	347	266
Other income	225	186	18	9
Child care reimbursement	2,016	1,554	2,016	1,554
Fuel tax rebate	168	223	168	223
Workcover costs reimbursements	453	479	453	479
Legal costs recouped	205	-	205	-
Airport reimbursement	-	-	-	23
Cemetery reimbursement	713	473	713	473
Utilities reimbursement	18	8	18	8
Youth case management reimbursement	660	452	660	452
Insurance reimbursement	46	52	46	160
Other costs reimbursed	990	1,309	1,125	1,309
Total other income	7,272	6,193	6,958	6,025

Interest is recognised as it is earned.

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

3.8 Asset recognition

The majority of asset recognitions related to gifted assets for Developer Contribution Plans (DCP). These are recognised once Council gains control of the assets and recorded on Council's asset registers.

Asset recognition	5,762	3,367	3,950	3,367
Total asset recognition	5,762	3,367	3,950	3,367

Notes to the Financial Report For the Year Ended 30 June 2022

Consolidated		Council	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000

Note 4 The cost of delivering services

4.1. (a) Employee costs

Wages and salaries	50,909	48,521	47,818	45,753
Payroll tax	7	9	7	8
Superannuation	4,737	4,486	4,526	4,307
Fringe benefits tax	134	198	134	198
Total employee costs	55,787	53,214	52,485	50,266

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities
Superannuation Fund (Vision Super)

	252	242	252	242
Total defined benefit fund contributions	252	242	252	242

Accumulation funds

Employer contributions to Local Authorities
Superannuation Fund (Vision Super)
Employer contributions - other funds

	1,955	2,003	1,955	2,003
	2,152	1,858	2,152	1,858
Total accumulation funds contributions	4,107	3,861	4,107	3,861

Employer contributions payable at reporting date.	-	-	-	-
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Refer to note 9.3 for further information relating to Council's superannuation obligations.

Notes to the Financial Report For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
4.2 Materials and services				
Contracts other	9,088	5,234	8,907	5,057
Waste management contracts	6,322	5,855	6,322	5,855
Swimming pools	1,427	1,444	1,427	1,444
Building maintenance	2,461	2,168	2,461	2,168
General maintenance	423	410	423	410
Environmental protection waste levy	2,288	1,448	2,288	1,448
Grants, contributions and donations	1,763	2,193	3,674	5,557
Utilities	3,457	3,497	3,150	3,344
Office administration	1,101	1,197	873	816
Materials purchased	5,205	5,467	5,040	5,348
Plant and vehicle costs	2,615	2,776	2,039	2,510
Information technology	1,792	1,942	1,694	1,841
Insurance	1,450	1,302	1,458	1,327
Consultants	2,138	1,735	2,138	1,735
Training	742	860	706	827
Other materials and contractors	1,488	1,576	546	513
Total materials and services	43,760	39,104	43,146	40,200

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Depreciation

Buildings	3,292	2,841	3,022	2,618
Plant and equipment	3,745	3,377	3,386	2,936
Infrastructure	16,286	12,838	13,547	11,872
Total depreciation	23,323	19,056	19,955	17,426

Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - intangible assets

Intangible assets	225	221	225	221
Total amortisation - intangible assets	225	221	225	221

Notes to the Financial Report For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
4.5 Amortisation - right of use assets				
Property	130	98	99	68
Total amortisation - right of use assets	130	98	99	68
4.6 Bad and doubtful debts				
Infringement debtors	34	91	34	91
Other debtors	5	(35)	5	13
Total bad and doubtful debts	39	56	39	104
Movement in provisions for doubtful debts				
Balance at the beginning of the year	770	679	770	679
New provisions recognised during the year	39	104	39	104
Amounts already provided for and written off as uncollectible	(31)	(13)	(31)	(13)
Balance at end of year	778	770	778	770
Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.				
4.7 Borrowing costs				
Interest - borrowings	843	958	828	943
Total borrowing costs	843	958	828	943

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.

Notes to the Financial Report For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
4.8 Finance costs - leases				
Interest - lease liabilities	61	62	51	51
Total finance costs	61	62	51	51
4.9 Other expenses				
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	89	94	77	75
Auditors' remuneration - internal audit	143	88	143	88
Councillors' allowances	349	323	349	323
Directors' fees	99	80	-	-
Refunds	80	88	80	88
Operating lease rentals	611	416	615	405
Asset written-off / impaired	-	670	-	670
Others	441	70	438	70
Total other expenses	1,812	1,829	1,702	1,719
Note 5 Our financial position				
5.1 Financial assets				
(a) Cash and cash equivalents				
Cash on hand	38	33	10	11
Cash at bank	18,865	28,213	17,121	26,543
Term deposits	6,908	3,440	5,500	500
Total cash and cash equivalents	25,811	31,686	22,631	27,054
(b) Other financial assets				
Term deposits - current	79,600	59,350	79,600	59,350
Floating notes - non-current	-	1,750	-	1,750
Total other financial assets	79,600	61,100	79,600	61,100
Total financial assets	105,411	92,786	102,231	88,154

Notes to the Financial Report For the Year Ended 30 June 2022

Consolidated		Council	
2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000

Note 5 Our financial position (cont'd)

5.1 Financial assets

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

- Trust funds and deposits (note 5.3(b))	2,523	3,182	2,515	3,175
- Statutory reserve funds (note 9.1(b))	16,731	2,810	16,731	2,818
Total restricted funds	<u>19,254</u>	<u>5,992</u>	<u>19,246</u>	<u>5,993</u>
Total unrestricted cash and cash equivalents	<u>6,557</u>	<u>25,694</u>	<u>3,385</u>	<u>21,061</u>

Intended allocations

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

- Cash held to fund carried forward capital works	34,369	16,444	34,369	16,444
- Unexpended grants (note 3.4)	3,050	1,154	2,666	1,154
- Discretionary reserves (note 9.1(b))	33,567	36,753	33,567	36,753
- Long service leave 25% (note 5.5)	-	2,054	-	2,035
Total funds subject to intended allocations	<u>70,986</u>	<u>56,405</u>	<u>70,602</u>	<u>56,386</u>

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

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

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

Notes to the Financial Report For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
5.1 Financial assets (cont'd)				
(c) Trade and other receivables				
Current				
<i>Statutory receivables</i>				
Rates debtors	4,146	4,735	4,146	4,735
Infringement debtors	905	881	905	881
Provision for doubtful debts - infringements	(798)	(764)	(798)	(764)
Net GST receivable	402	629	402	629
<i>Non statutory receivables</i>				
General debtors	1,744	3,027	1,294	2,830
Accrued income	518	542	513	542
Loan to Mildura Airport Pty Ltd	-	-	305	359
Provision for doubtful debts - other debtors	(9)	(6)	(9)	(6)
Total current trade and other receivables	6,908	9,044	6,758	9,206
Non-current				
<i>Non statutory receivables</i>				
Loan to Mildura Airport Pty Ltd	-	-	4,863	4,095
Total non-current trade and other receivables	-	-	4,863	4,095
Total trade and other receivables	6,908	9,044	11,621	13,301

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

(d) Ageing of receivables

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current (not yet due)	2,105	1,869	1,969	2,544
Past due by up to 30 days	80	287	69	288
Past due between 31 and 180 days	64	1,017	61	497
Past due between 181 and 365 days	4	390	4	396
Total trade and other receivables	2,253	3,563	2,103	3,725

Notes to the Financial Report For the Year Ended 30 June 2022

5.1 Financial assets (cont'd)

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$1,294 (2021: \$2,830) were impaired. The amount of the provision raised against these debtors was \$39 (2021: \$104). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Past due between 31 and 180 days	5	13	5	13
Past due by more than 1 year	34	91	34	91
Total trade and other receivables	39	104	39	104

Notes to the Financial Report For the Year Ended 30 June 2022

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
5.2 Non-financial assets				
(a) Inventories				
Inventories held for distribution	480	530	480	530
Inventories held for sale	79	63	70	56
Total inventories	559	593	550	586
Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.				
(b) Other assets				
Current				
Prepayments	351	297	315	262
Total	351	297	315	262
Non-current				
Interest in Mildura Airport Pty Ltd	-	-	49,281	50,945
Interest in Mildura Regional Development	-	-	616	512
Total	-	-	49,897	51,457
Total other assets	351	297	50,212	51,719
(c) Intangible assets				
Software	387	612	387	612
Water rights at valuation 30 June 2021	-	10,569	-	10,448
Water rights at valuation 30 June 2022	13,733	-	13,582	-
Total intangible assets	14,120	11,181	13,969	11,060

Notes to the Financial Report For the Year Ended 30 June 2022

5.2 Non-financial assets (cont'd)

(c) Intangible assets

Consolidated

Gross carrying amount

	Software \$'000	Water right \$'000	Total \$'000
Balance at 1 July 2021	3,090	10,569	13,659
Transfer	(30)	-	(30)
Revaluation increment/(decrement) (note 9.1(a))	-	3,164	3,164
Balance at 30 June 2022	3,060	13,733	16,793

Accumulated amortisation and impairment

Balance at 1 July 2021	2,478	-	2,478
Transfer	(30)	-	(30)
Amortisation expense	225	-	225
Balance at 30 June 2022	2,673	-	2,673
Net book value at 30 June 2021	612	10,569	11,181
Net book value at 30 June 2022	387	13,733	14,120

Council

Gross carrying amount

	Software \$'000	Water right \$'000	Total \$'000
Balance at 1 July 2021	3,090	10,448	13,538
Transfer	(30)	-	(30)
Revaluation increment/(decrement) (note 9.1(a))	-	3,134	3,134
Balance at 30 June 2022	3,060	13,582	16,642

Accumulated amortisation and impairment

Balance at 1 July 2021	2,478	-	2,478
Transfer	(30)	-	(30)
Amortisation expense	225	-	225
Balance at 30 June 2022	2,673	-	2,673
Net book value at 30 June 2021	612	10,448	11,060
Net book value at 30 June 2022	387	13,582	13,969

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

Notes to the Financial Report For the Year Ended 30 June 2022

5.2 Non-financial assets (cont'd)

(c) Intangible assets

Details of the Mildura Rural City Council's water rights; and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Water rights	-	13,582	-
Total	-	13,582	-

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 2022.

5.3 Payables, trust funds, deposits and unearned income / revenue

(a) Trade and other payables

Non-statutory

Current

	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade payables	481	919	2	-
Accrued expenses	2,286	3,389	2,186	3,117
Total trade and other payables	2,767	4,308	2,188	3,117

(b) Trust funds and deposits

Current

Refundable contract deposits	468	481	468	481
Fire services levy	711	1,392	711	1,392
Refundable civic facilities deposits	7	4	7	4
Retention amounts	274	459	274	459
Income received in advance	8	7	-	-
Other refundable deposits	1,055	839	1,055	839
Total trust funds and deposits	2,523	3,182	2,515	3,175

(c) Unearned income / revenue

Current

Grants received in advance - operating	1,023	784	639	784
Grants received in advance - capital	2,027	370	2,027	370
Total unearned income / revenue	3,050	1,154	2,666	1,154

Notes to the Financial Report For the Year Ended 30 June 2022

5.3 (c) Unearned income / revenue (cont'd)

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers (Government funding bodies) for which grant agreement obligations have not yet been met . Unearned income/revenue are derecognised and recorded as revenue when promised goods and services and grant funding has been expended and the project/service delivered. Refer to Note 3.

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

Purpose and nature of items:

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

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

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

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
5.4 Interest-bearing liabilities				
Current				
Other borrowings - secured	1,023	3,325	929	3,231
Total current interest-bearing liabilities	1,023	3,325	929	3,231
Non-current				
Other borrowings - secured	9,255	14,281	9,255	14,281
Finance leases	184	279	-	-
Total non-current interest-bearing liabilities	9,439	14,560	9,255	14,281
Total interest-bearing liabilities	10,462	17,885	10,184	17,512

Borrowings are secured by security over the general rates of the municipal enterprise and in accordance with requirements of the *Local Government Act 2020*.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
5.4 Interest-bearing liabilities (cont'd)				

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

Not later than one year	1,023	3,325	929	3,231
Later than one year and not later than five years	3,258	2,883	1,468	3,012
Later than five years	6,181	11,677	7,787	11,269
	10,462	17,885	10,184	17,512

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.

Notes to the Financial Report For the Year Ended 30 June 2022

5.5 Provisions

Consolidated	Employee	Landfill	Total
2022	\$ '000	restoration	\$ '000
Balance at beginning of the financial year	14,388	32,514	46,902
Additional provisions	6,593	123	6,716
Amounts used	(6,514)	(2,747)	(9,261)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	293	-	293
Balance at the end of the financial year	14,760	29,890	44,650
2021			
Balance at beginning of the financial year	13,347	26,581	39,928
Additional provisions	6,929	5,933	12,862
Amounts used	(6,089)	-	(6,089)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	201	-	201
Balance at the end of the financial year	14,388	32,514	46,902
Council	Employee	Landfill	Total
2022	\$ '000	restoration	\$ '000
Balance at beginning of the financial year	14,089	32,514	46,603
Additional provisions	6,471	123	6,594
Amounts used	(6,422)	(2,747)	(9,169)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	293	-	293
Balance at the end of the financial year	14,431	29,890	44,321
2021			
Balance at beginning of the financial year	13,130	26,581	39,711
Additional provisions	6,756	5,933	12,689
Amounts used	(5,998)	-	(5,998)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	201	-	201
Balance at the end of the financial year	14,089	32,514	46,603

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
5.5 Provisions (cont'd)				
(a) Employee provisions				
Current provisions expected to be wholly settled within 12 months				
Annual leave	4,234	3,321	4,046	3,131
Long service leave	535	626	520	597
Redundancy	251	-	251	-
Rostered day off and time off in lieu	943	915	943	915
Total	5,963	4,862	5,760	4,643
Current provisions expected to be wholly settled after 12 months				
Annual leave	1,344	1,903	1,344	1,903
Long service leave	6,268	6,450	6,259	6,450
Total	7,612	8,353	7,603	8,353
Total current employee provisions	13,575	13,215	13,363	12,996
Non-current				
Long service leave	1,106	1,140	1,068	1,093
Total non-current employee provisions	1,106	1,140	1,068	1,093
Aggregate carrying amount of employee provisions:				
Current	13,575	13,215	13,363	12,996
Non-current	1,106	1,140	1,068	1,093
Total aggregate carrying amount of employee provisions	14,681	14,355	14,431	14,089

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

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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

Notes to the Financial Report For the Year Ended 30 June 2022

5.5 Provisions (cont'd)

(a) Employee provisions

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement.

Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

	Consolidated		Council	
	2022	2021	2022	2021
Key assumptions:	%	%	%	%
- discount rate	3.69	1.49	3.69	1.49
- wage inflation rate	3.85	2.95	3.85	2.95
- settlement period (months)	12	12	12	12
	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
(b) Landfill restoration				
Non-current	29,890	32,514	29,890	32,514
Total landfill restoration	29,890	32,514	29,890	32,514

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

	Consolidated		Council	
	2022	2021	2022	2021
Key assumptions:	%	%	%	%
- weighted average Melbourne CPI	4.50	2.90	4.50	2.90
- discount rate	3.69	1.49	3.69	1.49
	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
(c) Total provisions				
Current	13,575	13,215	13,363	12,996
Non-current	30,996	33,654	30,958	33,607
	44,571	46,869	44,321	46,603

Notes to the Financial Report For the Year Ended 30 June 2022

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2022.

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Credit card facilities	800	800	800	800
Loans and borrowings	10,184	17,885	10,184	17,512
Total facilities	10,984	18,685	10,984	18,312
Used facilities	10,703	18,391	10,703	18,018
Unused facilities	281	294	281	294

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated					
2022					
Operating					
Swimming pool management	1,580	106	-	-	1,686
Waste management	6,306	6,690	25,275	169	38,440
Cleaning services	99	-	-	-	99
Security services	2,082	1,559	-	-	3,641
Project design	122	17	-	-	139
Corporate expenditure	263	-	-	-	263
Telecommunications	213	118	-	-	331
Parks and gardens services	616	170	-	-	786
Building services	484	8	5	-	497
Other	507	292	233	197	1,229
Total	12,272	8,960	25,513	366	47,111

Notes to the Financial Report For the Year Ended 30 June 2022

5.7 Commitments (cont'd)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
Consolidated 2022	\$'000	\$'000	\$'000	\$'000	\$'000
Capital					
Building	16,546	-	-	-	16,546
Computers and telecom	318	-	-	-	318
Drains	574	-	-	-	574
Fixtures, fittings and furniture	434	-	-	-	434
Footpaths and cycleways	10	-	-	-	10
Library books and art works	425	-	-	-	425
Parks, open space and streetscapes	417	-	-	-	417
Plant and machinery equipment	2,421	-	-	-	2,421
Rec, leisure and community facilities	1,146	-	-	-	1,146
Roads	1,678	-	-	-	1,678
Waste management and landfill	46	-	-	-	46
Other	2,218	256	-	-	2,474
Total	26,233	256	-	-	26,489

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
Consolidated 2021	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Swimming pool management	1,589	1,608	-	-	3,197
Waste management	11	11	-	-	22
Cleaning services	508	-	-	-	508
Security services	443	-	-	-	443
Project design	29	-	-	-	29
Corporate expenditure	353	304	307	-	964
Building services	318	298	-	-	616
Other	159	109	-	-	268
Total	3,410	2,330	307	-	6,047

Notes to the Financial Report For the Year Ended 30 June 2022

5.7 Commitments (cont'd)

	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
Consolidated					
2021					
Capital					
Fixtures, fittings and furniture	56	-	-	-	56
Buildings	5,567	-	-	-	5,567
Library books and artworks	284	-	-	-	284
Waste management	104	-	-	-	104
Plant machinery and equipment	2,043	-	-	-	2,043
Roads	2,467	-	-	-	2,467
Drainage	689	-	-	-	689
Parks, open spaces and streetscapes	1,505	-	-	-	1,505
Rec, leisure and community facilities	134	-	-	-	134
Footpaths and cycleways	1	-	-	-	1
Kerb and channel	47	-	-	-	47
Computers and telecom	133	-	-	-	133
Total	13,030	-	-	-	13,030

	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
Council					
2022					
Operating					
Swimming pool management	1,580	106	-	-	1,686
Waste management	6,306	6,690	25,275	169	38,440
Cleaning services	99	-	-	-	99
Security services	675	179	-	-	854
Project design	122	17	-	-	139
Corporate expenditure	263	-	-	-	263
Telecommunications	213	118	-	-	331
Parks and gardens services	616	170	-	-	786
Building services	464	-	-	-	464
Other	177	40	-	-	217
Total	10,515	7,320	25,275	169	43,279

Notes to the Financial Report For the Year Ended 30 June 2022

5.7 Commitments (cont'd)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Council					
2022					
Capital					
Building	16,546	-	-	-	16,546
Computers and telecom	318	-	-	-	318
Drains	574	-	-	-	574
Fixtures, fittings and furniture	434	-	-	-	434
Footpaths and cycleways	10	-	-	-	10
Library books and art works	425	-	-	-	425
Parks, open space and streetscapes	417	-	-	-	417
Plant and machinery equipment	1,990	-	-	-	1,990
Rec, leisure and community facilities	1,146	-	-	-	1,146
Roads	1,478	-	-	-	1,478
Waste management and landfill	46	-	-	-	46
Total	23,384	-	-	-	23,384

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Council					
2021					
Operating					
Swimming pool management	1,589	1,608	-	-	3,197
Waste management	11	11	-	-	22
Cleaning services	508	-	-	-	508
Security services	443	-	-	-	443
Project design	29	-	-	-	29
Corporate expenditure	353	304	307	-	964
Building services	318	298	-	-	616
Other	159	109	-	-	268
Total	3,410	2,330	307	-	6,047

Notes to the Financial Report For the Year Ended 30 June 2022

5.7 Commitments (cont'd)

Council	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Capital					
Fixtures, fittings and furniture	56	-	-	-	56
Buildings	5,567	-	-	-	5,567
Library books and artworks	284	-	-	-	284
Waste management	104	-	-	-	104
Plant machinery and equipment	2,043	-	-	-	2,043
Roads	2,467	-	-	-	2,467
Drainage	689	-	-	-	689
Parks, open spaces and streetscapes	1,505	-	-	-	1,505
Rec, leisure and community facilities	134	-	-	-	134
Footpaths and cycleways	1	-	-	-	1
Kerb and channel	47	-	-	-	47
Computers and telecom	133	-	-	-	133
Total	13,030	-	-	-	13,030

(b) Operating lease receivables

The Council has entered into commercial property leases on its investment 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 undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Not later than one year	577	698	297	262
Later than one year and not later than five years	2,029	1,863	761	759
Later than five years	1,604	2,155	1,079	1,185
	<u>4,210</u>	<u>4,716</u>	<u>2,137</u>	<u>2,206</u>

Notes to the Financial Report For the Year Ended 30 June 2022

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Report For the Year Ended 30 June 2022

5.8 Leases (cont'd)

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Right-of-use assets				
Balance at 1 July 2021	1,398	1,403	1,164	1,112
Additions	-	93	-	120
Adjustment	(33)	-	(33)	-
Amortisation charge	(130)	(98)	(99)	(68)
Balance at 30 June 2022	1,235	1,398	1,032	1,164

Lease liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	194	182	158	146
One to five years	623	779	477	633
More than five years	1,533	1,521	1,431	1,419
Total undiscounted lease liabilities as at 30 June:	2,350	2,482	2,066	2,198

Lease liabilities included in the Balance Sheet at 30 June:

Current	136	121	108	94
Non-current	1,541	1,710	1,354	1,496
Total lease liabilities	1,677	1,831	1,462	1,590

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2022	2021
	\$'000	\$'000
Expenses relating to:		
Leases of low value assets	241	246
Total	241	246

Variable lease payments (not included in measurement of lease liabilities)

Non-cancellable lease commitments - short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:

Within one year	28	93
Later than one year but not later than five years	152	33
Total lease commitments	180	126

Council has conducted an assessment of leases and determined the value of peppercorn leases is nil.

Notes to the Financial Report For the Year Ended 30 June 2022

6 Assets we manage

6.1 Non current assets classified as held for sale

Council currently has no non current asset held for sale.

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 6 Assets we manage

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

Consolidated	Carrying amount 30 June 2021	First time recognition of assets	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Transfers from provisions	Carrying amount 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	76,341	2	4	718	-	-	-	-	-	-	77,065
Buildings	110,960	42	582	-	-	(3,291)	(56)	-	27,593	-	135,830
Plant and equipment	48,585	-	2,718	-	(3,590)	(3,745)	(509)	-	1,993	-	45,452
Infrastructure	661,491	5,718	12,386	101	4,114	(16,287)	(3,836)	-	20,479	(2,737)	681,429
Work in progress	65,359	-	17,000	-	-	-	-	(1,706)	(50,065)	-	30,588
	962,736	5,762	32,690	819	524	(23,323)	(4,401)	(1,706)	-	(2,737)	970,364

Summary of work in progress	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	29,585	4,288	(376)	(27,178)	6,319
Plant and equipment	3,109	3,555	(230)	(1,672)	4,762
Infrastructure	32,665	9,157	(1,100)	(21,215)	19,507
Total	65,359	17,000	(1,706)	(50,065)	30,588

**Notes to the Financial Report
For the Year Ended 30 June 2022**

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

(a) Property

Consolidated

At fair value 1 July 2021

Accumulated depreciation at 1 July 2021

Movements in fair value

Additions

Contributions

Recognitions

Disposal

Write-off

Transfers

Movements in accumulated depreciation

Depreciation and amortisation

Accumulated depreciation of
disposals

Accumulated depreciation of
recognitions

Transfers

At fair value 30 June 2022

Accumulated depreciation at 30 June 2022

Carrying amount

	Land - specialised	Land - non specialised	Land under roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	46,316	13,632	16,393	76,341	221,850	11,054	232,904	29,585	338,830
Accumulated depreciation at 1 July 2021	-	-	-	-	(116,970)	(4,974)	(121,944)	-	(121,944)
	46,316	13,632	16,393	76,341	104,880	6,080	110,960	29,585	216,886
Movements in fair value									
Additions	-	4	-	4	411	171	582	4,288	4,874
Contributions	718	-	-	718	-	-	-	-	718
Recognitions	-	-	2	2	-	42	42	-	44
Disposal	-	-	-	-	(128)	-	(128)	-	(128)
Write-off	-	-	-	-	-	-	-	(376)	(376)
Transfers	-	-	-	-	26,551	1,000	27,551	(27,178)	373
	718	4	2	724	26,834	1,213	28,047	(23,266)	5,505
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(3,054)	(237)	(3,291)	-	(3,291)
Accumulated depreciation of disposals	-	-	-	-	72	-	72	-	72
Accumulated depreciation of recognitions	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	154	(112)	42	-	42
	-	-	-	-	(2,828)	(349)	(3,177)	-	(3,177)
At fair value 30 June 2022	47,034	13,636	16,395	77,065	248,684	12,267	260,951	6,319	344,335
Accumulated depreciation at 30 June 2022	-	-	-	-	(119,798)	(5,323)	(125,121)	-	(125,121)
Carrying amount	47,034	13,636	16,395	77,065	128,886	6,944	135,830	6,319	219,214

**Notes to the Financial Report
For the Year Ended 30 June 2022**

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

(b) Plant and Equipment

Consolidated

At fair value 1 July 2021

Accumulated depreciation at 1 July 2021

Movements in fair value

Additions

Revaluation

Disposal

Write-off

Transfers

Movements in accumulated depreciation

Depreciation and amortisation

Accumulated depreciation of disposals

Transfers

At fair value 30 June 2022

Accumulated depreciation at 30 June 2022

Carrying amount

	Plant machinery and equipment	Fixtures fittings and furniture	Computer and telecommu- nications	Artwork	Library books	Total plant and equipment	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	37,960	1,362	2,747	27,818	5,105	74,992	3,109	78,101
Accumulated depreciation at 1 July 2021	(19,884)	(711)	(2,195)	-	(3,617)	(26,407)	-	(26,407)
	18,076	651	552	27,818	1,488	48,585	3,109	51,694
Movements in fair value								
Additions	2,275	192	10	-	241	2,718	3,555	6,273
Revaluation	-	-	-	(3,590)	-	(3,590)	-	(3,590)
Disposal	(1,620)	(19)	-	-	-	(1,639)	-	(1,639)
Write-off	-	-	-	-	-	-	(230)	(230)
Transfers	1,035	466	3	-	51	1,555	(1,672)	(117)
	1,690	639	13	(3,590)	292	(956)	1,653	697
Movements in accumulated depreciation								
Depreciation and amortisation	(2,683)	(245)	(545)	-	(272)	(3,745)	-	(3,745)
Accumulated depreciation of disposals	1,113	17	-	-	-	1,130	-	1,130
Transfers	36	(72)	474	-	-	438	-	438
	(1,534)	(300)	(71)	-	(272)	(2,177)	-	(2,177)
At fair value 30 June 2022	39,650	2,001	2,760	24,228	5,397	74,036	4,762	78,798
Accumulated depreciation at 30 June 2022	(21,418)	(1,011)	(2,266)	-	(3,889)	(28,584)	-	(28,584)
Carrying amount	18,232	990	494	24,228	1,508	45,452	4,762	50,214

**Notes to the Financial Report
For the Year Ended 30 June 2022**

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

(c) Infrastructure

	Roads	Kerb and channel	Footpaths and cycle ways	Drainage	Recreational, leisure and community	Waste Management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Total infrastructure	Work in progress	Total infrastructure
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	529,264	23,487	55,343	173,066	54,737	22,500	19,552	43,156	15,371	936,476	32,665	969,141
Accumulated depreciation at 1 July 2021	(177,369)	(7,670)	(22,211)	(33,994)	(10,976)	(3,635)	(3,998)	(5,821)	(9,311)	(274,985)	-	(274,985)
	351,895	15,817	33,132	139,072	43,761	18,865	15,554	37,335	6,060	661,491	32,665	694,156
Movements in fair value												
Additions	7,771	168	1,581	447	1,059	-	671	-	689	12,386	9,157	21,543
Contributions	-	-	101	-	-	-	-	-	-	101	-	101
Recognitions	1,156	227	558	2,105	19	-	28	1,360	411	5,864	-	5,864
Revaluation	3,114	668	2,939	4,373	(600)	1	(632)	-	2,256	12,119	-	12,119
Disposal	(8,585)	(55)	(280)	(235)	(49)	-	(147)	-	(92)	(9,443)	-	(9,443)
Write-off	-	-	-	-	-	-	-	-	-	-	(1,100)	(1,100)
Transfers	8,826	29	1,074	5,670	3,101	-	1,240	140	220	20,300	(21,215)	(915)
Transfers from Provisions	-	-	-	-	-	(2,737)	-	-	-	(2,737)	-	(2,737)
	12,282	1,037	5,973	12,360	3,530	(2,736)	1,160	1,500	3,484	38,590	(13,158)	25,432
Movements in accumulated depreciation												
Depreciation and amortisation	(7,979)	(337)	(1,299)	(1,291)	(812)	(810)	(835)	(2,218)	(706)	(16,287)	-	(16,287)
Accumulated depreciation of disposals	5,099	24	149	87	48	-	114	-	86	5,607	-	5,607
Accumulated depreciation of recognitions	(64)	(3)	(6)	(52)	(5)	-	(16)	-	-	(146)	-	(146)
Accumulated depreciation of revaluations	(6,339)	(247)	(741)	(1,119)	58	15	730	-	(362)	(8,005)	-	(8,005)
Transfers	3	-	-	71	66	-	83	(96)	52	179	-	179
	(9,280)	(563)	(1,897)	(2,304)	(645)	(795)	76	(2,314)	(930)	(18,652)	-	(18,652)
At fair value 30 June 2022	541,546	24,524	61,316	185,426	58,267	19,764	20,712	44,656	18,855	975,066	19,507	994,573
Accumulated depreciation at 30 June 2022	(186,649)	(8,233)	(24,108)	(36,298)	(11,621)	(4,430)	(3,922)	(8,135)	(10,241)	(293,637)	-	(293,637)
Carrying amount	354,897	16,291	37,208	149,128	46,646	15,334	16,790	36,521	8,614	681,429	19,507	700,936

**Notes to the Financial Report
For the Year Ended 30 June 2022**

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

Council	Carrying amount 30 June 2021	First time recognition of assets	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Transfers from provisions	Carrying amount 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
Land	76,341	2	4	718	-	-	-	-	-	-	77,065
Buildings	102,283	-	518	-	-	(3,021)	(56)	-	27,593	-	127,317
Plant and equipment	46,602	-	2,628	-	(3,590)	(3,386)	(507)	-	1,672	-	43,419
Infrastructure	621,663	3,948	12,386	101	4,114	(13,548)	(3,836)	-	20,801	(2,737)	642,892
Work in progress	63,085	-	15,614	-	-	-	-	(1,706)	(50,066)	-	26,927
	909,974	3,950	31,150	819	524	(19,955)	(4,399)	(1,706)	-	(2,737)	917,620

Summary of work in progress	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	30,000	4,288	(376)	(27,593)	6,319
Plant and equipment	3,109	3,555	(230)	(1,672)	4,762
Infrastructure	29,976	7,771	(1,100)	(20,801)	15,846
Total	63,085	15,614	(1,706)	(50,066)	26,927

Notes to the Financial Report
For the Year Ended 30 June 2022

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

(a) Property

Council	Land - specialised	Land - non specialised	Land under roads	Total land and land improvements	Buildings - specialised	Buildings - non specialised	Total buildings	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	46,316	13,632	16,393	76,341	211,910	10,417	222,327	30,000	328,668
Accumulated depreciation at 1 July 2021	-	-	-	-	(115,477)	(4,567)	(120,044)	-	(120,044)
	46,316	13,632	16,393	76,341	96,433	5,850	102,283	30,000	208,624
Movements in fair value									
Additions	-	4	-	4	411	107	518	4,288	4,810
Contributions	718	-	-	718	-	-	-	-	718
Recognitions	-	-	2	2	-	-	-	-	2
Disposal	-	-	-	-	(128)	-	(128)	-	(128)
Write-off	-	-	-	-	-	-	-	(376)	(376)
Transfers	-	-	-	-	27,198	395	27,593	(27,593)	-
	718	4	2	724	27,481	502	27,983	(23,681)	5,026
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(2,875)	(146)	(3,021)	-	(3,021)
Accumulated depreciation of disposals	-	-	-	-	72	-	72	-	72
Transfers	-	-	-	-	192	(192)	-	-	-
	-	-	-	-	(2,611)	(338)	(2,949)	-	(2,949)
At fair value 30 June 2022	47,034	13,636	16,395	77,065	239,391	10,919	250,310	6,319	333,694
Accumulated depreciation at 30 June 2022	-	-	-	-	(118,088)	(4,905)	(122,993)	-	(122,993)
Carrying amount	47,034	13,636	16,395	77,065	121,303	6,014	127,317	6,319	210,701

Notes to the Financial Report
For the Year Ended 30 June 2022

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

(b) Plant and equipment

Council	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecommu nications	Artwork	Library books	Total plant and equipment	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	34,368	566	2,242	27,818	5,105	70,099	3,109	73,208
Accumulated depreciation at 1 July 2021	(17,778)	(388)	(1,714)	-	(3,617)	(23,497)	-	(23,497)
	16,590	178	528	27,818	1,488	46,602	3,109	49,711
Movements in fair value								
Additions	2,259	128	-	-	241	2,628	3,555	6,183
Revaluation	-	-	-	(3,590)	-	(3,590)	-	(3,590)
Disposal	(1,620)	-	-	-	-	(1,620)	-	(1,620)
Write-off	-	-	-	-	-	-	(230)	(230)
Transfers	793	351	477	-	51	1,672	(1,672)	-
	1,432	479	477	(3,590)	292	(910)	1,653	743
Movements in accumulated depreciation								
Depreciation and amortisation	(2,480)	(95)	(539)	-	(272)	(3,386)	-	(3,386)
Accumulated depreciation of disposals	1,113	-	-	-	-	1,113	-	1,113
	(1,367)	(95)	(539)	-	(272)	(2,273)	-	(2,273)
At fair value 30 June 2022	35,800	1,045	2,719	24,228	5,397	69,189	4,762	73,951
Accumulated depreciation at 30 June 2022	(19,145)	(483)	(2,253)	-	(3,889)	(25,770)	-	(25,770)
Carrying amount	16,655	562	466	24,228	1,508	43,419	4,762	48,181

Notes to the Financial Report
For the Year Ended 30 June 2022

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

(c) Infrastructure

Council

	Roads	Kerb and channel	Footpaths and cycle ways	Drainage	Recreational, leisure and community	Waste management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Total infrastructure	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	529,264	23,487	55,343	172,604	54,469	22,500	18,997	-	12,927	889,591	29,976	919,567
Accumulated depreciation at 1 July 2021	(177,369)	(7,670)	(22,211)	(33,923)	(10,910)	(3,635)	(3,685)	-	(8,525)	(267,928)	-	(267,928)
	351,895	15,817	33,132	138,681	43,559	18,865	15,312	-	4,402	621,663	29,976	651,639
Movements in fair value												
Additions	7,771	168	1,581	447	1,059	-	671	-	689	12,386	7,771	20,157
Contributions	-	-	101	-	-	-	-	-	-	101	-	101
Recognitions	1,156	227	558	2,105	19	-	28	-	1	4,094	-	4,094
Revaluation	3,114	668	2,939	4,373	(600)	1	(632)	-	2,256	12,119	-	12,119
Disposal	(8,585)	(55)	(280)	(235)	(49)	-	(147)	-	(92)	(9,443)	-	(9,443)
Write-off	-	-	-	-	-	-	-	-	-	-	(1,100)	(1,100)
Transfers	8,826	29	1,074	6,132	3,369	-	924	-	444	20,798	(20,801)	(3)
Transfers from Provisions	-	-	-	-	-	(2,737)	-	-	-	(2,737)	-	(2,737)
	12,282	1,037	5,973	12,822	3,798	(2,736)	844	-	3,298	37,318	(14,130)	23,188
Movements in accumulated depreciation												
Depreciation and amortisation	(7,979)	(337)	(1,299)	(1,291)	(812)	(810)	(798)	-	(222)	(13,548)	-	(13,548)
Accumulated depreciation of disposals	5,099	24	149	87	48	-	114	-	86	5,607	-	5,607
Accumulated depreciation of recognitions	(64)	(3)	(6)	(52)	(5)	-	(16)	-	-	(146)	-	(146)
Accumulated depreciation of revaluations	(6,339)	(247)	(741)	(1,119)	58	15	730	-	(362)	(8,005)	-	(8,005)
Transfers	3	-	-	-	-	-	-	-	-	3	-	3
	(9,280)	(563)	(1,897)	(2,375)	(711)	(795)	30	-	(498)	(16,089)	-	(16,089)
At fair value 30 June 2022	541,546	24,524	61,316	185,426	58,267	19,764	19,841	-	16,225	926,909	15,846	942,755
Accumulated depreciation at 30 June 2022	(186,649)	(8,233)	(24,108)	(36,298)	(11,621)	(4,430)	(3,655)	-	(9,023)	(284,017)	-	(284,017)
Carrying amount	354,897	16,291	37,208	149,128	46,646	15,334	16,186	-	7,202	642,892	15,846	658,738

Notes to the Financial Report For the Year Ended 30 June 2022

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

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods	Depreciation period	Threshold limit \$'000
Land and land improvements		
land	-	5
Buildings		
buildings	60 years	10
Plant and equipment		
plant and equipment	3 - 12 years	5
fixtures, fittings and furniture	4 - 10 years	5
artworks	-	0.5
library books	5 - 100 years	-
Infrastructure		
footpaths and cycle ways	10 - 50 years	10
road kerb and channel	50 years	10
road pavements	20 - 50 years	10
road seals	5 - 50 years	10
Drainage	50 - 150 years	10
Waste management	10 - 30 years	10
Aerodromes	50 years	10
Off street carparks	50 years	10
Recreational, leisure and community	10 - 25 years	10
Parks, open spaces and streetscapes	10 - 50 years	10
Intangible assets		
software	3 - 15 years	1
Water rights	-	0

Notes to the Financial Report For the Year Ended 30 June 2022

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

Road earthworks and artworks are not depreciated on the basis they are assessed as not having a limited useful

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

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

Repairs and maintenance

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

Valuation of land and buildings

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

Notes to the Financial Report For the Year Ended 30 June 2022

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

Valuation of land and building (cont'd)

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land	-	13,636	47,034	Dec-20
Specialised land	-	-	16,395	Dec-20
Buildings	-	6,014	121,303	Dec-20
Total	-	19,650	184,732	

Valuation of infrastructure

Valuation of infrastructure assets has been undertaken by Shaphal Subedi, (B Env Mgmt., B Civil Eng.) (Council Officer).

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

The valuation is at fair value based on current 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 2022 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	354,897	Jun-22
Kerb and channel	-	-	16,291	Jun-22
Footpaths and cycle ways	-	-	37,208	Jun-22
Drainage	-	-	149,128	Jun-22
Recreational, leisure and community facilities	-	-	46,646	Jun-22
Waste management	-	-	15,334	Jun-22
Parks, open space and streetscapes	-	-	16,186	Jun-22
Off street car parks	-	-	7,202	Jun-22
Total	-	-	642,892	

Aerodrome infrastructure assets are held under the cost model and are carried at historic cost less accumulated depreciation and any accumulated impairment losses.

Notes to the Financial Report For the Year Ended 30 June 2022

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

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 30% and 90%. 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 \$600.10 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$66 to \$6,542.32 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure asset are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of straight line depreciation, except where a single asset class has comprehensive condition information, in which case remaining useful life is determined on the basis of condition. 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.

	2022	2021
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	16,395	16,393
Land - parks and reserves, etc.	47,034	46,316
Total specialised land	63,429	62,709

Notes to the Financial Report For the Year Ended 30 June 2022

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related parties

Parent entity

Mildura Rural City Council is the parent entity.

Subsidiaries and associates

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

(b) Key management personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Mildura Rural City Council. The Councillors, Chief Executive Officer and General Managers are deemed KMP.

Details of KMP at any time during the year are:

Councillors

Councillor (Mayor)	Jason Modica	1/07/2021 to	9/11/2021
Councillor (Mayor)	Liam Wood	9/11/2021 to	30/06/2022
Councillor (Deputy Mayor)	Helen Healy	1/07/2021 to	9/11/2021
Councillor (Deputy Mayor)	Cyndi Power	9/11/2021 to	21/03/2022
Councillor (Deputy Mayor)	Jason Modica	7/04/2022 to	30/06/2022
Councillor	Cyndi Power	1/07/2021 to	9/11/2021
Councillor	Glenn Milne	1/07/2021 to	30/06/2022
Councillor	Helen Healy	9/11/2021 to	30/06/2022
Councillor	Ian Arney	1/07/2021 to	30/06/2022
Councillor	Jason Modica	9/11/2021 to	7/04/2022
Councillor	Jodi Reynolds	1/07/2021 to	30/06/2022
Councillor	Liam Wood	1/07/2021 to	9/11/2021
Councillor	Mark Eckel	1/07/2021 to	30/06/2022
Councillor	Stefano de Pieri	1/07/2021 to	30/06/2022
Councillor	Troy Bailey	28/04/2022 to	30/06/2022

Due to the resignation of Cyndi Power, a countback was conducted by the Victorian Electoral Commission that declared Troy Bailey as the successful candidate on 20/4/22. Troy Bailey was sworn in at the April Ordinary Meeting of Council – 28/4/22

Notes to the Financial Report For the Year Ended 30 June 2022

7.1 Council and key management remuneration (cont'd)

Chief Executive Officer and key management personnel

Martin Hawson	Chief Executive Officer	4/05/2022 to	30/06/2022
Martin Hawson	Chief Executive Officer (Acting)	6/08/2021 to	3/05/2022
Philip Shanahan	Chief Executive Officer (Interim)	1/07/2021 to	5/08/2021
Chris Parham	General Manager Corporate	1/07/2021 to	30/06/2022
Daryl Morgan	General Manager Development (Acting)	26/04/2022 to	30/06/2022
Mandy Whelan	General Manager Development	1/07/2021 to	24/04/2022
Mark Jenkins	General Manager Community (Acting)	6/08/2021 to	30/06/2022

	2022	2021
	No.	No.
Total number of Councillors	10	14
Total of Chief Executive Officer and other KMP	6	5
Total key management personnel	16	19

(c) Remuneration of key management personnel

	2022	2021
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,335	1,395
Post employment benefits	94	96
Termination benefits	-	-
Total	1,429	1,491

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2022	2021
	No.	No.
\$1 - \$9,999	1	4
\$10,000 - \$19,999	1	5
\$20,000 - \$29,999	1	5
\$30,000 - \$39,999	7	-
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	1	-
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	1	-
\$260,000 - \$269,999	-	1
\$270,000 - \$279,999	1	2
\$320,000 - \$329,999	1	-
\$330,000 - \$339,999	-	1
	16	19

Notes to the Financial Report For the Year Ended 30 June 2022

7.1 Council and key management remuneration (cont'd)

(d) Senior officer remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

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

	2022	2021
Income Range:	No.	No.
\$151,000 - \$159,999	3	1
\$160,000 - \$169,999	4	4
\$170,000 - \$179,999	5	4
\$180,000 - \$189,999	5	1
\$190,000 - \$199,999	5	7
\$200,000 - \$209,999	1	-
\$270,000 - \$279,999	1	-
	<u>24</u>	<u>17</u>
Total remuneration for the reporting year for senior officers included above, amounted to:	<u>\$'000</u> 4,390	<u>\$'000</u> 3,085

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

Employee expenses for close family members of key management personnel	<u>85</u>	<u>39</u>
	<u>85</u>	<u>39</u>

All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the award for the job they perform. Council employs 633 staff of which only 2 are a close family member of key management personnel.

Council provides an annual funding contribution to Mildura Tourism and Economic Development Ltd which is approved in Council annual budget allocation. For the 2021-22 financial year the amount funding was \$1.29 million. Please note this is not a loan to related party but an annual funding contribution.

Council was the auspice body for the Mildura Airport Pty Ltd construction of the Instrument Landing System. Council on paid \$0.50 million in grant funding received.

Notes to the Financial Report For the Year Ended 30 June 2022

7.2 Related party disclosure (cont'd)

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

Council does not make loans to, receive loans from, or provide guarantees to any related parties as listed above at 7.1(b).

Council has a loan facility with Mildura Airport Pty Ltd which was originally established for upgrade of the airport runway. This has been refinanced with Mildura Airport to include deferred loan repayments as part of COVID-19 support and assistance provided. This is disclosed in note 5.1(c.) Trade and other receivables.

(d) Commitments to/from related parties

Council has committed to supporting both the Mildura Airport Pty Ltd and Mildura Tourism and Economic Development Ltd. Council has provided assurance that financial support will continue to be provided to ensure these entities continue to operate as a going concern. Refer to Note 8.1(b).

Notes to the Financial Report For the Year Ended 30 June 2022

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

At balance date the Council are not aware of any contingent assets.

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

The following are potential contingencies to be considered by Council.

Superannuation

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

Landfill

Council operates a landfill. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

Insurance claims

Council does not have any major insurance claims that could have a material impact on future operations at the time of preparation of these financial statements.

Legal matters

Council does not have any major legal matters that could have a material impact on future operations at the time of preparation of these financial statements.

Notes to the Financial Report For the Year Ended 30 June 2022

8.1 Contingent assets and liabilities (cont'd)

Liability Mutual Insurance

Council is (was) a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the *Workplace Injury Rehabilitation and Compensation Act 2013*, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

Support for financial subsidiaries

The COVID-19 pandemic has rapidly changed, developed and is still ongoing. Mildura Rural City Council has continued to support the two wholly owned subsidiaries being Mildura Airport Pty Ltd and Mildura Tourism and Economic Development Ltd. This includes financial support through refinance of loan which had included previously deferred loan repayments and other financial supports to ensure they can continue to operate as a going concern. This support is for a period of twelve months from the date of adoption of the Financial Statements.

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

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.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

Notes to the Financial Report For the Year Ended 30 June 2022

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2022

8.3 Financial instruments (cont'd)

(c) Credit risk

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

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

Notes to the Financial Report For the Year Ended 30 June 2022

8.3 (d) Liquidity risk (cont'd)

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

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

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

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes there will be a shift in market interest rates from year end rates. However, at this stage Council believes there will not be any material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council operations.

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2022

8.4 Fair value measurement (cont'd)

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

Revaluation

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

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

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

Impairment of assets

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

8.5 Events occurring after balance date

There have been no significant events occurring after the balance date which may affect the Council's operations or the results of those operations.

Notes to the Financial Report For the Year Ended 30 June 2022

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

Consolidated 2022	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
Land	26,342	-	26,342
Buildings	60,146	-	60,146
	86,488	-	86,488
Plant and equipment			
Artwork	14,595	(3,590)	11,005
	14,595	(3,590)	11,005
Infrastructure			
Roads	254,380	(3,225)	251,155
Drainage	50,328	1,332	51,660
Drainage basins	4,719	1,922	6,641
Recreational, leisure and community facilities	43,381	(542)	42,839
Waste management	-	16	16
Parks, open space and streetscapes	1,840	98	1,938
Aerodromes	9,594	-	9,594
Off-street car parks	-	1,894	1,894
Footpaths	29,854	2,198	32,052
Kerb and channel	17,413	421	17,834
	411,509	4,114	415,623
Water rights			
Water rights	8,530	3,164	11,694
	8,530	3,164	11,694
Total asset revaluation reserves	521,122	3,688	524,810

Notes to the Financial Report For the Year Ended 30 June 2022

9.1 Reserves (cont'd)

(a) Asset revaluation reserves (cont'd)

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Consolidated 2021			
Property			
Land	20,700	5,642	26,342
Buildings	58,495	1,651	60,146
	79,195	7,293	86,488
Plant and equipment			
Artwork	14,595	-	14,595
	14,595	-	14,595
Infrastructure			
Roads	249,910	4,470	254,380
Drainage	51,349	(1,021)	50,328
Drainage basins	4,190	529	4,719
Recreational, leisure and community facilities	42,669	712	43,381
Parks, open space and streetscapes	5,403	(3,563)	1,840
Aerodromes	9,594	-	9,594
Off-street car parks	5,062	(5,062)	-
Footpaths	17,997	11,857	29,854
Kerb and channel	17,650	(237)	17,413
	403,824	7,685	411,509
Water rights			
Water rights	8,530	-	8,530
	8,530	-	8,530
Total asset revaluation reserves	506,144	14,978	521,122

Notes to the Financial Report For the Year Ended 30 June 2022

9.1 Reserves (cont'd)

(a) Asset revaluation reserves (cont'd)

Council 2022	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
Land	26,342	-	26,342
Buildings	60,009	-	60,009
	86,351	-	86,351
Plant and equipment			
Artwork	14,595	(3,590)	11,005
	14,595	(3,590)	11,005
Infrastructure			
Roads	254,380	(3,225)	251,155
Drainage	50,328	1,332	51,660
Drainage basins	4,719	1,922	6,641
Recreational, leisure and community facilities	43,381	(542)	42,839
Waste management	-	16	16
Parks, open space and streetscapes	1,840	98	1,938
Aerodromes	9,594	-	9,594
Off-street car parks	-	1,894	1,894
Footpaths	29,854	2,198	32,052
Kerb and channel	17,413	421	17,834
	411,509	4,114	415,623
Water rights			
Water rights	8,482	3,134	11,616
	8,482	3,134	11,616
Total asset revaluation reserves	520,937	3,658	524,595

Notes to the Financial Report For the Year Ended 30 June 2022

9.1 Reserves (cont'd)

(a) Asset revaluation reserves (cont'd)

Council 2021	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
Land	20,700	5,642	26,342
Buildings	58,358	1,651	60,009
	79,058	7,293	86,351
Plant and equipment			
Artwork	14,595	-	14,595
	14,595	-	14,595
Infrastructure			
Roads	249,910	4,470	254,380
Drainage	51,349	(1,021)	50,328
Drainage basins	4,190	529	4,719
Recreational, leisure and community facilities	42,669	712	43,381
Parks, open space and streetscapes	5,403	(3,563)	1,840
Aerodromes	9,594	-	9,594
Off-street car parks	5,062	(5,062)	-
Footpaths	17,997	11,857	29,854
Kerb and channel	17,650	(237)	17,413
	403,824	7,685	411,509
Water rights			
Water rights	8,482	-	8,482
	8,482	-	8,482
Total asset revaluation reserves	505,959	14,978	520,937

Notes to the Financial Report For the Year Ended 30 June 2022

9.1 Reserves (cont'd)

(b) Other reserves

Consolidated 2022	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Non discretionary reserves				
Apex Park reserve	519	-	-	519
Developer contribution reserve	2,113	1,265	(24)	3,354
Library book bequest reserve	35	10	(15)	30
DGR donations reserve - MAC Theatre	58	-	-	58
Merbein Caravan Park reserve	68	38	-	106
Lake Cullulleraine Caravan Park reserve	17	10	-	27
Landfill redevelopment	-	14,094	(1,457)	12,637
Total	2,810	15,417	(1,496)	16,731
Discretionary reserves				
Artwork acquisition reserve	114	45	(22)	137
Hands up Mallee	710	850	-	1,560
Small towns redevelopment reserve	244	95	(94)	245
VGC advance grants reserve	7,927	13,318	(7,927)	13,318
Land acquisition reserve	602	1,918	(1,901)	619
Landfill redevelopment	11,132	(11,132)	-	-
Water transfer proceeds reserve	65	-	-	65
Defined benefits reserve	2,000	-	-	2,000
Capital funding reserve	5,877	609	(4,539)	1,947
MRCC community drought reserve	1,000	1,000	(204)	1,796
MRCC developer contribution plan reserve	6,930	4,553	(7)	11,476
Unspent events grant reserve	113	163	-	276
Unspent development grant reserve	-	89	-	89
Murrayville swimming pool reserve	25	-	-	25
Underbool swimming pool reserve	14	-	-	14
Total	36,753	11,508	(14,694)	33,567
Total other reserves	39,563	26,925	(16,190)	50,298

Notes to the Financial Report For the Year Ended 30 June 2022

9.1 Reserves (cont'd)

(b) Other reserves (cont'd)

Consolidated 2021	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Non discretionary reserves				
Apex Park reserve	453	73	(7)	519
Drainage	186	-	(186)	-
Developer contribution reserve	1,871	2,335	(2,093)	2,113
Library book bequest reserve	5	30	-	35
DGR donations reserve - MAC Theatre	58	-	-	58
Merbein Caravan Park reserve	68	-	-	68
Lake Cullulleraine Caravan Park reserve	17	-	-	17
Total	2,658	2,438	(2,286)	2,810
Discretionary reserves				
Artwork acquisition reserve	92	30	(8)	114
Landfill redevelopment	8,864	2,752	(484)	11,132
Landfill rehabilitation reserve	643	165	(808)	-
Hands up Mallee	614	401	(305)	710
Small towns redevelopment reserve	215	95	(66)	244
Street light pole	8	-	(8)	-
VGC advance grants reserve	8,266	7,927	(8,266)	7,927
Land acquisition reserve	829	450	(677)	602
Water transfer proceeds reserve	44	21	-	65
Defined benefits reserve	2,000	-	-	2,000
Capital funding reserve	14,491	1,844	(10,458)	5,877
MRCC community drought reserve	1,000	-	-	1,000
MRCC developer contribution plan reserve	3,545	4,200	(815)	6,930
Unspent events grant reserve	-	113	-	113
Murrayville swimming pool reserve	-	25	-	25
Underbool swimming pool reserve	-	14	-	14
Total	40,611	18,037	(21,895)	36,753
Total other reserves	43,269	20,475	(24,181)	39,563

Notes to the Financial Report For the Year Ended 30 June 2022

9.1 Reserves (cont'd)

(b) Other reserves (cont'd)

Council 2022	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Non discretionary reserves				
Apex Park reserve	519	-	-	519
Developer contribution reserve	2,113	1,265	(24)	3,354
Library book bequest reserve	35	10	(15)	30
DGR donations reserve - MAC Theatre	58	-	-	58
Merbein Caravan Park reserve	68	38	-	106
Lake Cullulleraine Caravan Park reserve	17	10	-	27
Landfill redevelopment	-	14,094	(1,457)	12,637
Total	2,810	15,417	(1,496)	16,731
Discretionary reserves				
Artwork acquisition reserve	114	45	(22)	137
Hands up Mallee	710	850	-	1,560
Small towns redevelopment reserve	244	95	(94)	245
VGC advance grants reserve	7,927	13,318	(7,927)	13,318
Land acquisition reserve	602	1,918	(1,901)	619
Landfill redevelopment	11,132	(11,132)	-	-
Water transfer proceeds reserve	65	-	-	65
Defined benefits reserve	2,000	-	-	2,000
Capital funding reserve	5,877	609	(4,539)	1,947
MRCC community drought reserve	1,000	1,000	(204)	1,796
MRCC developer contribution plan reserve	6,930	4,553	(7)	11,476
Unspent events grant reserve	113	163	-	276
Unspent development grants reserve	-	89	-	89
Murrayville swimming pool reserve	25	-	-	25
Underbool swimming pool reserve	14	-	-	14
Total	36,753	11,508	(14,694)	33,567
Total other reserves	39,563	26,925	(16,190)	50,298

Notes to the Financial Report For the Year Ended 30 June 2022

9.1 Reserves (cont'd)

(b) Other reserves (cont'd)

Council	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2021				
Non discretionary reserves				
Apex Park reserve	453	73	(7)	519
Drainage	186	-	(186)	-
Developer contribution reserve	1,871	2,335	(2,093)	2,113
Library book bequest reserve	5	30	-	35
DGR donations reserve - MAC Theatre	58	-	-	58
Merbein Caravan Park reserve	68	-	-	68
Lake Cullulleraine Caravan Park reserve	17	-	-	17
Total	2,658	2,438	(2,286)	2,810
Discretionary reserves				
Artwork acquisition reserve	92	30	(8)	114
Landfill redevelopment	8,864	2,752	(484)	11,132
Landfill rehabilitation reserve	643	165	(808)	-
Hands up Mallee	614	401	(305)	710
Small towns redevelopment reserve	215	95	(66)	244
Street light pole	8	-	(8)	-
VGC advance grants reserve	8,266	7,927	(8,266)	7,927
Land acquisition reserve	829	450	(677)	602
Water transfer proceeds reserve	44	21	-	65
Defined benefits reserve	2,000	-	-	2,000
Capital funding reserve	14,491	1,844	(10,458)	5,877
MRCC community drought reserve	1,000	-	-	1,000
MRCC developer contribution plan reserve	3,545	4,200	(815)	6,930
Unspent events grant reserve	-	113	-	113
Murrayville swimming pool reserve	-	25	-	25
Underbool swimming pool reserve	-	14	-	14
Total	40,611	18,037	(21,895)	36,753
Total other reserves	43,269	20,475	(24,181)	39,563

Notes to the Financial Report For the Year Ended 30 June 2022

9.1 Reserves (cont'd)

Name of reserve	Nature and purpose
Non discretionary reserves	
Apex Park reserve	Set up under a Committee of Management agreement, where surplus funds are to be set aside for improvements to the park lands.
Car parking reserve	Statutory contributions under development plans to be used for the advancement of car parking facilities within the municipality.
Developer contribution reserve	Statutory developer contributions to be used for infrastructure asset categories which do not have a dedicated reserve above.
DGR donations reserve - MAC Theatre	Reserve to hold deductible gifts for the Mildura Arts Centre theatre and is a requirement of being registered as a deductible gift recipient by the Australian Taxation Office.
Drainage reserve	Developer contributions and Environmental Protection Agency, to be used for drainage studies.
Nature strips and trees reserve	Statutory developer contributions to be spent on street beautification.
Resort/recreation/open space reserve	Statutory developer contributions to be used for parks development.
Library book bequest reserve	Established to hold library book bequest from deceased estate.
Merbein Caravan Park reserve	Set up where surplus funds are to be set aside for improvements to the park lands.
Lake Cullulleraine Caravan Park reserve	Set up where surplus funds are to be set aside for improvements to the park lands.
Landfill redevelopment reserve	Surplus on waste management operations, to be used for landfill reinstatement and purchase of new landfill sites.
Discretionary reserves	
Artwork acquisition reserve	A reserve created for any annual unspent capital works expenditure allocation towards the restoration and expansion of Council's permanent artwork collection.
Asset renewal reserve	Established in order to take advantage of any possible matching funding, by way of government grants, for renewal of Council assets.
Hands up Mallee	A reserve created to account for the unspent portion of Hands up Mallee grant funding received.
Street light pole reserve	Developer contributions for replacement of specialised street lighting poles in various subdivisions.

Notes to the Financial Report For the Year Ended 30 June 2022

9.1 Reserves (cont'd)

Name of reserve	Nature and purpose
Discretionary reserves	
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 financial assistance grant funding received in advance.
Land acquisition reserve	The reserve was created to allow for the purchase of land identified for a strategic purpose.
Water transfer proceeds reserve	The reserve was established to hold proceeds from the sale of permanent and temporary water for future water purchases.
Defined benefits reserve	This reserve was established to hold funding generated from rates to be used in the advent of another defined benefits call.
Capital funding reserve	This reserve was established to hold rates funded capital works investments untied to any specific capital works project.
MRCC community drought reserve	This reserve was established to hold grant funding that is to be used to help communities affected by the drought.
MRCC developer contribution plan reserve	This reserve has been created to receive budget allocations that are to be used for the purpose of Council 's contribution towards developer contribution plan developments.
Unspent events grant reserve	An unspent event grants reserve will be established to hold grant payments that were budgeted to be paid out in the Budget but remain unallocated and unspent at the end of the financial year. The unspent grant budget allocation may be transferred to the reserve at the end of each financial year. This reserve primarily would be used to help fund large or hallmark events.
Unspent development grants reserve	This reserve is to hold grant payments that were budgeted to be paid out in the annual budget but remain unallocated and unspent at the end of each financial year.
Murrayville swimming pool reserve	This reserve is created to hold funds from the Murrayville swimming pool section 86 committee.
Underbool swimming pool reserve	This reserve is created to hold funds from the Underbool swimming pool section 86 committee.

Notes to the Financial Report For the Year Ended 30 June 2022

9.1 Reserves (cont'd)

(c) Financial assets revaluation

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation by an associate \$'000	Balance at end of reporting period \$'000
Council				
2022				
Interest in Mildura Airport Pty Ltd	33,674	(1,664)	-	32,010
Interest in Mildura Regional Development	563	3	-	566
	34,237	(1,661)	-	32,576
Total financial assets revaluation	34,237	(1,661)	-	32,576
2021				
Interest in Mildura Airport Pty Ltd	33,606	68	-	33,674
Interest in Mildura Regional Development	765	(202)	-	563
	34,371	(134)	-	34,237
Total financial assets revaluation	34,371	(134)	-	34,237

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)				
Surplus/(deficit) for the year	27,404	50,564	29,095	50,698
Depreciation/amortisation	23,678	19,375	20,279	17,715
(Profit)/loss on disposal of property, infrastructure, plant and equipment	3,685	899	3,685	916
Write-off of Works in Progress	1,696	1,736	1,696	1,736
First time recognition of non current assets	(5,762)	(3,367)	(3,950)	(3,367)
Contributions - non-monetary assets	(823)	(1,238)	(823)	(1,238)
Interest expense	843	958	828	942
(Increase)/decrease in landfill provision discount amount	-	429	-	429
<i>Change in assets and liabilities:</i>				
(Increase) / decrease in trade and other receivables	2,136	(2,112)	1,680	(1,647)
(Increase) / decrease in prepayments	(54)	1,081	(53)	1,078
Increase / (decrease) in trade and other payables	(1,541)	1,263	(929)	413
Increase / (decrease) in unearned revenue	1,896	(2,643)	1,512	(2,624)
Increase / (decrease) in trust fund deposits	(659)	1,664	(660)	1,664
(Increase) / decrease in inventories	34	(24)	36	(23)
Increase / (decrease) in provisions	360	1,008	367	959
Net cash provided by/(used in) operating activities	52,893	69,593	52,763	67,651

Notes to the Financial Report For the Year Ended 30 June 2022

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit category provides lump sum benefits based on years of service and final average salary. In certain circumstances a defined benefit member may be eligible to purchase a lifetime pension with up to 50% of their lump sum benefit. The accumulation category receives fixed contributions from Mildura Rural City Council and Mildura Rural City Council's legal or constructive obligation is limited to these contributions.

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 My Super / 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 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%). Our commitment to accumulation plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

The Superannuation Guarantee (SG) rate will increase from 10.0% to 10.5% for the next year, increasing to 11.0% from 1 July 2023, and eventually to 12% from 1 July 2025.

Defined Benefit

As provided under Paragraph 34 of AASB 119 - *Employee Benefits*, 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.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, 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. While there is an agreed methodology to allocate any shortfalls identified by the Funds Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 because of the pooled nature of the Fund's defined benefit category.

Notes to the Financial Report For the Year Ended 30 June 2022

9.3 Superannuation (cont'd)

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 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the defined benefits category.

The vested benefit index (VBI) of the defined benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns	4.75% pa
Salary information	2.75% pa
Price inflation (CPI)	2.25% pa

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the defined benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the estimated VBI index as at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns	5.5% pa
Salary information	2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI)	3.0% pa

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 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.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2021 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 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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.

Notes to the Financial Report For the Year Ended 30 June 2022

9.3 Superannuation (cont'd)

(b) 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.

The 2021 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the defined benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigations identified the following for the defined benefit category of which Council is a contributing employer:

Notes to the Financial Report For the Year Ended 30 June 2022

9.3 Superannuation (cont'd)

The 2021 triennial actuarial investigation surplus amounts (cont'd)

	2021 (Triennial) \$m	2020 (Interim) \$m
A VBI surplus	214.7	100.0
A total service liability surplus	270.3	200.0
A discounted accrued benefits surplus	285.2	217.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2021.

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 as at 30 June 2021.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's defined benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the defined benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

Superannuation contributions

Contributions by Mildura Rural City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Scheme	Type of Scheme	Rate	2022 \$	2021 \$
Vision super	Defined	10.0% (2021: 9.5%)	252,352	239,292
Vision super	Accumulation	10.0% (2021: 9.5%)	1,955,109	2,001,832
Other funds	Accumulation	10.0% (2021: 9.5%)	2,152,223	1,856,306

Council hasn't paid any unfunded liability payments to Vision Super in 2020/21 or 2021/22. Council does not expect to pay to the Defined Benefit category of Vision Super for the year ending 30 June 2023.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

10 Change in accounting policy

There have been no changes to accounting policies in the 2021-22 year.