

Mildura Rural City Council

Financial Statements  
for the Year Ended 30 June 2017





# Mildura Rural City Council

## Financial Report

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## Comprehensive Income Statement For the Year Ended 30 June 2017

		Consolidated		Council	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Income</b>					
Rates and charges	3	64,735	61,903	64,861	62,046
Statutory fees and fines	4	2,288	1,894	2,288	1,894
User fees	5	11,270	11,824	6,114	6,430
Grants - operating	6	31,202	6,185	31,202	13,028
Grants - capital	6	8,021	9,677	8,021	9,677
Contributions - monetary	7	1,501	1,444	1,501	1,444
Contributions - non-monetary	7	2,596	4,197	2,596	4,197
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(1,850)	(5,642)	(1,846)	(5,642)
Other income	9	6,439	5,285	5,799	5,332
Asset recognition	10	5,861	1,144	5,861	1,144
<b>Total income</b>		<b>132,063</b>	<b>97,911</b>	<b>126,397</b>	<b>99,550</b>
<b>Expenses</b>					
Employee costs	11	(45,747)	(45,048)	(43,385)	(42,920)
Materials and services	12	(30,912)	(28,447)	(40,420)	(27,049)
Bad and doubtful debts	13	(202)	(43)	(202)	(47)
Depreciation and amortisation	14	(19,758)	(18,896)	(18,849)	(17,985)
Borrowing costs	15	(1,169)	(1,271)	(1,162)	(1,268)
Other expenses	16	(1,767)	(3,606)	(1,618)	(3,412)
Impairment of non financial asset		(4)	-	-	-
<b>Total expenses</b>		<b>(99,559)</b>	<b>(97,311)</b>	<b>(105,636)</b>	<b>(92,681)</b>
<b>Surplus for the year</b>		<b>32,504</b>	<b>600</b>	<b>20,761</b>	<b>6,869</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods</b>					
Net financial asset revaluation increment/(decrement)	28	-	-	11,743	574
Net asset revaluation increment/(decrement)	28	(1,430)	29,821	(1,430)	29,821
<b>Total comprehensive result</b>		<b>31,074</b>	<b>30,421</b>	<b>31,074</b>	<b>37,264</b>

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

**Balance Sheet**  
**As at 30 June 2017**

		Consolidated		Council	
Note	2017	2016	2017	2016	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	17	46,762	34,866	43,402	31,659
Trade and other receivables	18	8,757	6,868	8,180	6,517
Other financial assets	19	2,782	10,271	2,782	10,271
Inventories	20	674	796	664	774
Other assets	21	352	601	307	536
<b>Total current assets</b>		<b>59,327</b>	<b>53,402</b>	<b>55,335</b>	<b>49,757</b>
<b>Non-current assets</b>					
Trade and other receivables	18	-	-	5,129	1,906
Other assets	21	-	-	42,699	30,956
Other financial assets	19	1,750	-	1,750	-
Property, infrastructure, plant and equipment	22	758,771	727,431	709,935	697,704
Intangible assets	23	6,122	6,290	6,065	6,229
<b>Total non-current assets</b>		<b>766,643</b>	<b>733,721</b>	<b>765,578</b>	<b>736,795</b>
<b>Total assets</b>		<b>825,970</b>	<b>787,123</b>	<b>820,913</b>	<b>786,552</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	24	12,506	5,904	7,809	5,656
Trust funds and deposits	25	1,681	1,976	1,673	1,967
Provisions	26	10,657	10,886	10,510	10,762
Interest-bearing loans and borrowings	27	734	1,487	700	1,466
<b>Total current liabilities</b>		<b>25,578</b>	<b>20,253</b>	<b>20,692</b>	<b>19,851</b>
<b>Non-current liabilities</b>					
Provisions	26	16,340	16,423	16,271	16,357
Interest-bearing loans and borrowings	27	20,574	18,043	20,471	17,939
<b>Total non-current liabilities</b>		<b>36,914</b>	<b>34,466</b>	<b>36,742</b>	<b>34,296</b>
<b>Total liabilities</b>		<b>62,492</b>	<b>54,719</b>	<b>57,434</b>	<b>54,147</b>
<b>Net Assets</b>		<b>763,478</b>	<b>732,404</b>	<b>763,479</b>	<b>732,405</b>
<b>Equity</b>					
Accumulated surplus		336,879	309,665	311,583	296,112
Reserves	28	426,599	422,739	451,896	436,293
<b>Total Equity</b>		<b>763,478</b>	<b>732,404</b>	<b>763,479</b>	<b>732,405</b>

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

## Statement of Changes in Equity For the Year Ended 30 June 2017

**Consolidated**

	Note	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2017</b>					
Balance at beginning of the financial year		732,404	309,665	411,026	11,713
Surplus for the year		32,504	32,504	-	-
Net asset revaluation increment/(decrement)	28(a, c)	(1,430)	-	(1,430)	-
Transfers to other reserves	28(b)	-	13,371	-	(13,371)
Transfers from other reserves	28(b)	-	(18,661)	-	18,661
<b>Balance at end of the financial year</b>		<b>763,478</b>	<b>336,879</b>	<b>409,596</b>	<b>17,003</b>

		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2016</b>					
Balance at beginning of the financial year		695,140	296,984	381,205	16,951
Surplus for the year		7,443	7,443	-	-
Net asset revaluation increment/(decrement)	28(a, c)	29,821	-	29,821	-
Transfers to other reserves	28(b)	-	15,503	-	(15,503)
Transfers from other reserves	28(b)	-	(10,265)	-	10,265
<b>Balance at end of the financial year</b>		<b>732,404</b>	<b>309,665</b>	<b>411,026</b>	<b>11,713</b>

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

## Statement of Changes in Equity For the Year Ended 30 June 2017

**Council**

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
Balance at beginning of the financial year	732,405	296,112	424,572	11,721
Surplus for the year	20,761	20,761	-	-
Net asset revaluation increment/(decrement) 28(a)	10,313	-	10,313	-
Transfers to other reserves 28(b)	-	13,371	-	(13,371)
Transfers from other reserves 28(b)	-	(18,661)	-	18,661
<b>Balance at end of the financial year</b>	<b>763,479</b>	<b>311,583</b>	<b>434,885</b>	<b>17,011</b>

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
<b>2016</b>				
Balance at beginning of the financial year	695,141	284,005	394,177	16,959
Surplus for the year	6,869	6,869	-	-
Net asset revaluation increment/(decrement) 28(a)	30,395	-	30,395	-
Transfers to other reserves 28(b)	-	15,503	-	(15,503)
Transfers from other reserves 28(b)	-	(10,265)	-	10,265
<b>Balance at end of the financial year</b>	<b>732,405</b>	<b>296,112</b>	<b>424,572</b>	<b>11,721</b>

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

**Statement of Cash Flows**  
**For the Year Ended 30 June 2017**

	Note	Consolidated		Council	
		2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>					
Rates and charges		64,439	62,023	64,565	62,166
Statutory fees and fines		2,288	1,894	2,288	1,894
User fees		8,944	10,939	6,264	4,921
Contributions - monetary		1,576	1,516	1,576	1,516
Grants - operating		33,874	13,679	32,762	13,679
Grants - capital		6,639	10,901	6,639	10,901
Other receipts		4,563	6,387	4,707	6,660
Interest		1,329	1,370	1,370	1,513
Net GST refund		2,624	3,718	1,782	4,002
Trust funds and deposits taken		6,261	1,570	6,261	1,570
Materials and services		(33,898)	(32,948)	(41,959)	(31,025)
Employees costs		(46,053)	(44,081)	(43,711)	(42,012)
Trust funds and deposits repaid		(6,555)	(1,130)	(6,555)	(1,130)
Other payments		(1,255)	(3,459)	(4,263)	(3,459)
<b>Net cash provided by operating activities</b>	29	<b>44,776</b>	<b>32,379</b>	<b>31,726</b>	<b>31,196</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	22,23	(39,752)	(27,766)	(26,852)	(26,946)
Proceeds from sale of property, infrastructure, plant and equipment	8	584	708	572	708
Net Proceeds from financial assets		5,739	(6,509)	5,739	(6,492)
<b>Net cash used in investing activities</b>		<b>(33,429)</b>	<b>(33,567)</b>	<b>(20,541)</b>	<b>(32,730)</b>
<b>Cash flows from financing activities</b>					
Finance costs		(1,207)	(1,271)	(1,208)	(1,268)
Proceeds from borrowings		5,128	-	5,128	-
Repayment of borrowings		(3,372)	(1,846)	(3,362)	(1,927)
<b>Net cash used in financing activities</b>		<b>549</b>	<b>(3,117)</b>	<b>558</b>	<b>(3,195)</b>
Net increase/(decrease) in cash and cash equivalents		11,896	(4,305)	11,743	(4,729)
Cash and cash equivalents at the beginning of the financial year		34,866	39,171	31,659	36,388
<b>Cash and cash equivalents at the end of the financial year</b>	17	<b>46,762</b>	<b>34,866</b>	<b>43,402</b>	<b>31,659</b>
Financing arrangements	30				
Restrictions on cash assets	17				

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



**Statement of Capital Works  
For the Year Ended 30 June 2017**

	Consolidated		Council	
Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Capital expenditure areas</b>				
<b>Property</b>				
Land	426	375	426	239
Buildings	6,030	4,092	5,973	3,670
<b>Total property</b>	<b>6,456</b>	<b>4,467</b>	<b>6,399</b>	<b>3,909</b>
<b>Plant and equipment</b>				
Plant, machinery and equipment	2,558	3,378	2,478	3,233
Fixtures, fittings and furniture	461	577	352	577
Library books and art works	295	285	295	285
<b>Total plant and equipment</b>	<b>3,314</b>	<b>4,240</b>	<b>3,125</b>	<b>4,095</b>
<b>Infrastructure</b>				
Roads	8,772	11,169	8,772	11,169
Footpaths and cycleways	1,696	515	1,696	515
Drainage	2,505	3,326	2,505	3,326
Recreational, leisure and community	1,080	712	1,080	712
Waste management	553	89	553	89
Parks, open spaces and streetscapes	2,375	2,870	2,342	2,870
Aerodromes	19,755	-	-	-
Off street car parks	259	301	259	184
<b>Total infrastructure</b>	<b>36,995</b>	<b>18,982</b>	<b>17,207</b>	<b>18,865</b>
<b>Total capital works</b>	<b>46,765</b>	<b>27,689</b>	<b>26,731</b>	<b>26,869</b>
Intangible assets - software	121	77	121	77
<b>Total</b>	<b>121</b>	<b>77</b>	<b>121</b>	<b>77</b>
<b>Total capital works</b>	<b>46,886</b>	<b>27,766</b>	<b>26,852</b>	<b>26,946</b>
<b>Represented by:</b>				
New asset expenditure	1,535	2,729	1,535	2,593
Asset renewal expenditure	15,334	13,881	15,088	13,881
Asset expansion expenditure	15,913	6,001	6,019	6,001
Asset upgrade expenditure	13,983	5,078	4,089	4,394
Intangible asset	121	77	121	77
<b>Total capital works</b>	<b>46,886</b>	<b>27,766</b>	<b>26,852</b>	<b>26,946</b>

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

**Notes to the Financial Report**  
**For the Year Ended 30 June 2017**

**Introduction**

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

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

(b) The purpose of the Council is to:

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

Principles to best meet the needs of the local community;

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

Council uses the following service providers:

External Auditor - Auditor-General of Victoria

Internal Auditor - BDO Australia

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

Bankers - Commonwealth Bank of Australia Ltd

Council maintains the following website:

[www.mildura.vic.gov.au](http://www.mildura.vic.gov.au)

**Statement of compliance**

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

## **Notes to the Financial Report** **For the Year Ended 30 June 2017**

### **Note 1 Significant accounting policies**

#### **(a) Basis of accounting**

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

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

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

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

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

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

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

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

#### **(b) Change in accounting policies**

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

**Notes to the Financial Report**  
**For the Year Ended 30 June 2017**

**Note 1 Significant accounting policies (cont)**

**(c) Principles of consolidation**

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2017, 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.

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

**(d) Committees of management**

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

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 1 Significant accounting policies (cont)

#### (e) Revenue recognition

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

##### *Rates and charges*

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

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

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

##### *Statutory fees and fines*

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

##### *User fees*

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

##### *Grants*

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

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

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 1 Significant accounting policies (cont)**

**(e) Revenue recognition (cont)**

*Contributions*

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

*Sale of property, infrastructure, plant and equipment*

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

*Rental*

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

*Interest*

Interest is recognised as it is earned.

*Dividends*

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

*Other income*

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

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 1 Significant accounting policies (cont)

#### (f) Fair value measurement

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

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

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

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

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

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

#### (g) Cash and cash equivalents

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

#### (h) Trade and other receivables

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. 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.

#### (i) Other financial assets

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

#### (j) Investments

Investments, other than investments in associates, are measured at cost. The carrying value of Council's investment in the Mildura Airport Pty Ltd was initially measured at cost, and adjusted each balance date thereafter for changes in the Council's share (100%) of the net assets of the company. Gains or losses arising are recognised directly in equity through the Financial Assets Revaluation Reserve (note 28 (c)).

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 1 Significant accounting policies (cont)

#### (k) Inventories

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

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

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

##### *Acquisition*

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the 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 detailed in Note 1 have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

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

##### *Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment (furniture and fitting, library books, capital works in progress and landfill) are measured at their fair value, being the 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 on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 22 Property plant and equipment.

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

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

##### *Land under roads*

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



Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 1 Significant accounting policies (cont)

(n) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

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

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

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

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

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

	Depreciation Period	Threshold Limit \$'000
Property		
Land		
land	-	5
land under roads	-	All
Buildings		
buildings	60 years	10
Plant and equipment		
plant and equipment	3 - 12 years	5
fixtures, fittings and furniture	4 - 10 years	5
artworks	-	0.5
library books	-	In aggregate
Infrastructure		
Roads		
footpaths and cycleways	10 - 50 years	10
road kerb and channel	50 years	10
road pavements	20 - 50 years	10
road seals	5 - 50 years	10
Drainage	50 - 150 years	10
Waste management	10 - 30 years	10
Aerodromes	50 years	10
Off street carpark	50 years	10
Recreational, leisure and community	10 - 25 years	10
Parks, open spaces and streetscapes	10 - 50 years	10
Intangible assets		
Software	3 - 15 years	1
Water rights	-	-

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 1 Significant accounting policies (cont)

#### (o) Repairs and maintenance

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

#### (p) Impairment of assets

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

#### (q) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 25).

#### (r) Borrowings

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

##### *Borrowing costs*

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

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

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 1 Significant accounting policies (cont)

#### (s) Employee costs and benefits

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

##### *(i) Wages and salaries and annual leave*

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

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

##### *(ii) Long service leave*

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

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

The components of this current liability are measured at :

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

##### Classification of employee costs

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

This non-current LSL liability is measured at present value.

##### *(iii) Termination benefits*

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

##### *(iv) Employee benefits on-costs*

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

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 1 Significant accounting policies (cont)

(t) **Landfill rehabilitation provision**

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

(u) **Leases**

*Finance leases*

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

*Operating leases*

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

*Leasehold improvements*

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

(v) **Goods and Services Tax (GST)**

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

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

(w) **Financial guarantees**

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 34 contingent liabilities and contingent assets.

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 1 Significant accounting policies (cont)

#### (x) Contingent assets and contingent liabilities and commitments

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

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

#### (y) Pending accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

##### *Revenue from contracts with customers (AASB 15) (applies 2019/20)*

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

##### *Leases (AASB 16) (applies 2019/20)*

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has no operating leases that will be impacted as a result of this change. This will see no change in assets and liabilities recognised.

#### (z) Rounding

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

**Notes to the Financial Report**  
**For the Year Ended 30 June 2017**

**Note 2 Budget comparison**

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

The budget figures detailed below are those adopted by Council on 23th June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

**a) Income and Expenditure**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>		
	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>%</b>	<b>Ref</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>		
<b>Income</b>					
Rates and charges	64,419	64,861	442	1	1
User fees	5,466	6,114	648	12	2
Statutory fees and fines	2,021	2,288	267	13	3
Grants - operating	29,044	31,202	2,158	7	4
Grants - capital	8,173	8,021	(152)	(2)	
Contributions - monetary	1,179	1,501	322	27	5
Contributions - non monetary	-	2,596	2,596	100	6
Net gain on disposal of property, infrastructure, plant and equipment	307	(1,846)	(2,153)	(701)	7
Other income	4,939	5,799	860	17	8
Asset recognition	-	5,861	5,861	100	9
<b>Total income</b>	<b>115,548</b>	<b>126,397</b>	<b>10,849</b>		
<b>Expenses</b>					
Employee costs	(44,742)	(43,385)	1,357	(3)	10
Materials and services	(44,975)	(40,420)	4,555	(10)	11
Bad and doubtful debts	(188)	(202)	(14)	7	
Depreciation and amortisation	(17,908)	(18,849)	(941)	5	12
Borrowing costs	(1,181)	(1,162)	19	(2)	
Other expenses	(963)	(1,618)	(655)	68	13
<b>Total Expenses</b>	<b>(109,957)</b>	<b>(105,636)</b>	<b>4,321</b>		
<b>Surplus / (deficit)</b>	<b>5,591</b>	<b>20,761</b>	<b>15,170</b>		

**Notes to the Financial Report**  
**VARIANCE EXPLANATION REPORT**  
**For the Year Ended 30 June 2017**

**(i) Explanation of material variations**

**Variance**

<b>Ref</b>	<b>Item</b>	<b>Explanation</b>
1	<b>Rates and charges</b>	Supplementary rates was above original forecast.
2	<b>User fees</b>	Mildura Landfill received additional waste fees over and above budget expectations. Private works income was also higher than anticipated due to receiving additional Vic Roads contracts.
3	<b>Statutory fees and fines</b>	Receipts from planning permits and infringements were above budget forecast due to a significant increase in statutory fees charged by Council which is mandated by the State Government.
4	<b>Grants - operating</b>	Timing of receipt of grant funding for the Mildura Airport Runway project.
5	<b>Contributions - monetary</b>	Developer contributions exceeded our original forecast due to an increase in residential development throughout the municipality.
6	<b>Contributions - non monetary</b>	Non monetary contributions are volatile and difficult to predict and being non cash in nature are not traditionally budgeted for. It is due to works completed in lieu of cash contribution for infrastructure, predominantly residential sub divisions. These assets are recognised in to Council's asset register when they are considered 'handed over' to Council, and are considered to be under the control of Council.
7	<b>Net gain on disposal of property, infrastructure, plant and equipment</b>	Council is required to recognise a disposal of assets when those assets are sold, renewed or replaced, or become decommissioned.
8	<b>Other income</b>	Variance predominantly due to reimbursements received being higher than original budget forecast. This is due to a number of different programs and projects throughout Council.
9	<b>Asset recognition</b>	During the upgrade of the asset management system Council has recognised additional drainage and footpath assets.
10	<b>Employee costs</b>	Within 3 percent of budget and variance was due to unfulfilled position and a change in accounting treatment of leave entitlement.
11	<b>Materials and services</b>	Timing of payments in relation to the Mildura Airport Runway project.
12	<b>Depreciation and amortisation</b>	Variance due to recognition of asset and revaluations during the year.
13	<b>Other expenses</b>	The accounting treatment for our landfill provision resulted in a increase in the provision for future landfill rehabilitations works which required a recognition of an expense. This is non cash and not something you would traditionally budget for.

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 2 Budget Comparison (cont)

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	%	Ref
<b>b) Capital Works</b>					
<b>Property</b>					
Land	1,080	426	(654)	(61)	1
Buildings	6,644	5,973	(671)	(10)	2
<b>Plant and equipment</b>					
Plant, machinery and equipment	2,519	2,478	(41)	(2)	
Computers and telecommunications	1,521	-	(1,521)	(100)	3
Fixtures, fittings and furniture	377	352	(25)	(7)	
Library books and art works	320	295	(25)	(8)	
<b>Infrastructure</b>					
Roads	12,474	8,772	(3,702)	(30)	4
Bridges	110	-	(110)	(100)	5
Footpaths and cycleways	1,272	1,696	424	33	6
Drainage	2,257	2,505	248	11	
Recreational, leisure and community	1,068	1,080	12	1	
Waste management	473	553	80	17	
Parks, open spaces and streetscapes	2,414	2,342	(72)	(3)	
Off street car parks	460	259	(201)	(44)	7
Intangible assets - software	-	121	121	100	8
<b>Total Capital Works</b>	<b>32,989</b>	<b>26,852</b>	<b>(6,137)</b>		

**Represented by:**

New asset expenditure	4,694	1,535	(3,159)	(67)
Asset renewal expenditure	18,319	15,088	(3,231)	(18)
Asset expansion expenditure	2,395	6,019	3,624	151
Asset upgrade expenditure	7,581	4,089	(3,492)	(46)
Intangible assets	-	121	121	100
<b>Total Capital Works</b>	<b>32,989</b>	<b>26,852</b>	<b>(6,137)</b>	



## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 2 Budget Comparison (cont)

#### (i) Explanation of material variations

Variance Ref.	Item	Explanation
1	<b>Land</b>	Delay in acquisition of Land budgeted to be acquired during the year due to ongoing negotiations with Landowners and awaiting the outcome of legal negotiations.
2	<b>Buildings</b>	<p>The Mildura Riverfront Precinct project is part of a \$19 million project that spans over multiple years is currently in its final stages. The component of the Powercor Substation did not commence until late in the financial year.</p> <p>Replacement of three public toilet projects delayed due to awaiting the outcome of Public Toilet Strategy.</p> <p>Underbool Kindergarten extension delayed due to tender price received was well above budget allocated. Project was retendered and an agreed contract was awarded.</p> <p>Mildura Arts Centre Gallery LED lighting project was tendered in the third quarter however lead time for fittings, materials and equipment delayed in receiving of goods.</p> <p>Mildura Arts Centre installation of lift and building works was delayed in approval and signing of contract.</p>
3	<b>Computers and telecommunications</b>	Part of capital expenditure for this class of assets is currently sitting in Intangible Assets. The expenditure to date is predominantly for the acquisition of software relating to Council's Asset Management System, software related to the digital application and Public Wifi for the Mildura Riverfront Precinct Project. The balance of the projects were not started at the end of the financial year and are to be carried forward into the 2017/2018 financial year. Delays were due to a variety of reasons including lengthy stake holder engagement and user needs assessment.
4	<b>Roads</b>	<p>Road, intersection and bypass lane at Mildura Landfill delayed due to the expiration of the Aroundagain lease.</p> <p>Roads to Recovery projects revised as grant funding reduced for the financial year.</p>
5	<b>Bridges</b>	Rio Vista Park stair replacement budgeted to begin in the 2016/17 year, delayed due to changes required to the structural design.
6	<b>Footpaths and cycleways</b>	<p>The Mildura Riverfront Precinct project is part of a \$19 million project that spans over multiple years is currently in its final stages. Footpath and cycleway works due to be completed in a prior year were undertaken in this financial year.</p> <p>Delays in final footpath designs in the prior year with tender package approved May 2016 and works undertaken in July 2016.</p>
7	<b>Off street car parks</b>	Delays with Car Park at corner of Thirteenth Street and Ontario Avenue awaiting hearing at Victorian Civil and Administrative Tribunal.
8	<b>Intangible assets - software</b>	Capital expenditure for this class of assets was budgeted for under computers and telecommunications. The expenditure to date is predominantly for the acquisition of software relating to Council's Asset Management System, software related to the digital application and Public Wifi for the Mildura Riverfront Precinct Project.

Notes to the Financial Report  
For the Year Ended 30 June 2017

Consolidated		Council	
2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000

**Note 3 Rates and charges**

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

The valuation base used to calculate general rates for 2016/2017 was \$7,979 million (2015/2016 \$7,184 million). The 2016/2017 rate in the dollar was \$0.0065319 (2015/2016 \$0.007015).

General rates	41,381	39,390	41,507	39,533
Municipal charge	2,739	2,708	2,739	2,708
Cultural/recreational land	17	18	17	18
Mildura City Heart special rate	554	275	554	275
Business differential rate	11,874	11,719	11,874	11,719
Waste management charge	8,170	7,793	8,170	7,793
<b>Total rates and charges</b>	<b>64,735</b>	<b>61,903</b>	<b>64,861</b>	<b>62,046</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2017, and the valuation will be first applied in the rating year commencing 1 July 2017.

**Note 4 Statutory fees and fines**

Permits	326	355	326	355
Statutory planning fees	587	425	587	425
Infringements and costs	884	690	884	690
Land information certificates	124	97	124	97
Valuations database	237	195	237	195
Other statutory fees and fines	130	132	130	132
<b>Total statutory fees and fines</b>	<b>2,288</b>	<b>1,894</b>	<b>2,288</b>	<b>1,894</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 5 User fees</b>				
Rent/lease fees	954	794	563	513
Animal control and local laws	444	431	444	431
Child care/children's programs	331	314	331	314
Aged and health services	1,204	1,200	1,204	1,200
Airport fees and charges	4,765	5,113	-	-
Swimming pool fees	98	94	98	94
Other fees and charges	452	436	452	436
Contract works	1,193	966	1,193	966
Entrance charges	562	547	562	547
Waste management services	1,080	1,766	1,080	1,766
Commission/agency fees	187	163	187	163
<b>Total user fees</b>	<b>11,270</b>	<b>11,824</b>	<b>6,114</b>	<b>6,430</b>

**Note 6 Grants**

Grants were received in respect of the following :

**Summary of grants**

Commonwealth funded grants	28,087	5,417	28,087	5,417
State funded grants	11,136	17,287	11,136	17,287
<b>Total grants received</b>	<b>39,223</b>	<b>22,704</b>	<b>39,223</b>	<b>22,704</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 6 Grants (cont)</b>				
<b>Operating Grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Victorian Grants Commission - general purpose	15,113	4,955	15,113	4,955
Victorian Grants Commission - local roads	5,655	1,888	5,655	1,888
Family services	240	228	240	228
Aged and disability services	2,008	-	2,008	-
	<b>23,016</b>	<b>228</b>	<b>23,016</b>	<b>7,071</b>
<b>Recurrent - State Government</b>				
Primary Care Partnerships	394	389	394	389
Aged care	843	2,777	843	2,777
Libraries	361	357	361	357
Maternal and child health	693	616	693	616
Family services	256	257	256	257
Youth services	284	275	284	275
Environmental health	45	38	45	38
Social development and projects	136	131	136	131
Environment	-	75	-	75
Local laws	100	98	100	98
Healthy together	-	75	-	75
Emergency management	-	29	-	29
Arts and culture	190	180	190	180
Road construction and maintenance	129	157	129	157
	<b>3,431</b>	<b>5,454</b>	<b>3,431</b>	<b>5,454</b>
<b>Total recurrent operating grants</b>	<b>26,447</b>	<b>5,682</b>	<b>26,447</b>	<b>12,525</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 6 Grants (cont)</b>				
<b>Non-recurrent - Commonwealth Government</b>				
Family services	-	17	-	17
Social development and projects	5	-	5	-
	<b>5</b>	<b>17</b>	<b>5</b>	<b>17</b>
<b>Non-recurrent - State Government</b>				
Airport operations	3,738	-	3,738	-
Youth services	14	5	14	5
Primary Care Partnership	15	25	15	25
Community development	12	-	12	-
Social development and projects	481	161	481	161
Environment	146	120	146	120
Planning and development	75	-	75	-
Emergency management	120	120	120	120
Arts and culture	37	11	37	11
Aged and disability services	103	3	103	3
Family services	9	41	9	41
	<b>4,750</b>	<b>486</b>	<b>4,750</b>	<b>486</b>
<b>Total non-recurrent operating grants</b>	<b>4,755</b>	<b>503</b>	<b>4,755</b>	<b>503</b>
<b>Total operating grants</b>	<b>31,202</b>	<b>6,185</b>	<b>31,202</b>	<b>13,028</b>
<b>Capital Grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Commonwealth Government - Roads to Recovery	4,063	5,172	4,063	5,172
	<b>4,063</b>	<b>5,172</b>	<b>4,063</b>	<b>5,172</b>
<b>Recurrent - State Government</b>				
Libraries	11	9	11	9
Maternal and child health	3	-	3	-
Recreation and sport	-	11	-	11
	<b>14</b>	<b>20</b>	<b>14</b>	<b>20</b>
<b>Total recurrent capital grants</b>	<b>4,077</b>	<b>5,192</b>	<b>4,077</b>	<b>5,192</b>
<b>Non-recurrent - Commonwealth Government</b>				
Recreation and sport	1,003	-	1,003	-
	<b>1,003</b>	<b>-</b>	<b>1,003</b>	<b>-</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 6 Grants (cont)</b>				
<b>Non-recurrent - State Government</b>				
Community development	-	12	-	12
Environment	138	3	138	3
Libraries	19	162	19	162
Maternal and child health	-	64	-	64
Recreation and sport	2,574	2,833	2,574	2,833
Road construction and maintenance	210	1,411	210	1,411
	<b>2,941</b>	<b>4,485</b>	<b>2,941</b>	<b>4,485</b>
<b>Total non-recurrent capital grants</b>	<b>3,944</b>	<b>4,485</b>	<b>3,944</b>	<b>4,485</b>
<b>Total capital grants</b>	<b>8,021</b>	<b>9,677</b>	<b>8,021</b>	<b>9,677</b>
<b>Unspent grants received on condition that they be spent</b>				
Balance at start of year	2,559	3,817	2,559	3,817
Received during the financial year and remained unspent at balance date	3,510	1,310	3,510	1,310
Received in prior years and spent during the financial year	(1,997)	(2,568)	(1,997)	(2,568)
Balance at year end	<b>4,072</b>	<b>2,559</b>	<b>4,072</b>	<b>2,559</b>
<b>Note 7 Contributions</b>				
Monetary	1,501	1,444	1,501	1,444
Non-monetary	2,596	4,197	2,596	4,197
<b>Total contributions</b>	<b>4,097</b>	<b>5,641</b>	<b>4,097</b>	<b>5,641</b>
<b>Monetary</b>				
Community services	246	251	246	251
Developer contributions	979	936	979	936
Capital contributions	179	181	179	181
Other	97	76	97	76
<b>Total contributions</b>	<b>1,501</b>	<b>1,444</b>	<b>1,501</b>	<b>1,444</b>
<b>Non-monetary</b>				
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>				
Infrastructure	2,596	4,197	2,596	4,197
<b>Total non-monetary contributions</b>	<b>2,596</b>	<b>4,197</b>	<b>2,596</b>	<b>4,197</b>
<b>Total contributions</b>	<b>4,097</b>	<b>5,641</b>	<b>4,097</b>	<b>5,641</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>				
Proceeds of sale	584	708	572	708
Written down value of assets disposed	(2,434)	(6,350)	(2,418)	(6,350)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(1,850)</b>	<b>(5,642)</b>	<b>(1,846)</b>	<b>(5,642)</b>
<b>Note 9 Other income</b>				
Interest	950	1,142	993	1,209
Interest on rates	322	304	322	304
Sales	1,076	461	387	461
Other	150	128	25	33
Child care reimbursement	1,413	1,227	1,413	1,227
Fuel tax rebate	221	286	221	286
Workcover costs reimbursements	246	77	246	77
Legal costs recouped	216	182	216	182
Airport reimbursement	-	-	131	-
Aged care package reimbursement	214	291	214	291
Cemetery reimbursement	377	451	377	451
Utilities reimbursement	250	304	250	304
Youth case management reimbursement	378	221	378	221
Other costs reimbursed	626	211	626	286
<b>Total other income</b>	<b>6,439</b>	<b>5,285</b>	<b>5,799</b>	<b>5,332</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 10 Asset recognition</b>				
During the previous year Council undertook an extensive survey of its roads and outdoor infrastructure networks. In doing so, it identified assets which had not previously been recorded in its assets registers.				
Asset recognition	5,861	1,144	5,861	1,144
<b>Total asset recognition</b>	<b>5,861</b>	<b>1,144</b>	<b>5,861</b>	<b>1,144</b>
<b>Note 11 Employee costs</b>				
Wages and salaries	41,619	40,968	39,460	38,999
Payroll tax	22	9	22	20
Superannuation	3,913	3,853	3,710	3,683
Fringe benefits tax	193	218	193	218
<b>Total employee costs</b>	<b>45,747</b>	<b>45,048</b>	<b>43,385</b>	<b>42,920</b>
<b>Super</b>				
Council made contributions to the following funds:				
<b>Defined benefit fund</b>				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	424	468	424	468
	<b>424</b>	<b>468</b>	<b>424</b>	<b>468</b>
Employer contributions payable at reporting date.				
<b>Accumulation funds</b>				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,082	2,137	2,082	2,137
Employer contributions - other funds	1,407	1,248	1,204	1,078
	<b>3,489</b>	<b>3,385</b>	<b>3,286</b>	<b>3,215</b>
Employer contributions payable at reporting date.	95	82	95	82
Refer to note 33 for further information relating to Council's superannuation obligations				



Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 12 Materials and services</b>				
Contract payments	9,535	8,230	9,507	7,977
Consultants	2,499	1,394	2,326	1,394
Environmental protection waste levy	1,173	1,690	1,173	1,690
Grants, contributions and donations	2,813	2,769	13,936	2,769
Utilities	3,275	3,376	3,098	3,214
Office administration	1,411	1,019	1,185	949
Materials purchased	4,081	4,124	3,777	3,825
Plant and vehicle costs	2,242	2,337	1,934	1,954
Information technology	1,162	1,047	1,117	1,013
Insurance	895	937	841	840
Training	994	832	907	832
Other materials and contractors	413	213	200	213
General maintenance	419	479	419	379
<b>Total materials and services</b>	<b>30,912</b>	<b>28,447</b>	<b>40,420</b>	<b>27,049</b>
<b>Note 13 Bad and doubtful debts</b>				
Other debtors	29	(2)	29	2
Infringements	173	45	173	45
<b>Total bad and doubtful debts</b>	<b>202</b>	<b>43</b>	<b>202</b>	<b>47</b>
<b>Note 14 Depreciation and amortisation</b>				
Buildings	2,451	2,445	2,245	2,254
Plant and equipment	3,301	3,092	3,032	2,818
Infrastructure	13,792	13,144	13,358	12,698
<b>Total depreciation</b>	<b>19,544</b>	<b>18,681</b>	<b>18,635</b>	<b>17,770</b>
Intangible assets	214	215	214	215
<b>Total</b>	<b>214</b>	<b>215</b>	<b>214</b>	<b>215</b>
<b>Total depreciation and amortisation</b>	<b>19,758</b>	<b>18,896</b>	<b>18,849</b>	<b>17,985</b>

Refer to note 22 and 23 for a more detailed breakdown of depreciation and amortisation charges

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 15 Borrowing costs</b>				
Interest - borrowings	1,141	1,269	1,134	1,266
Interest - finance leases	28	2	28	2
<b>Total borrowing costs</b>	<b>1,169</b>	<b>1,271</b>	<b>1,162</b>	<b>1,268</b>

**Note 16 Other expenses**

Auditors' remuneration - VAGO - audit of the financial statements and performance statement	69	71	56	58
Auditors' remuneration - Internal	117	117	117	117
Councillors' allowances	312	310	312	310
Directors' fees	83	82	-	-
Refunds	54	46	54	46
Operating lease rentals	120	135	120	135
Increase in landfill provision discounted amount	565	2,375	565	2,375
Other	447	470	394	371
<b>Total other expenses</b>	<b>1,767</b>	<b>3,606</b>	<b>1,618</b>	<b>3,412</b>

**Note 17 Cash and cash equivalents**

Cash on hand	56	37	11	11
Cash at bank	18,869	8,825	17,320	5,644
Short term deposits	27,837	26,004	26,071	26,004
<b>Total cash and cash equivalents</b>	<b>46,762</b>	<b>34,866</b>	<b>43,402</b>	<b>31,659</b>

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

Statutory reserve funds (note 28)	2,838	2,479	2,846	2,487
Trust funds and deposits (note 25)	1,681	1,976	1,673	1,967
Restricted funds	<b>4,519</b>	<b>4,455</b>	<b>4,519</b>	<b>4,454</b>
Total unrestricted cash and cash equivalents	<b>42,243</b>	<b>30,411</b>	<b>38,883</b>	<b>27,205</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 17 Cash and cash equivalents (cont)</b>				
<b>Intended allocations</b>				
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:				
Unexpended grants (note 6)	4,072	2,559	4,072	2,559
Discretionary reserves (note 28)	14,165	9,234	14,165	9,234
Long service leave 25% (note 26)	1,668	1,797	1,668	1,740
Cash held to fund carried forward capital works	11,396	10,899	11,396	10,899
Total funds subject to intended allocations	<u>31,301</u>	<u>24,489</u>	<u>31,301</u>	<u>24,432</u>
Total cash and cash equivalents free of intended allocations	<u>10,942</u>	<u>5,922</u>	<u>7,582</u>	<u>2,773</u>
Refer also to note 19 for details of other financial assets held by Council.				
<b>Note 18 Trade and other receivables</b>				
<b>Current</b>				
<i>Statutory receivables</i>				
Rates debtors	3,645	3,349	3,645	3,349
Infringement debtors	1,557	1,317	1,557	1,317
Provision for doubtful debts - infringements	(1,256)	(1,082)	(1,256)	(1,082)
<i>Non statutory receivables</i>				
General debtors	3,710	1,856	3,161	1,312
Provision for doubtful debts - other debtors	(51)	(43)	(51)	(43)
Accrued income	733	1,068	705	1,050
GST receivable	419	403	419	403
Loan to Mildura Airport Pty Ltd	-	-	-	211
<b>Total</b>	<u>8,757</u>	<u>6,868</u>	<u>8,180</u>	<u>6,517</u>
<b>Non-current</b>				
<i>Non statutory receivables</i>				
Loan to Mildura Airport Pty Ltd	-	-	5,129	1,906
<b>Total</b>	<u>-</u>	<u>-</u>	<u>5,129</u>	<u>1,906</u>
<b>Total trade and other receivables</b>	<u>8,757</u>	<u>6,868</u>	<u>13,309</u>	<u>8,423</u>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Consolidated		Council	
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000

**Note 18 Trade and other receivables (cont)**

**a) Ageing of receivables**

At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

Current (not yet due)	3,405	1,641	2,862	1,111
Past due by up to 30 days	261	159	254	146
Past due between 31 and 180 days	49	200	49	199
Past due between 181 and 365 days	199	90	199	90
Past due by more than 1 year	1,352	1,083	1,352	1,083
Total trade & other receivables	<u>5,266</u>	<u>3,173</u>	<u>4,716</u>	<u>2,629</u>

**b) Movement in provisions for doubtful debts**

Balance at the beginning of the year	1,125	1,102	1,125	1,102
New provisions recognised during the year	202	47	202	47
Amounts already provided for and written off as uncollectible	(20)	(24)	(20)	(24)
Amounts provided for but recovered during the year	-	-	-	-
Balance at end of year	<u>1,307</u>	<u>1,125</u>	<u>1,307</u>	<u>1,125</u>

**c) Ageing of individually impaired receivables**

At balance date, other debtors representing financial assets with a nominal value of \$20,410 (2016: \$46,832) were impaired. The amount of the provision raised against these debtors was \$20,410 (2016: \$46,832). The individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due between 31 and 180 days	25	-	25	-
Past due between 181 and 365 days	4	7	4	7
Past due by more than 1 year	173	40	173	40
Total trade & other receivables	<u>202</u>	<u>47</u>	<u>202</u>	<u>47</u>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 19 Other financial assets</b>				
<i>Current</i>				
Term deposits	2,782	8,780	2,782	8,780
Floating notes	-	1,491	-	1,491
<b>Total current other financial assets</b>	<b>2,782</b>	<b>10,271</b>	<b>2,782</b>	<b>10,271</b>
<i>Non-current</i>				
Floating notes	1,750	-	1,750	-
<b>Total non-current other financial assets</b>	<b>1,750</b>	<b>-</b>	<b>1,750</b>	<b>-</b>
<b>Note 20 Inventories</b>				
Inventories held for distribution	587	685	577	685
Inventories held for sale	87	111	87	89
<b>Total inventories</b>	<b>674</b>	<b>796</b>	<b>664</b>	<b>774</b>
<b>Note 21 Other assets</b>				
<b>Prepayments</b>				
<i>Current</i>				
Prepayments	352	601	307	536
<b>Total prepayments</b>	<b>352</b>	<b>601</b>	<b>307</b>	<b>536</b>
<i>Non-current</i>				
Interest in Mildura Airport Pty Ltd	-	-	42,699	30,956
<b>Total</b>	<b>-</b>	<b>-</b>	<b>42,699</b>	<b>30,956</b>
<b>Total other assets</b>	<b>352</b>	<b>601</b>	<b>43,006</b>	<b>31,492</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 22 Property, infrastructure, plant and equipment**

**Summary of property, infrastructure, plant and equipment**

**Consolidated**

	At Fair Value 30 June 2016	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Recognitions	Impairment	At Fair Value 30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	49,072	234	-	(1,250)	-	-	390	-	-	48,446
Buildings	109,422	4,341	-	(1,681)	(2,451)	(620)	4,307	-	-	113,318
Plant and equipment	47,495	3,013	-	-	(3,301)	(682)	57	-	-	46,582
Infrastructure	494,330	8,701	2,596	2,087	(13,792)	(1,132)	9,140	5,861	(455)	507,336
Work in progress	27,112	29,931	-	-	-	-	(13,954)	-	-	43,089
<b>Total</b>	<b>727,431</b>	<b>46,220</b>	<b>2,596</b>	<b>(844)</b>	<b>(19,544)</b>	<b>(2,434)</b>	<b>(60)</b>	<b>5,861</b>	<b>(455)</b>	<b>758,771</b>

**Summary of Work in Progress**

	Opening WIP	Acquisitions	Transfers	Write Offs	Closing WIP
Property	3,117	1,881	(4,697)	-	301
Plant and equipment	195	301	(117)	-	379
Infrastructure	23,800	27,749	(9,140)	-	42,409
<b>Total</b>	<b>27,112</b>	<b>29,931</b>	<b>(13,954)</b>	<b>-</b>	<b>43,089</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 22 Property, infrastructure, plant and equipment (cont)**

**Summary of property, infrastructure, plant and equipment**

**Council**

	At Fair Value 30 June 2016	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Recognitions	Impairment	At Fair Value 30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	48,936	234	-	(1,250)	-	-	390	-	-	48,310
Buildings	100,157	4,315	-	(1,681)	(2,245)	(620)	4,307	-	-	104,233
Plant and equipment	45,694	2,824	-	-	(3,032)	(666)	57	-	-	44,877
Infrastructure	476,148	8,595	2,596	2,087	(13,358)	(1,132)	9,140	5,861	(455)	489,482
Work in progress	26,769	10,218	-	-	-	-	(13,954)	-	-	23,033
<b>Total</b>	<b>697,704</b>	<b>26,186</b>	<b>2,596</b>	<b>(844)</b>	<b>(18,635)</b>	<b>(2,418)</b>	<b>(60)</b>	<b>5,861</b>	<b>(455)</b>	<b>709,935</b>

**Summary of Work in Progress**

	Opening WIP	Acquisitions	Transfers	Write Offs	Closing WIP
Property	3,257	1,850	(4,697)	-	410
Plant and equipment	195	301	(117)	-	379
Infrastructure	23,317	8,067	(9,140)	-	22,244
<b>Total</b>	<b>26,769</b>	<b>10,218</b>	<b>(13,954)</b>	<b>-</b>	<b>23,033</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2017 Property	Specialised land \$'000	Non specialised land \$'000	Land under roads \$'000	Total Land \$'000	Non specialised buildings \$'000	Specialised buildings \$'000	Total Buildings \$'000	Work in progress \$'000	Total Property \$'000
At fair value 1 July 2016	38,265	10,313	494	49,072	8,609	203,753	212,362	3,117	264,551
Accumulated depreciation at 1 July 2016	-	-	-	-	(3,980)	(98,960)	(102,940)	-	(102,940)
	<b>38,265</b>	<b>10,313</b>	<b>494</b>	<b>49,072</b>	<b>4,629</b>	<b>104,793</b>	<b>109,422</b>	<b>3,117</b>	<b>161,611</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	-	234	-	234	3,769	572	4,341	1,881	6,456
Revaluation increments/(decrements)	(1,294)	33	11	(1,250)	575	(505)	70	-	(1,180)
Fair value of assets disposed	-	-	-	-	-	(2,461)	(2,461)	-	(2,461)
Transfers	-	390	-	390	672	3,635	4,307	(4,697)	-
	<b>(1,294)</b>	<b>657</b>	<b>11</b>	<b>(626)</b>	<b>5,016</b>	<b>1,241</b>	<b>6,257</b>	<b>(2,816)</b>	<b>2,815</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	-	(121)	(2,330)	(2,451)	-	(2,451)
Revaluation increments/(decrements)	-	-	-	-	315	(2,066)	(1,751)	-	(1,751)
Accumulated depreciation of disposals	-	-	-	-	-	1,841	1,841	-	1,841
	-	-	-	-	194	(2,555)	(2,361)	-	(2,361)
At fair value 30 June 2017	36,971	10,970	505	48,446	13,625	204,994	218,619	301	267,366
Accumulated depreciation at 30 June 2017	-	-	-	-	(3,786)	(101,515)	(105,301)	-	(105,301)
	<b>36,971</b>	<b>10,970</b>	<b>505</b>	<b>48,446</b>	<b>9,839</b>	<b>103,479</b>	<b>113,318</b>	<b>301</b>	<b>162,065</b>



Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

	Plant and equipment \$'000	Plant and equipment (leased) \$'000	Fixtures, fittings and furniture \$'000	Fixtures, fittings and furniture (leased) \$'000	Artwork \$'000	Library books \$'000	Total plant and equipment \$'000	Work in progress \$'000	Total plant and equipment \$'000
<b>2017</b>									
<b>Plant and equipment</b>									
At fair value 1 July 2016	31,816	197	2,845	1,240	27,607	3,707	67,412	195	67,607
Accumulated depreciation at 1 July 2016	(14,713)	(197)	(1,443)	(1,240)	-	(2,324)	(19,917)	-	(19,917)
	<b>17,103</b>	<b>-</b>	<b>1,402</b>	<b>-</b>	<b>27,607</b>	<b>1,383</b>	<b>47,495</b>	<b>195</b>	<b>47,690</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	2,395	-	324	-	41	253	3,013	301	3,314
Fair value of assets disposed	(1,788)	-	(12)	(765)	-	-	(2,565)	-	(2,565)
Transfers	57	-	-	-	-	-	57	(117)	(60)
	<b>664</b>	<b>-</b>	<b>312</b>	<b>(765)</b>	<b>41</b>	<b>253</b>	<b>505</b>	<b>184</b>	<b>689</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(2,645)	-	(420)	-	-	(236)	(3,301)	-	(3,301)
Accumulated depreciation of disposals	1,107	-	11	765	-	-	1,883	-	1,883
	<b>(1,538)</b>	<b>-</b>	<b>(409)</b>	<b>765</b>	<b>-</b>	<b>(236)</b>	<b>(1,418)</b>	<b>-</b>	<b>(1,418)</b>
At fair value 30 June 2017	32,480	197	3,157	475	27,648	3,960	67,917	379	68,296
Accumulated depreciation at 30 June 2017	(16,251)	(197)	(1,852)	(475)	-	(2,560)	(21,335)	-	(21,335)
	<b>16,229</b>	<b>-</b>	<b>1,305</b>	<b>-</b>	<b>27,648</b>	<b>1,400</b>	<b>46,582</b>	<b>379</b>	<b>46,961</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2017	Roads	Kerb and channel	Footpaths and cycleways	Total Roads	Work in progress	Total Roads
Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016	401,701	59,565	40,596	501,862	3,930	505,792
Accumulated depreciation at 1 July 2016	(154,222)	(37,865)	(25,131)	(217,218)	-	(217,218)
	<b>247,479</b>	<b>21,700</b>	<b>15,465</b>	<b>284,644</b>	<b>3,930</b>	<b>288,574</b>
<b>Movements in fair value</b>						
Acquisition of assets at fair value	4,078	79	1,317	5,474	4,994	10,468
Revaluation increments/decrements	12,607	(855)	2,600	14,352	-	14,352
Contributions by developer	1,073	330	297	1,700	-	1,700
Fair value of assets disposed	(5,974)	(680)	(18)	(6,672)	-	(6,672)
Recognition of assets at fair value	-	-	922	922	-	922
Transfers	1,125	694	946	2,765	(2,765)	-
	<b>12,909</b>	<b>(432)</b>	<b>6,064</b>	<b>18,541</b>	<b>2,229</b>	<b>20,770</b>
<b>Movements in accumulated depreciation</b>						
Depreciation	(6,943)	(932)	(750)	(8,625)	-	(8,625)
Revaluation increments/(decrements)	(7,827)	129	(2,256)	(9,954)	-	(9,954)
Accumulated depreciation of disposals	5,628	515	6	6,149	-	6,149
Recognition of assets at fair value	-	-	(454)	(454)	-	(454)
Impairment	(455)	-	-	(455)	-	(455)
	<b>(9,597)</b>	<b>(288)</b>	<b>(3,454)</b>	<b>(13,339)</b>	<b>-</b>	<b>(13,339)</b>
At fair value 30 June 2017	414,610	59,133	46,660	520,403	6,159	526,562
Accumulated depreciation at 30 June 2017	(163,819)	(38,153)	(28,585)	(230,557)	-	(230,557)
	<b>250,791</b>	<b>20,980</b>	<b>18,075</b>	<b>289,846</b>	<b>6,159</b>	<b>296,005</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2017	Drainage	Waste management	Aerodromes	Recreational, leisure and community	Parks, open spaces and streetscapes	Off street carparks	Total Infrastructure	Work in progress	Total Infrastructure
Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016	127,395	13,695	17,860	59,173	14,014	17,794	249,931	19,870	269,801
Accumulated depreciation at 1 July 2016	(23,029)	(1,803)	(2,373)	(7,807)	(1,344)	(3,889)	(40,245)	-	(40,245)
	<b>104,366</b>	<b>11,892</b>	<b>15,487</b>	<b>51,366</b>	<b>12,670</b>	<b>13,905</b>	<b>209,686</b>	<b>19,870</b>	<b>229,556</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	1,057	-	73	698	1,379	20	3,227	22,755	25,982
Revaluation increments/decrements	8,973	31	-	(5,535)	(5,817)	91	(2,257)	-	(2,257)
Contributions by developer	896	-	-	-	-	-	896	-	896
Fair value of assets disposed	(110)	(498)	-	(2,177)	(25)	-	(2,810)	-	(2,810)
Recognition of assets at fair value	5,393	-	-	-	-	-	5,393	-	5,393
Transfers	1,120	-	-	331	4,738	186	6,375	(6,375)	-
	<b>17,329</b>	<b>(467)</b>	<b>73</b>	<b>(6,683)</b>	<b>275</b>	<b>297</b>	<b>10,824</b>	<b>16,380</b>	<b>27,204</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(974)	(417)	(343)	(2,529)	(284)	(620)	(5,167)	-	(5,167)
Accumulated depreciation of disposals	19	5	-	2,177	-	-	2,201	-	2,201
Revaluation increments/decrements	(295)	42	-	367	755	(923)	(54)	-	(54)
	<b>(1,250)</b>	<b>(370)</b>	<b>(343)</b>	<b>15</b>	<b>471</b>	<b>(1,543)</b>	<b>(3,020)</b>	<b>-</b>	<b>(3,020)</b>
At fair value 30 June 2017	144,724	13,228	17,933	52,490	14,289	18,091	260,755	36,250	297,005
Accumulated depreciation at 30 June 2017	(24,279)	(2,173)	(2,716)	(7,792)	(873)	(5,432)	(43,265)	-	(43,265)
	<b>120,445</b>	<b>11,055</b>	<b>15,217</b>	<b>44,698</b>	<b>13,416</b>	<b>12,659</b>	<b>217,490</b>	<b>36,250</b>	<b>253,740</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

2017 Property	Specialised land \$'000	Non specialised land \$'000	Land under roads \$'000	Total Land \$'000	Non specialised buildings \$'000	Specialised buildings \$'000	Total Buildings \$'000	Work in progress \$'000	Total Property \$'000
At fair value 1 July 16	38,265	10,177	494	48,936	7,983	194,291	202,274	3,257	254,467
Accumulated depreciation at 1 July 2016	-	-	-	-	(3,789)	(98,328)	(102,117)	-	(102,117)
	<b>38,265</b>	<b>10,177</b>	<b>494</b>	<b>48,936</b>	<b>4,194</b>	<b>95,963</b>	<b>100,157</b>	<b>3,257</b>	<b>152,350</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	-	234	-	234	3,769	546	4,315	1,850	6,399
Revaluation increments/(decrements)	(1,294)	33	11	(1,250)	575	(505)	70	-	(1,180)
Fair value of assets disposed	-	-	-	-	-	(2,461)	(2,461)	-	(2,461)
Transfers	-	390	-	390	672	3,635	4,307	(4,697)	-
	<b>(1,294)</b>	<b>657</b>	<b>11</b>	<b>(626)</b>	<b>5,016</b>	<b>1,215</b>	<b>6,231</b>	<b>(2,847)</b>	<b>2,758</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	-	(78)	(2,167)	(2,245)	-	(2,245)
Revaluation increments/(decrements)	-	-	-	-	315	(2,066)	(1,751)	-	(1,751)
Accumulated depreciation of disposals	-	-	-	-	-	1,841	1,841	-	1,841
	-	-	-	-	<b>237</b>	<b>(2,392)</b>	<b>(2,155)</b>	-	<b>(2,155)</b>
At fair value 30 June 17	36,971	10,834	505	48,310	12,999	195,506	208,505	410	257,225
Accumulated depreciation at 30 June 2017	-	-	-	-	(3,552)	(100,720)	(104,272)	-	(104,272)
	<b>36,971</b>	<b>10,834</b>	<b>505</b>	<b>48,310</b>	<b>9,447</b>	<b>94,786</b>	<b>104,233</b>	<b>410</b>	<b>152,953</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

	Plant and equipment \$'000	Plant and equipment (leased) \$'000	Fixtures, fittings and furniture \$'000	Fixtures, fittings and furniture (leased) \$'000	Artwork \$'000	Library books \$'000	Total plant and equipment \$'000	Work in progress \$'000	Total plant and equipment \$'000
<b>2017</b>									
<b>Plant and equipment</b>									
At fair value 1 July 2016	28,918	-	2,772	1,240	27,607	3,707	64,244	195	64,439
Accumulated depreciation at 1 July 2016	(13,579)	-	(1,407)	(1,240)	-	(2,324)	(18,550)	-	(18,550)
	<b>15,339</b>	<b>-</b>	<b>1,365</b>	<b>-</b>	<b>27,607</b>	<b>1,383</b>	<b>45,694</b>	<b>195</b>	<b>45,889</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	2,315	-	215	-	41	253	2,824	301	3,125
Fair value of assets disposed	(1,742)	-	-	(765)	-	-	(2,507)	-	(2,507)
Transfers	57	-	-	-	-	-	57	(117)	(60)
	<b>630</b>	<b>-</b>	<b>215</b>	<b>(765)</b>	<b>41</b>	<b>253</b>	<b>374</b>	<b>184</b>	<b>558</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(2,420)	-	(376)	-	-	(236)	(3,032)	-	(3,032)
Accumulated depreciation of disposals	1,076	-	-	765	-	-	1,841	-	1,841
	<b>(1,344)</b>	<b>-</b>	<b>(376)</b>	<b>765</b>	<b>-</b>	<b>(236)</b>	<b>(1,191)</b>	<b>-</b>	<b>(1,191)</b>
At fair value 30 June 2017	29,548	-	2,987	475	27,648	3,960	64,618	379	64,997
Accumulated depreciation at 30 June 2017	(14,923)	-	(1,783)	(475)	-	(2,560)	(19,741)	-	(19,741)
	<b>14,625</b>	<b>-</b>	<b>1,204</b>	<b>-</b>	<b>27,648</b>	<b>1,400</b>	<b>44,877</b>	<b>379</b>	<b>45,256</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

2017	Roads	Kerb and channel	Footpaths and cycleways	Total Roads	Work in progress	Total Roads
Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016	401,701	59,565	40,596	501,862	3,930	505,792
Accumulated depreciation at 1 July 2016	(154,222)	(37,865)	(25,131)	(217,218)	-	(217,218)
	<b>247,479</b>	<b>21,700</b>	<b>15,465</b>	<b>284,644</b>	<b>3,930</b>	<b>288,574</b>
<b>Movements in fair value</b>						
Acquisition of assets at fair value	4,078	79	1,317	5,474	4,994	10,468
Revaluation increments/(decrements)	12,607	(855)	2,600	14,352	-	14,352
Contributions by developer	1,073	330	297	1,700	-	1,700
Fair value of assets disposed	(5,974)	(680)	(18)	(6,672)	-	(6,672)
Recognition of assets at fair value	-	-	922	922	-	922
Transfers	1,125	694	946	2,765	(2,765)	-
	<b>12,909</b>	<b>(432)</b>	<b>6,064</b>	<b>18,541</b>	<b>2,229</b>	<b>20,770</b>
<b>Movements in accumulated depreciation</b>						
Depreciation	(6,943)	(932)	(750)	(8,625)	-	(8,625)
Revaluation increments/(decrements)	(7,827)	129	(2,256)	(9,954)	-	(9,954)
Accumulated depreciation of disposals	5,628	515	6	6,149	-	6,149
Recognition of assets at fair value	-	-	(454)	(454)	-	(454)
Impairment	(455)	-	-	(455)	-	(455)
	<b>(9,597)</b>	<b>(288)</b>	<b>(3,454)</b>	<b>(13,339)</b>	<b>-</b>	<b>(13,339)</b>
At fair value 30 June 2017	414,610	59,133	46,660	520,403	6,159	526,562
Accumulated depreciation at 30 June 2017	(163,819)	(38,153)	(28,585)	(230,557)	-	(230,557)
	<b>250,791</b>	<b>20,980</b>	<b>18,075</b>	<b>289,846</b>	<b>6,159</b>	<b>296,005</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

2017	Drainage	Waste management	Aerodromes	Recreational, leisure and community	Parks, open spaces and streetscapes	Off street carparks	Total Infrastructure	Work in progress	Total Infrastructure
Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016	126,933	13,695	-	58,905	13,681	15,422	228,636	19,387	248,023
Accumulated depreciation at 1 July 2016	(22,958)	(1,803)	-	(7,741)	(1,168)	(3,462)	(37,132)	-	(37,132)
	<b>103,975</b>	<b>11,892</b>	<b>-</b>	<b>51,164</b>	<b>12,513</b>	<b>11,960</b>	<b>191,504</b>	<b>19,387</b>	<b>210,891</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	1,057	-	-	698	1,346	20	3,121	3,073	6,194
Revaluation increments/(decrements)	8,973	31	-	(5,535)	(5,817)	91	(2,257)	-	(2,257)
Contributions by developer	896	-	-	-	-	-	896	-	896
Fair value of assets disposed	(110)	(498)	-	(2,177)	(25)	-	(2,810)	-	(2,810)
Recognition of assets at fair value	5,393	-	-	-	-	-	5,393	-	5,393
Transfers	1,120	-	-	331	4,738	186	6,375	(6,375)	-
	<b>17,329</b>	<b>(467)</b>	<b>-</b>	<b>(6,683)</b>	<b>242</b>	<b>297</b>	<b>10,718</b>	<b>(3,302)</b>	<b>7,416</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(974)	(417)	-	(2,529)	(261)	(552)	(4,733)	-	(4,733)
Accumulated depreciation of disposals	19	5	-	2,177	-	-	2,201	-	2,201
Revaluation increments/decrements	(295)	42	-	367	755	(923)	(54)	-	(54)
	<b>(1,250)</b>	<b>(370)</b>	<b>-</b>	<b>15</b>	<b>494</b>	<b>(1,475)</b>	<b>(2,586)</b>	<b>-</b>	<b>(2,586)</b>
At fair value 30 June 2017	144,262	13,228	-	52,222	13,923	15,719	239,354	16,085	255,439
Accumulated depreciation at 30 June 2017	(24,208)	(2,173)	-	(7,726)	(674)	(4,937)	(39,718)	-	(39,718)
	<b>120,054</b>	<b>11,055</b>	<b>-</b>	<b>44,496</b>	<b>13,249</b>	<b>10,782</b>	<b>199,636</b>	<b>16,085</b>	<b>215,721</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

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



Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Consolidated

2016	Drainage \$'000	Waste management \$'000	Aerodromes \$'000	Recreational, leisure and community \$'000	Parks, open spaces and streetscapes \$'000	Off street carparks \$'000	Total Infrastructure \$'000	Work in progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2015	128,359	8,463	17,860	58,472	12,707	16,695	242,556	14,991	257,547
Accumulated depreciation at 1 July 2015	(29,790)	(1,583)	(2,043)	(19,746)	(2,482)	(3,645)	(59,289)	-	(59,289)
	<b>98,569</b>	<b>6,880</b>	<b>15,817</b>	<b>38,726</b>	<b>10,225</b>	<b>13,050</b>	<b>183,267</b>	<b>14,991</b>	<b>198,258</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	390	10	-	587	363	288	1,638	5,660	7,298
Revaluation increments/decrements	200	4	-	98	498	480	1,280	-	1,280
Contributions by developer	1,535	-	-	-	-	-	1,535	-	1,535
Fair value of assets disposed	(3,142)	-	-	(414)	(38)	(65)	(3,659)	-	(3,659)
Transfers from provision	-	5,218	-	-	-	-	5,218	-	5,218
Recognition of assets at fair value	-	-	-	267	-	383	650	-	650
Transfers	53	-	-	163	484	13	713	(781)	(68)
	<b>(964)</b>	<b>5,232</b>	<b>-</b>	<b>701</b>	<b>1,307</b>	<b>1,099</b>	<b>7,375</b>	<b>4,879</b>	<b>12,254</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(966)	(265)	(330)	(2,533)	(277)	(585)	(4,956)	-	(4,956)
Accumulated depreciation of disposals	795	-	-	-	11	15	821	-	821
Revaluation increments/decrements	6,932	45	-	14,472	1,374	404	23,227	-	23,227
Impairment losses recognised in operating result	-	-	-	-	-	(78)	(78)	-	(78)
Transfers	-	-	-	-	30	-	30	-	30
	<b>6,761</b>	<b>(220)</b>	<b>(330)</b>	<b>11,939</b>	<b>1,138</b>	<b>(244)</b>	<b>19,044</b>	<b>-</b>	<b>19,044</b>
At fair value 30 June 2016	127,395	13,695	17,860	59,173	14,014	17,794	249,931	19,870	269,801
Accumulated depreciation at 30 June 2016	(23,029)	(1,803)	(2,373)	(7,807)	(1,344)	(3,889)	(40,245)	-	(40,245)
	<b>104,366</b>	<b>11,892</b>	<b>15,487</b>	<b>51,366</b>	<b>12,670</b>	<b>13,905</b>	<b>209,686</b>	<b>19,870</b>	<b>229,556</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

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

Movements in fair value

Acquisition of assets at fair value	6,715	699	342	7,756	3,928	11,684
Revaluation increments/(decrements)	6,006	2,468	152	8,626	-	8,626
Contributions by developer	1,459	699	416	2,574	-	2,574
Fair value of assets disposed	(7,126)	(536)	(431)	(8,093)	-	(8,093)
Recognition of assets at fair value	-	-	858	858	-	858
Transfers	355	148	116	619	(551)	68
	<b>7,409</b>	<b>3,478</b>	<b>1,453</b>	<b>12,340</b>	<b>3,377</b>	<b>15,717</b>

Movements in accumulated depreciation

Depreciation	(6,624)	(901)	(663)	(8,188)	-	(8,188)
Revaluation increments/(decrements)	(2,925)	(3,018)	1,673	(4,270)	-	(4,270)
Accumulated depreciation of disposals	4,979	132	143	5,254	-	5,254
Recognition of assets at fair value	-	-	(286)	(286)	-	(286)
Transfers	-	-	(30)	(30)	-	(30)
	<b>(4,570)</b>	<b>(3,787)</b>	<b>837</b>	<b>(7,520)</b>	<b>-</b>	<b>(7,520)</b>

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

Council

2016	Drainage	Waste management	Aerodromes	Recreational, leisure and community	Parks, open spaces and streetscapes	Off street carparks	Total Infrastructure	Work in progress	Total Infrastructure
Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2015	127,897	8,463	-	58,204	12,374	14,440	221,378	14,508	235,886
Accumulated depreciation at 1 July 2015	(29,729)	(1,583)	-	(19,704)	(2,317)	(3,289)	(56,622)	-	(56,622)
	<b>98,168</b>	<b>6,880</b>	<b>-</b>	<b>38,500</b>	<b>10,057</b>	<b>11,151</b>	<b>164,756</b>	<b>14,508</b>	<b>179,264</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	390	10	-	587	363	171	1,521	5,660	7,181
Revaluation increments/(decrements)	200	4	-	98	498	480	1,280	-	1,280
Contributions by developer	1,535	-	-	-	-	-	1,535	-	1,535
Fair value of assets disposed	(3,142)	-	-	(414)	(38)	(65)	(3,659)	-	(3,659)
Asset movement reflected in landfill provision	-	5,218	-	-	-	-	5,218	-	5,218
Recognition of assets at fair value	-	-	-	267	-	383	650	-	650
Transfers	53	-	-	163	484	13	713	(781)	(68)
	<b>(964)</b>	<b>5,232</b>	<b>-</b>	<b>701</b>	<b>1,307</b>	<b>982</b>	<b>7,258</b>	<b>4,879</b>	<b>12,137</b>
<b>Movements in accumulated depreciation</b>									
Depreciation	(956)	(265)	-	(2,509)	(266)	(514)	(4,510)	-	(4,510)
Accumulated depreciation of disposals	795	-	-	-	11	15	821	-	821
Revaluation increments/decrements	6,932	45	-	14,472	1,374	404	23,227	-	23,227
Recognition of assets at fair value	-	-	-	-	-	(78)	(78)	-	(78)
Transfers	-	-	-	-	30	-	30	-	30
	<b>6,771</b>	<b>(220)</b>	<b>-</b>	<b>11,963</b>	<b>1,149</b>	<b>(173)</b>	<b>19,490</b>	<b>-</b>	<b>19,490</b>
At fair value 30 June 2016	126,933	13,695	-	58,905	13,681	15,422	228,636	19,387	248,023
Accumulated depreciation at 30 June 2016	(22,958)	(1,803)	-	(7,741)	(1,168)	(3,462)	(37,132)	-	(37,132)
	<b>103,975</b>	<b>11,892</b>	<b>-</b>	<b>51,164</b>	<b>12,513</b>	<b>11,960</b>	<b>191,504</b>	<b>19,387</b>	<b>210,891</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2017**

**Note 22 Property, infrastructure, plant and equipment (cont)**

*Valuation of land and buildings*

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

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

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

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 2017 are as follows:

	Level 1	Level 2	Level 3	DoV
Land	-	10,834	37,476	Dec 2016
Buildings	-	9,447	94,786	Dec 2016
Total	-	20,281	132,262	

*Valuation of infrastructure*

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
roads	-	-	250,791	June 2017
kerb and channel	-	-	20,980	June 2017
footpaths and cycleways	-	-	18,075	June 2017
drainage	-	-	120,054	June 2017
waste management	-	-	11,055	June 2017
recreational, leisure and community	-	-	44,496	June 2017
parks, open spaces and streetscapes	-	-	13,249	June 2017
off street carparks	-	-	10,782	June 2017



Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont)

	2017 \$'000	2016 \$'000
<i>Description of significant unobservable inputs into level 3 valuations</i>		
<b>Specialised land and land under roads</b> is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 30% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.003 and \$350.00 per square metre.	37,476	38,759
<b>Specialised buildings</b> are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$66 to \$6184 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.	94,786	95,963
<b>Infrastructure assets</b> are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure asses are determined on the basis of the current condition of the asset and vary from 1 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.	489,482	476,148
<b>Reconciliation of specialised land</b>		
Land under roads	505	494
Land	36,971	38,265
<b>Total specialised land</b>	<b>37,476</b>	<b>38,759</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 23 Intangible assets</b>				
Software at cost	801	1,014	801	1,014
<b>Intangible assets software</b>				
Opening work in progress	77	-	77	-
Transfers in	181	77	181	77
Transfers out	-	-	-	-
Closing work in progress	258	77	258	77
Water rights - at valuation 30/06/15	-	-	-	-
Water rights - at valuation 30/06/16	-	5,199	-	5,138
Water rights - at valuation 30/06/17	5,063	-	5,006	-
<b>Total intangible assets</b>	<b>6,122</b>	<b>6,290</b>	<b>6,065</b>	<b>6,229</b>
<b>Gross carrying amount</b>				
Balance at 1 July 2015	-	6,072	-	6,027
Additions	-	77	-	77
Other	-	974	-	958
Balance at 1 July 2016	7,123	7,123	7,062	7,062
Additions	181	-	181	-
Revaluation increment/(decrement)	(135)	-	(131)	-
Balance at 30 June 2017	<b>7,169</b>	<b>7,123</b>	<b>7,112</b>	<b>7,062</b>
<b>Accumulated amortisation and impairment</b>				
Balance at 1 July 2015	-	618	-	618
Amortisation expense	-	215	-	215
Balance at 1 July 2016	833	833	833	833
Amortisation expense	214	-	214	-
Balance at 30 June 2017	<b>1,047</b>	<b>833</b>	<b>1,047</b>	<b>833</b>
Net book value at 30 June 2017	<b>6,122</b>	<b>6,290</b>	<b>6,065</b>	<b>6,229</b>

Details of the Mildura Rural City Council's Water Rights; and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Water rights	-	5,006	-
<b>Total</b>	<b>-</b>	<b>5,006</b>	<b>-</b>

Water rights are valued at current market values. The valuation is based on market transactions being the trading of water shares. The valuations were completed by Mr Con Demis AAPI, Certified Practising Valuer, recognised valuer, (Council Officer), as at 30 June 2016 and as at 30 June 2017.

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 24 Trade and other payables</b>				
Trade payables	4,287	4,444	6,810	4,289
Accrued expenses	8,219	1,460	999	1,367
<b>Total trade and other payables</b>	<b>12,506</b>	<b>5,904</b>	<b>7,809</b>	<b>5,656</b>

**Note 25 Trust funds and deposits**

Refundable contract deposits	108	103	108	103
Fire service levy	437	733	437	733
Refundable civic facilities deposits	4	2	4	2
Retention amounts	138	382	138	382
Income received in advance	8	9	-	-
Other refundable deposits	986	747	986	747
<b>Total trust funds and deposits</b>	<b>1,681</b>	<b>1,976</b>	<b>1,673</b>	<b>1,967</b>

**Purpose and nature of items**

**Refundable contract deposits**

Footpath retention

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

**Refundable civic facilities deposits**

Facility hire bonds

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

**Retention amounts**

Other retention funds

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

**Notes to the Financial Report**  
**For the Year Ended 30 June 2017**

	Consolidated	Council
<b>Note 25 Trust funds and deposits (cont)</b>		
<b>Fire service levy</b>		
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.
<b>Other refundable deposits</b>		
Security deposits		Deposits levied against private contractors where damage could occur to a Council owned asset.
Planning bonds		Bonds collected from developers for statement of compliance but works are incomplete. Refunded when all works are completed.
Trust funds		Funds held in trust for private drainage works.
Purchase recoups		Monies collected on behalf of other entities for payment of accounts received by Council.
Building permit levies		Levies collected on behalf of the Building Commission.
EPA levy		Levies collected on behalf of the Environment Protection Authority.
Roden White Kilburn Trust		Monies trusted to Rio Vista to enable live performances to take place in the Rio Vista building.
Art purchase fund		Monies donated to the Mildura Arts Centre for the purchase of art works.
Rio Vista restoration fund		Heritage funding received for restoration projects to the Rio Vista building.
Mildura Visitor Information Centre Trust		Commission retained by Mildura Visitor Information Centre for accommodation bookings are made.
Rail Freight Alliance		Mildura Rural City Council is holding on trust monies on behalf of the Rail Freight Alliance group of Councils. Council is responsible for paying and receiving monies on behalf of this group.

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 26 Provisions

Consolidated

	Employee	Landfill restoration	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
Balance at beginning of the financial year	12,085	15,224	-	27,309
Additional provisions	6,044	566	-	6,610
Amounts used	(6,109)	(543)	-	(6,652)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(270)	-	-	(270)
Balance at the end of the financial year	<b>11,750</b>	<b>15,247</b>	-	<b>26,997</b>
<b>2016</b>				
Balance at beginning of the financial year	11,480	7,631	-	19,111
Additional provisions	5,946	5,218	-	11,164
Amounts used	(5,549)	-	-	(5,549)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	208	2,375	-	2,583
Balance at the end of the financial year	<b>12,085</b>	<b>15,224</b>	-	<b>27,309</b>

Council

	Employee	Landfill restoration	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
Balance at beginning of the financial year	11,895	15,224	-	27,119
Additional provisions	5,919	566	-	6,485
Amounts used	(6,010)	(543)	-	(6,553)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(270)	-	-	(270)
Balance at the end of the financial year	<b>11,534</b>	<b>15,247</b>	-	<b>26,781</b>
<b>2016</b>				
Balance at beginning of the financial year	11,336	7,631	-	18,967
Additional provisions	5,823	5,218	-	11,041
Amounts used	(5,472)	-	-	(5,472)
Bond rates				-
Change in the discounted amount arising because of time and the effect of any change in the discount rate	208	2,375	-	2,583
Balance at the end of the financial year	<b>11,895</b>	<b>15,224</b>	-	<b>27,119</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 26 Provisions (cont)

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(a) Employee provisions</b>				
<b>Current provisions expected to be settled within 12 months</b>				
Annual leave	2,732	2,239	2,592	2,122
Long service leave	804	789	804	789
Redundancy	272	156	272	156
Rostered day off and time off in lieu	743	709	743	709
	<b>4,551</b>	<b>3,893</b>	<b>4,411</b>	<b>3,776</b>
<b>Current provisions expected to be settled after 12 months</b>				
Annual leave	1,254	1,949	1,254	1,949
Long service leave	4,852	5,044	4,845	5,037
	<b>6,106</b>	<b>6,993</b>	<b>6,099</b>	<b>6,986</b>
Total current employee provisions	<b>10,657</b>	<b>10,886</b>	<b>10,510</b>	<b>10,762</b>
<b>Non-current</b>				
Long service leave	1,093	1,199	1,024	1,133
Total non-current employee provision	<b>1,093</b>	<b>1,199</b>	<b>1,024</b>	<b>1,133</b>
Aggregate carrying amount of employee provisions:				
Current	10,657	10,886	10,510	10,762
Non-current	1,093	1,199	1,024	1,133
Total aggregate carry amount of employee provision	<b>11,750</b>	<b>12,085</b>	<b>11,534</b>	<b>11,895</b>
The following assumptions were adopted in measuring the present value of employee benefits:				
Weighted average increase in employee costs	3.81%	4.13%	3.81%	4.13%
Weighted average discount rates	2.61%	1.99%	2.61%	1.99%
Weighted average settlement period	12	12	12	12
<b>(b) Landfill restoration</b>				
Under the Environmental Protection Act Council is obligated to restore the Mildura Landfill site to a particular standard. Current projections indicate that the Mildura Landfill site will cease operation in 2048 and restoration work is expected to commence shortly thereafter. The forecast life of the Mildura Landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.				
The following assumptions were adopted in measuring the present value of landfill rehabilitation:				
Projected increase in costs	2.51%	2.25%	2.51%	2.25%
Projected discount rates starting at year 1	1.61%	1.59%	1.61%	1.59%
<b>Non-current</b>				
Landfill restoration	15,247	15,224	15,247	15,224
<b>Total landfill restoration</b>	<b>15,247</b>	<b>15,224</b>	<b>15,247</b>	<b>15,224</b>
<b>Total provisions</b>				
Current	10,657	10,886	10,510	10,762
Non-current	16,340	16,423	16,271	16,357
<b>Total provisions</b>	<b>26,997</b>	<b>27,309</b>	<b>26,781</b>	<b>27,119</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 27 Interest-bearing loans and borrowings</b>				
<b>Current</b>				
Borrowings - secured <sup>(1)</sup>	734	1,470	700	1,449
	<b>734</b>	<b>1,470</b>	<b>700</b>	<b>1,449</b>
<b>Non-current</b>				
Borrowings - secured <sup>(1)</sup>	20,574	18,043	20,471	17,939
	<b>20,574</b>	<b>18,043</b>	<b>20,471</b>	<b>17,939</b>
<b>Total</b>	<b>21,308</b>	<b>19,513</b>	<b>21,171</b>	<b>19,388</b>

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

The maturity profile for Council's borrowings is:

**Loans - security**

Not later than one year	734	1,470	700	1,449
Later than one year and not later than five years	103	3,661	-	2,977
Later than five years	20,471	14,382	20,471	14,962
	<b>21,308</b>	<b>19,513</b>	<b>21,171</b>	<b>19,388</b>

**Finance leases**

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

Not later than one year	-	18	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Minimum lease payments	-	18	-	-
Less: Future finance charges	-	1	-	1
Present Value of minimum lease payments	-	<b>17</b>	-	<b>(1)</b>
<b>Current</b>				
Leases	-	17	-	17
	-	<b>17</b>	-	<b>17</b>
<b>Non-current</b>				
Leases	-	-	-	-
	-	-	-	-
<b>Total finance leases</b>	-	<b>17</b>	-	<b>17</b>

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

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	734	1,487	700	1,466
Non-current	20,574	18,043	20,471	17,939
<b>Total interest-bearing loans and borrowings</b>	<b>21,308</b>	<b>19,530</b>	<b>21,171</b>	<b>19,405</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves

Consolidated

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation by an associate	Balance at end of reporting period
(a) Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
<b>Property</b>				
Buildings	60,964	(1,681)	-	59,283
Land	17,128	(1,250)	-	15,878
	<b>78,092</b>	<b>(2,931)</b>	-	<b>75,161</b>
<b>Plant and Equipment</b>				
Artwork	14,595	-	-	14,595
	<b>14,595</b>	-	-	<b>14,595</b>
<b>Infrastructure</b>				
Aerodromes	9,594	-	-	9,594
Drainage	45,196	8,678	-	53,874
Footpaths	-	16,247	-	16,247
Kerb and channel	-	22,606	-	22,606
Off street carparks	9,328	(832)	-	8,496
Recreational, leisure and community	46,515	(5,169)	-	41,346
Parks, open spaces and streetscapes	8,686	(5,062)	-	3,624
Roads	195,800	(34,909)	-	160,891
Waste management	49	73	-	122
	<b>315,168</b>	<b>1,632</b>	-	<b>316,800</b>
<b>Water rights</b>				
Water rights	3,171	(131)	-	3,040
	<b>3,171</b>	<b>(131)</b>	-	<b>3,040</b>
<b>Total asset revaluation reserve</b>	<b>411,026</b>	<b>(1,430)</b>	-	<b>409,596</b>



Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

Consolidated

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

Consolidated

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
<b>Non discretionary reserves</b>				
Apex Park reserve	221	66	(10)	277
Drainage	186	-	-	186
Developer contribution reserve	1,893	980	(720)	2,153
Library book bequest reserve	66	-	-	66
DGR donations reserve - MAC Theatre	113	25	-	138
Merbein Caravan Park reserve	0	33	(15)	18
Lake Cullulleraine Caravan Park reserve	0	9	(9)	-
<b>Total</b>	<b>2,479</b>	<b>1,113</b>	<b>(754)</b>	<b>2,838</b>
<b>Discretionary reserves</b>				
Artwork acquisition reserve	58	30	(42)	46
Landfill redevelopment	7,334	8,246	(11,250)	4,330
Landfill rehabilitation reserve	1,059	165	(633)	591
Primary Care Partnership reserve	314	436	(440)	310
Small towns redevelopment reserve	461	65	(3)	523
Street light pole	8	-	-	8
VGC advance grants reserve	-	7,083	-	7,083
Land acquisition reserve	-	1,462	(249)	1,213
Water transfer proceeds reserve	-	61	-	61
<b>Total</b>	<b>9,234</b>	<b>17,548</b>	<b>(12,617)</b>	<b>14,165</b>
<b>Total other reserves</b>	<b>11,713</b>	<b>18,661</b>	<b>(13,371)</b>	<b>17,003</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

Consolidated

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

Council

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation by an associate	Balance at end of reporting period
(a) Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
<b>Property</b>				
Buildings	60,827	(1,681)	-	59,146
Land	17,128	(1,250)	-	15,878
	<b>77,955</b>	<b>(2,931)</b>	-	<b>75,024</b>
<b>Plant and equipment</b>				
Artwork	14,595	-	-	14,595
	<b>14,595</b>	-	-	<b>14,595</b>
<b>Infrastructure</b>				
Aerodromes	9,594	-	-	9,594
Drainage	45,196	8,678	-	53,874
Footpaths	-	16,247	-	16,247
Kerb and channel	-	22,606	-	22,606
Off street carpark	9,328	(832)	-	8,496
Recreational, leisure and community	46,515	(5,169)	-	41,346
Parks, open spaces and streetscapes	8,686	(5,062)	-	3,624
Roads	195,800	(34,909)	-	160,891
Waste management	49	73	-	122
	<b>315,168</b>	<b>1,632</b>	-	<b>316,800</b>
<b>Water rights</b>				
Water rights	3,171	(131)	-	3,040
	<b>3,171</b>	<b>(131)</b>	-	<b>3,040</b>
<b>Total asset revaluation reserve</b>	<b>410,889</b>	<b>(1,430)</b>	-	<b>409,459</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

Council

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

Council	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
<b>Non discretionary reserves</b>				
Apex Park reserve	221	66	(10)	277
Drainage	186	-	-	186
Developer contribution reserve	1,893	980	(720)	2,153
Library book bequest reserve	74	-	-	74
DGR donations reserve - MAC Theatre	113	25	-	138
Merbein Caravan Park reserve	-	33	(15)	18
Lake Cullulleraine Caravan Park reserve	-	9	(9)	-
<b>Total</b>	<b>2,487</b>	<b>1,113</b>	<b>(754)</b>	<b>2,846</b>
<b>Discretionary reserves</b>				
Artwork acquisition reserve	58	30	(42)	46
Landfill redevelopment	7,334	8,246	(11,250)	4,330
Landfill rehabilitation reserve	1,059	165	(633)	591
Primary Care Partnership reserve	314	436	(440)	310
Small towns redevelopment reserve	461	65	(3)	523
Street light pole	8	-	-	8
VGC advance grants reserve	-	7,083	-	7,083
Land acquisition reserve	-	1,462	(249)	1,213
Water transfer proceeds reserve	-	61	-	61
<b>Total</b>	<b>9,234</b>	<b>17,548</b>	<b>(12,617)</b>	<b>14,165</b>
<b>Total other reserves</b>	<b>11,721</b>	<b>18,661</b>	<b>(13,371)</b>	<b>17,011</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

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

**Notes to the Financial Report**  
**For the Year Ended 30 June 2017**

**Note 28 Reserves (cont)**

**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 E.P.A. grant, to be used for drainage studies.
Nature strips and trees reserve	Statutory developer contributions to be spent on street beautification.
Resort/recreation/open space reserve	Statutory developer contributions to be used for parks development.
Library book bequest reserve	Established to hold Library Book Bequest from deceased estate.
Merbein Caravan Park reserve	Set up where surplus funds are to be set aside for improvements to the park lands.
Lake Cullulleraine Caravan Park reserve	Set up where surplus funds are to be set aside for improvements to the park lands.

**Discretionary reserves**

Artwork acquisition reserve	A reserve created for any annual unspent capital works expenditure allocation towards the restoration and expansion of Council's permanent artwork collection.
Asset renewal reserve	Established in order to take advantage of any possible matching funding, by way of government grants, for renewal of Council assets.
Landfill redevelopment reserve	Surplus on waste management operations, to be used for landfill reinstatement and purchase of new landfill sites.
Landfill rehabilitation reserve	A reserve created to provide for future landfill rehabilitation expenditure.
Primary Care Partnership reserve	A reserve created to account for the unspent portion of Primary Care Partnership grant funding received.
Street light pole reserve	Developer contributions for replacement of specialised street lighting poles in various subdivisions.
Small town redevelopment reserve	A reserve for funds set aside for long term strategies for the small towns within the municipality.
VGC advance grants reserve	Reserve created to hold Victorian Grants Commissions funds 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.



Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 28 Reserves (cont)

Council	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation by an associate	Balance at end of reporting period
(c) Financial assets revaluation	\$'000	\$'000	\$'000	\$'000
<b>2017</b>				
Interest in Mildura Airport Pty Ltd	13,683	11,743	-	25,426
	<b>13,683</b>	<b>11,743</b>	<b>-</b>	<b>25,426</b>
<b>Total financial assets revaluation</b>	<b>13,683</b>	<b>11,743</b>	<b>-</b>	<b>25,426</b>
<b>2016</b>				
Interest in Mildura Airport Pty Ltd	13,109	574	-	13,683
	<b>13,109</b>	<b>574</b>	<b>-</b>	<b>13,683</b>
<b>Total financial assets revaluation</b>	<b>13,109</b>	<b>574</b>	<b>-</b>	<b>13,683</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Note 29 Reconciliation of cash flows from operating activities to surplus (deficit)</b>				
Surplus for the year	32,504	7,443	20,761	6,869
Depreciation/amortisation	19,758	18,896	18,849	17,985
(Profit)/loss on disposal of property, plant and equipment, infrastructure	1,850	5,642	1,846	5,642
Impairment losses	4	-	-	-
Gain/(loss) on recognition of non current assets	(5,861)	(1,144)	(5,861)	(1,144)
Contributions - non-monetary assets	(2,596)	(4,197)	(2,596)	(4,197)
Interest expense	1,229	1,271	1,208	1,268
Revaluation of financial asset	-	(16)	-	(16)
Accrued expenses on capital purchases	(7,134)	-	-	-
(Increase)/decrease in landfill provision discount amount	568	2,375	568	2,375
<b>Change in assets and liabilities:</b>				
(Increase)/decrease in trade and other receivables	(1,889)	(659)	(4,886)	(358)
(Increase)/decrease in prepayments	249	(279)	229	(279)
Increase/(decrease) in trust fund deposits	(295)	449	(294)	440
Increase/(decrease) in trade and other payables	6,602	1,963	2,153	2,000
(Increase)/decrease in inventories	122	30	110	52
Increase/(decrease) in provisions	(335)	605	(361)	559
Net cash provided by operating activities	<b>44,776</b>	<b>32,379</b>	<b>31,726</b>	<b>31,196</b>
<b>Note 30 Financing arrangements</b>				
Bank overdraft	-	-	-	-
Credit card facility	800	800	800	800
	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>
Used facilities	-	(119)	-	(119)
Unused facilities	<b>800</b>	<b>681</b>	<b>800</b>	<b>681</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 31 Commitments

The Council has entered into the following commitments

Consolidated

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2017</b>					
<b>Operating</b>					
Swimming pool management	1,124	284	-	-	1,408
Telecommunications	473	208	-	-	681
Waste management	3,120	1,724	5,026	1,407	11,277
Cleaning services	369	-	-	-	369
Security services	355	-	-	-	355
Project design	458	-	-	-	458
Other	3,122	269	97	-	3,488
<b>Total</b>	<b>9,021</b>	<b>2,485</b>	<b>5,123</b>	<b>1,407</b>	<b>18,036</b>
<b>Capital</b>					
Airport	12,149	-	-	-	12,149
Fixtures, fittings and furniture	44	-	-	-	44
Buildings	624	-	-	-	624
Library books and artworks	179	-	-	-	179
Land	63	-	-	-	63
Waste management	432	-	-	-	432
Plant machinery and equipment	2,162	-	-	-	2,162
Roads	575	-	-	-	575
Drainage	963	-	-	-	963
Carparks	19	-	-	-	19
Footpaths	6	-	-	-	6
Parks, open spaces and streetscapes	638	-	-	-	638
Recreational, leisure and community	852	-	-	-	852
<b>Total</b>	<b>18,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,706</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 31 Commitments (cont)

Consolidated

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 31 Commitments (cont)

The Council has entered into the following commitments

Council

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2017</b>					
<b>Operating</b>					
Swimming pool management	1,124	284	-	-	1,408
Telecommunications	473	208	-	-	681
Waste management	3,120	1,724	5,026	1,407	11,277
Cleaning services	369	-	-	-	369
Security services	355	-	-	-	355
Project design	458	-	-	-	458
Other	3,122	269	97	-	3,488
<b>Total</b>	<b>9,021</b>	<b>2,485</b>	<b>5,123</b>	<b>1,407</b>	<b>18,036</b>
<b>Capital</b>					
Airport	-	-	-	-	-
Fixtures, fittings and furniture	44	-	-	-	44
Buildings	624	-	-	-	624
Library books and artworks	179	-	-	-	179
Land	63	-	-	-	63
Waste management	432	-	-	-	432
Plant machinery and equipment	2,162	-	-	-	2,162
Roads	575	-	-	-	575
Drainage	963	-	-	-	963
Carparks	19	-	-	-	19
Footpaths	6	-	-	-	6
Parks, open spaces and streetscapes	638	-	-	-	638
Recreational, leisure and community	852	-	-	-	852
<b>Total</b>	<b>6,557</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,557</b>

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 31 Commitments (cont)

Council

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Consolidated		Council	
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000

**Note 32 Operating leases**

**(a) Operating lease commitments**

At the reporting date, the Council had the no obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities).

**(b) Operating lease receivables**

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

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

Not later than one year	570	497	294	232
Later than one year and not later than five years	1,572	1,324	745	656
Later than five years	1,202	1,023	549	576
	<u>3,344</u>	<u>2,844</u>	<u>1,588</u>	<u>1,464</u>

**Notes to the Financial Report**  
**For the Year Ended 30 June 2017**

**Note 33 Superannuation**

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

**Accumulation**

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5% as required under Superannuation Guarantee legislation).

**Defined Benefit**

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

**Funding arrangements**

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the fund Actuary used the following long-term assumptions:

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

Vision Super has advised that the estimated VBI at June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.



**Notes to the Financial Report**  
**For the Year Ended 30 June 2017**

**Note 33 Superannuation (cont)**

**Employer Contributions**

**Regular Contributions**

On the basis of the results of the 2016 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 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

**Funding calls**

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated. Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

**2017 Full triennial actuarial investigation**

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

**Future superannuation contributions**

In addition to the disclosed contributions, there were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2017.

**Note 34 Contingent liabilities and contingent assets**

**Contingent liabilities**

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation outlined in Note 33. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

**Guarantees for loans to other entities**

Guarantees by Council to financial institutions over loans taken out by sporting clubs and community organisations within the municipality and performance guarantees for construction contracts amounting to \$251,836 (2016: \$251,836)

**Contingent assets**

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

## **Notes to the Financial Report** **For the Year Ended 30 June 2017**

### **Note 35 Financial instruments**

#### **(a) Objectives and policies**

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

#### **(b) Market risk**

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

#### **Interest rate risk**

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

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

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

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or 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.

#### **(c) Credit risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. Council have exposure to credit risk on some financial assets included in our balance sheet. 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 our investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

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

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 34.

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

**Notes to the Financial Report**  
**For the Year Ended 30 June 2017**

**Note 35 Financial instruments (cont)**

**(d) Liquidity risk**

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

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 34, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

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

**(e) Fair value**

*Fair value hierarchy*

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

**(f) Sensitivity disclosure analysis**

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

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 1.50%.

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

Notes to the Financial Report  
For the Year Ended 30 June 2017

Note 36 Related party disclosures

(i) Related Parties

*Parent entity*

Mildura Rural City Council is the parent entity.

*Subsidiaries and Associates*

Mildura Airport Pty Ltd is a fully consolidated subsidiary and forms part of Mildura Rural City Council financial statements

(ii) Key Management Personnel

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

Councillors		
Glenn Milne (Mayor)		1/07/2016 to 30/06/2017
Max Thorburn		1/07/2016 to 30/06/2017
Mark Eckel		1/07/2016 to 30/06/2017
Ali Cupper		1/07/2016 to 30/06/2017
Greg Brown		1/07/2016 to 30/06/2017
Simon Clemence		10/11/2016 to 30/06/2017
Anthony Cirillo		10/11/2016 to 30/06/2017
Min Poole		10/11/2016 to 30/06/2017
Jason Modica		10/11/2016 to 30/06/2017
Sharyon Peart		1/07/2016 to 25/10/2016
John Arnold		1/07/2016 to 25/10/2016
Judi Harris		1/07/2016 to 25/10/2016
Jill Joslyn		1/07/2016 to 25/10/2016

	2017 No.	2016 No.
Total Number of Councillors	13	9
Chief Executive Officer and other Key Management Personnel	5	1
<b>Total Key Management Personnel</b>	<b>18</b>	<b>10</b>

(iii) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2017 \$'000	2016 \$'000
Short-term benefits	1,279	609
Long-term benefits	109	-
Termination benefits	58	-
<b>Total</b>	<b>1,446</b>	<b>609</b>

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

	2017 No.	2016 No.
\$1 - \$ 9,999	4	-
\$20,000 - \$29,999	8	8
\$80,000 - \$89,999	1	1
\$90,000 - \$99,999	1	-
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	2	-
\$280,000 - \$299,999	-	1
\$300,000 - \$309,999	1	-
	<b>18</b>	<b>10</b>

## Notes to the Financial Report For the Year Ended 30 June 2017

### Note 36 Related party transactions (cont)

**(iv) 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 \*

	2017	2016
	\$'000	\$'000
Employee expenses for close family members of key management personnel *	41	-
	41	-

\* 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 661 staff of which only 1 is a close family member of key management personnel.

**(v) 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.

**(vi) Loans to/from related parties**

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

**(vii) Commitments to/from related parties**

Council has no outstanding commitments to/from other related parties

### Note 37 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) who total annual remuneration exceeds \$142,000

The number of Senior Officers are shown below in their relevant income bands:

	2017	2016
Income Range:	No.	No.
\$139,000 - \$139,990	-	2
\$140,000 - \$149,999	-	2
\$150,000 - \$159,999	1	2
\$160,000 - \$169,999	4	9
\$170,000 - \$179,999	7	2
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	-	1
\$220,000 - \$229,999	1	-
\$240,000 - \$249,999	-	1
\$260,000 - \$269,999	-	1
	14	22
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	2,447	3,839

### Note 38 Events occurring after balance date

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

## **Certification of the Financial Report**

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



David Folvig - BBus  
**Principal Accounting Officer**

**Date:** 27 September 2017  
Mildura

In our opinion the accompanying financial statements present fairly the financial transactions of Mildura Rural City Council for the year ended 30 June 2017 and the financial position of the Council as at that date.

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

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




Cr Glenn Milne  
**Councillor**

**Dated:** 27 September 2017  
Mildura



Cr Jason Modica  
**Councillor**

**Dated:** 27 September 2017  
Mildura



Gerard Jose  
**Chief Executive Officer**

**Dated:** 27 September 2017  
Mildura

# Independent Auditor's Report

## To the Councillors of Mildura Rural City Council

<b>Opinion</b>	<p>I have audited the financial report of Mildura Rural City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2017</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• statement of capital works for the year then ended</li> <li>• notes to the financial statements, including a summary of significant accounting policies</li> <li>• certification of the financial report.</li> </ul> <p>The financial report is the consolidated financial statements of the consolidated entity, comprising the Mildura Rural City Council and the entities it controlled at the year's end or from time to time during the year as disclosed in note 1(c) to the consolidated financial statements.</p> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described 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 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 Australia. 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>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, 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.

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:

- 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 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 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 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.

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  
27 September 2017

Tim Loughnan  
*as delegate for the Auditor-General of Victoria*