



Mildura Rural City Council

Annual Financial Report
For the Year Ended 30 June 2024



Mildura Rural City Council

Financial Report

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Certification of the Consolidated Financial Statements

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



Mark McMillan CPA

Principal Accounting Officer

Date : 4 October 2024
Mildura

In our opinion the accompanying consolidated financial statements present fairly the financial transactions of the Mildura Rural City Council Group and the Mildura Rural City Council for the year ended 30 June 2024 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the consolidated financial statements in their final form.

Liam Wood

Mayor

Date :

Mildura



4 October 2024

Mark Eckel

Deputy Mayor

Date :

Mildura



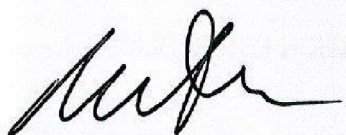
4 October 2024

Martin Hawson

Chief Executive Officer

Date :

Mildura



4 October 2024

Independent Auditor's Report

To the Councillors of Mildura Rural City Council

Opinion	<p>I have audited the consolidated financial report of Mildura Rural City Council (the council) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> consolidated entity and council balance sheet as at 30 June 2024 consolidated entity and council comprehensive income statement for the year then ended consolidated entity and council statement of changes in equity for the year then ended consolidated entity and council statement of cash flows for the year then ended consolidated entity and council statement of capital works for the year then ended notes to the financial statements, including material accounting policy information certification of the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the council as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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 and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the council and the consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the council and the consolidated entity. I remain solely responsible for my audit opinion.

Auditor's responsibilities for the audit of the financial report I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
9 October 2024

Travis Derricott
as delegate for the Auditor-General of Victoria

Consolidated Comprehensive Income Statement For the Year Ended 30 June 2024

	Note	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income / revenue					
Rates and charges	3.1	85,633	81,836	85,733	81,940
Statutory fees and fines	3.2	2,018	2,187	2,018	2,187
User fees	3.3	12,385	12,630	6,589	7,894
Grants - operating	3.4	9,845	37,163	7,962	33,423
Grants - capital	3.4	11,557	8,157	10,809	8,157
Contributions - monetary	3.5	2,070	2,882	2,070	2,882
Contributions - non monetary	3.5	457	400	457	400
Net loss on disposal of property, infrastructure, plant and equipment	3.6	(811)	(955)	(811)	(798)
Other income	3.7	13,630	13,696	12,698	12,809
Asset recognition	3.8	4,697	3,875	4,697	3,875
Total income / revenue		141,481	161,871	132,222	152,769
Expenses					
Employee costs	4.1	(56,839)	(58,619)	(53,793)	(55,472)
Materials and services	4.2	(56,984)	(57,549)	(53,018)	(54,955)
Depreciation	4.3	(23,456)	(21,529)	(21,757)	(19,827)
Amortisation - intangible assets		(214)	(200)	(214)	(198)
Depreciation - right of use assets		(138)	(129)	(153)	(98)
Allowance for impairment loss		(69)	(35)	(69)	(35)
Borrowing costs		(736)	(778)	(562)	(647)
Finance costs - leases		(62)	(59)	(62)	(50)
Other expenses	4.4	(2,550)	(1,757)	(2,190)	(1,599)
Total expenses		(141,048)	(140,655)	(131,818)	(132,881)
Surplus for the year		433	21,216	404	19,888
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation gain	9.1(a)	40,030	117,647	40,042	109,945
Share of other comprehensive income of associates and joint ventures	9.1(c)	-	-	17	1,330
Total other comprehensive income		40,030	117,647	40,059	111,275
Total comprehensive result		40,463	138,863	40,463	131,163

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

Consolidated Balance Sheet
As at 30 June 2024

	Note	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Assets					
Current assets					
Cash and cash equivalents	5.1	10,266	33,893	7,284	29,993
Trade and other receivables	5.1	10,799	8,025	10,411	7,891
Other financial assets	5.1	69,050	66,767	69,050	66,767
Inventories		825	684	796	668
Prepayments	5.2	461	354	335	312
Total current assets		91,401	109,723	87,876	105,631
Non-current assets					
Trade and other receivables	5.1	-	-	8,166	6,478
Other financial assets	5.2	-	-	51,245	51,228
Property, infrastructure, plant and equipment	6.1	1,157,877	1,111,700	1,097,310	1,050,992
Right-of-use assets	5.8	1,159	1,115	1,159	943
Intangible assets	5.2	17,432	17,137	11,672	13,882
Total non-current assets		1,176,468	1,129,952	1,169,552	1,123,523
Total assets		1,267,869	1,239,675	1,257,428	1,229,154
Liabilities					
Current liabilities					
Trade and other payables	5.3	3,182	3,079	1,214	2,300
Trust funds and deposits	5.3	3,134	2,786	3,134	2,786
Contract and other liabilities	5.3	93	2,779	59	1,770
Provisions	5.5	12,032	12,558	12,102	12,285
Interest-bearing liabilities	5.4	870	778	428	653
Lease liabilities	5.8	128	128	128	100
Total current liabilities		19,439	22,108	17,065	19,894
Non-current liabilities					
Provisions	5.5	25,529	34,620	25,498	34,600
Interest-bearing liabilities	5.4	8,243	8,763	7,906	8,334
Lease liabilities	5.8	1,434	1,423	1,434	1,264
Total non-current liabilities		35,206	44,806	34,838	44,198
Total liabilities		54,645	66,914	51,903	64,092
Net assets		1,213,224	1,172,761	1,205,525	1,165,062
Equity					
Accumulated surplus		490,480	475,003	456,763	441,307
Reserves	9.1	722,744	697,758	748,762	723,755
Total equity		1,213,224	1,172,761	1,205,525	1,165,062

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

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2024

Consolidated	Note	Accumulated Revaluation			Other
		Total	Surplus	Reserve	Reserves
2024		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		1,172,761	475,003	642,457	55,301
Surplus for the year		433	433	-	-
Net asset revaluation gain	9.1	40,030	-	40,030	-
Transfers to other reserves	9.1(b)	-	27,726	-	(27,726)
Transfers from other reserves	9.1(b)	-	(12,682)	-	12,682
		40,463	15,477	40,030	(15,044)
Balance at end of the financial year		1,213,224	490,480	682,487	40,257
2023					
Balance at beginning of the financial year		1,033,898	458,790	524,810	50,298
Surplus for the year		21,216	21,216	-	-
Net asset revaluation gain	9.1	117,647	-	117,647	-
Transfers to other reserves	9.1(b)	-	23,901	-	(23,901)
Transfers from other reserves	9.1(b)	-	(28,904)	-	28,904
		138,863	16,213	117,647	5,003
Balance at end of the financial year		1,172,761	475,003	642,457	55,301

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

Consolidated Statement of Changes in Equity (Continued)
For the Year Ended 30 June 2024

Council	Note	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		\$'000	\$'000	\$'000	\$'000
2024					
Balance at beginning of the financial year		1,165,062	441,307	634,540	89,215
Surplus for the year		404	404	-	-
Net asset revaluation gain	9.1	40,059	-	40,042	17
Transfers to other reserves	9.1(b)	-	27,726	-	(27,726)
Transfers from other reserves	9.1(b)	-	(12,674)	-	12,674
		<u>40,463</u>	<u>15,456</u>	<u>40,042</u>	<u>(15,035)</u>
Balance at end of the financial year		<u>1,205,525</u>	<u>456,763</u>	<u>674,582</u>	<u>74,180</u>
2023					
Balance at beginning of the financial year		1,033,899	426,422	524,595	82,882
Surplus for the year		19,888	19,888	-	-
Net asset revaluation gain	9.1	111,275	-	109,945	1,330
Transfers to other reserves	9.1(b)	-	23,901	-	(23,901)
Transfers from other reserves	9.1(b)	-	(28,904)	-	28,904
		<u>131,163</u>	<u>14,885</u>	<u>109,945</u>	<u>6,333</u>
Balance at end of the financial year		<u>1,165,062</u>	<u>441,307</u>	<u>634,540</u>	<u>89,215</u>

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

Consolidated Statement of Cash Flows For the Year Ended 30 June 2024

	Note	Consolidated		Council	
		2024 Inflows/ (Outflows) \$'000	2023 Inflows/ (Outflows) \$'000	2024 Inflows/ (Outflows) \$'000	2023 Inflows/ (Outflows) \$'000
Cash flows from operating activities					
Rates and charges		83,453	82,261	83,553	82,362
Statutory fees and fines		2,018	2,187	2,018	2,187
User fees		12,825	14,394	6,589	7,894
Grants - operating		9,306	35,958	8,360	35,094
Grants - capital		10,305	10,547	9,638	7,669
Contributions - monetary		2,174	3,026	2,174	3,026
Interest received		4,708	3,230	4,759	3,294
Trust funds and deposits taken		8,605	7,418	8,605	7,418
Other receipts		9,026	7,892	8,070	7,058
Net GST refund		3,454	2,308	3,856	2,795
Employee costs		(57,072)	(59,779)	(54,349)	(57,441)
Materials and services		(59,722)	(61,276)	(55,731)	(59,023)
Short-term, low value and variable lease payments		(130)	(9)	(130)	(9)
Trust funds and deposits repaid		(8,293)	(7,147)	(8,257)	(7,147)
Other payments		(2,290)	(3,355)	(4,188)	(3,381)
Net cash provided by/(used in) operating activities	9.2	18,367	37,655	14,967	31,796
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment		(38,477)	(41,381)	(34,447)	(36,157)
Proceeds from sale of property, infrastructure, plant and equipment		372	862	372	862
Proceeds from sale of investments/(payments for investments)		(2,283)	12,833	(2,283)	12,833
Net cash provided by/(used in) investing activities		(40,388)	(27,686)	(36,358)	(22,462)

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

Consolidated Statement of Cash Flows (Continued)
For the Year Ended 30 June 2024

	Note	Consolidated		Council	
		2024	2023	2024	2023
		Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000
Cash flows from financing activities					
Finance costs		72	(778)	(562)	(647)
Repayment of borrowings		(1,229)	(945)	(653)	(1,197)
Interest paid on lease liability		(221)	(30)	(62)	(30)
Repayment of lease liabilities		(228)	(134)	(41)	(98)
Net cash provided by/(used in) financing activities		(1,606)	(1,887)	(1,318)	(1,972)
Net increase/(decrease) in cash and cash equivalents		(23,627)	8,082	(22,709)	7,362
Cash and cash equivalents at the beginning of the financial year		33,893	25,811	29,993	22,631
Cash and cash equivalents at the end of the financial year	5.1	10,266	33,893	7,284	29,993

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

Consolidated Statement of Capital Works For the Year Ended 30 June 2024

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Property				
Land	1,373	-	1,373	-
Total land	1,373	-	1,373	-
Buildings	7,750	16,202	7,687	16,170
Total buildings	7,750	16,202	7,687	16,170
Total property	9,123	16,202	9,060	16,170
Plant and equipment				
Computers and telecommunications	282	314	282	314
Fixtures, fittings and furniture	1,166	722	1,042	602
Library books and art works	256	309	256	309
Plant, machinery and equipment	3,129	4,314	2,962	4,221
Total plant and equipment	4,833	5,659	4,542	5,446
Infrastructure				
Roads	11,201	10,093	11,201	10,093
Footpaths and cycle ways	773	344	773	344
Drainage	2,643	943	2,643	943
Recreational, leisure and community facilities	2,919	1,322	2,919	1,322
Waste management	74	178	74	178
Parks, open space and streetscapes	2,383	853	2,362	850
Kerb and channel	302	608	302	608
Off street car parks	689	348	375	6
Other infrastructure	1,033	1,532	-	-
Total infrastructure	22,017	16,221	20,649	14,344
Intangible				
Water rights	197	197	197	197
Light State	2,517	3,102	-	-
Total intangible	2,714	3,299	197	197
Total capital works expenditure	38,687	41,381	34,448	36,157

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

Consolidated Statement of Capital Works (Continued)
For the Year Ended 30 June 2024

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Represented by:				
New asset expenditure	14,124	16,197	13,733	15,692
Asset renewal expenditure	17,351	15,816	16,907	15,277
Asset expansion expenditure	1,116	1,992	672	1,453
Asset upgrade expenditure	3,382	4,077	2,939	3,538
Intangibles	2,714	3,299	197	197
Total capital works expenditure	38,687	41,381	34,448	36,157

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

Notes to the Financial Report For the Year Ended 30 June 2024

Note 1 OVERVIEW

Introduction

The Mildura Rural City Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate. These financial statements are the consolidated Group accounts for Mildura Rural City Council ("Council") and its controlled entities. Council's main office is located at 108 - 116 Madden Avenue, Mildura.

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

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

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

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

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.

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:

Notes to the Financial Report For the Year Ended 30 June 2024

1.1 Basis of accounting (cont'd)

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of employee provisions (refer to note 5.5)
- the determination of landfill provisions (refer to note 5.5)
- the determination of the value as an intangible asset for the Light State project (refer to note 5.2)
- the determination of the useful life for the Light State project (refer to note 6.1)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgments.

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

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

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office are included with other receivables or payables in the balance sheet.

1.2 Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2024, and their income and expenses for that part of the reporting period in which control existed.

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

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

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

Entities consolidated into Council include:

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

Notes to the Financial Report For the Year Ended 30 June 2024

Note 2 ANALYSIS OF OUR RESULTS

Note 2.1 Performance against budget

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

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

2.1.1 Income / Revenue and expenditure	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	86,001	85,733	(268)	-	
Statutory fees and fines	2,336	2,018	(318)	(14)	1
User fees	8,005	6,589	(1,416)	(18)	2
Grants - operating	22,798	7,962	(14,836)	(65)	3
Grants - capital	9,620	10,809	1,189	12	4
Contributions - monetary	1,203	2,070	867	72	5
Contributions - non monetary	1,800	457	(1,343)	(75)	6
Net loss on disposal of property, infrastructure, plant and equipment	(1,685)	(811)	874	(52)	7
Other income	8,819	12,698	3,879	44	8
Asset recognition	-	4,697	4,697	100	9
Total income / revenue	138,897	132,222	(6,675)	(5)	
Expenses					
Employee costs	(54,381)	(53,793)	(588)	1	
Materials and services	(50,759)	(53,018)	2,259	(4)	
Depreciation	(20,157)	(21,757)	1,600	(8)	
Amortisation - intangible assets	(187)	(214)	27	(14)	
Depreciation - right of use assets	(72)	(153)	81	(113)	
Allowance for impairment loss	(83)	(69)	(14)	17	
Borrowing costs	(590)	(562)	(28)	5	
Finance costs - leases	(51)	(62)	11	(22)	
Other expenses	(1,780)	(2,190)	410	(23)	10
Total expenses	(128,060)	(131,818)	3,758	(3)	
Surplus/(deficit) for the year	10,837	404	(2,917)	(27)	

Notes to the Financial Report For the Year Ended 30 June 2024

2.1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Income for permits and statutory planning fees were less than budgeted due in part to economic conditions, and there was a reduction in collection of infringements as well.
2	User fees	The decrease in user fees relates to reductions in waste management services or landfill fees, and a reduction in child care related user fees due to the introduction of 3 year old kindergarten program which resulted in reductions in other child care services.
3	Grants - operating	A large reduction in operating grants was due to timing of Financial Assistance Grants paid by the Victorian Grant Commission. In previous years this was paid during June, however this has now been paid in July 2024 resulting in timing variance compared to budget forecast.
4	Grants - capital	Capital grants were lower in the previous financial year due to timing of capital works projects and their completions which have now been received as expected during 2023-24 resulting in increased capital grants compared to budget forecast.
5	Contributions - monetary	Variance due to receipt of Victorian Energy Efficiency Certificates relating to installation of LED street lighting which generated additional capital income. Completion of many community and sporting facility upgrades with increase contributions being received this financial year.
6	Contributions - non monetary	Non-monetary contributions are due to works completion for residential sub-divisions and the developer contribution plan. These contributions are received in lieu of cash, and are recognised when control of asset is handed over to Council Therefore the timing of this is difficult to predict in which it's common to have a variance to budget.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

2.1 Performance against budget (cont'd)

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

**Variance
Ref**

7	Net loss on disposal of property, infrastructure, plant and equipment	This relates to the disposal of assets commonly associated with the asset renewal program, and also relates to fleet and plant replacement program. The timing of these disposals is subject to variation with timing differences between financials statements and budget a normal occurrence.
8	Other income	Interest income has increased significantly during the financial year due to sustained high term deposit interest rates, and Council received reimbursements for insurance claims largely relating to the flood event which were not originally budgeted.
9	Asset recognition	These are accounting entries only (non-cash), and result from internal asset procedures and audits of fixed assets. These found assets are then valued and included on Council's fixed asset register.
10	Other expenses	Variance due to increases in internal audit fees and increased payments to performance groups / events for tickets sales associated with the Mildura Arts Centre as the centre returns to normal operating levels post COVID-19.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

2.1.2 Capital works	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	500	1,373	873	175	1
Total land	500	1,373	873	175	
Buildings	12,427	7,687	(4,740)	(38)	2
Total buildings	12,427	7,687	(4,740)	(38)	
Total property	12,927	9,060	(3,867)	(30)	
Plant and equipment					
Computers and telecommunications	290	282	(8)	(3)	
Fixtures, fittings and furniture	1,623	1,042	(581)	(36)	3
Library books and artworks	330	256	(74)	(22)	
Plant, machinery and equipment	3,509	2,962	(547)	(16)	4
Total plant and equipment	5,752	4,542	(1,210)	(21)	
Infrastructure					
Roads	8,727	11,201	2,474	28	5
Footpaths and cycle ways	511	773	262	51	6
Drainage	6,934	2,643	(4,291)	(62)	7
Recreational, leisure and community facilities	1,758	2,919	1,161	66	8
Waste management	1,471	74	(1,397)	(95)	9
Parks, open space and streetscapes	3,221	2,362	(859)	(27)	10
Kerb and channel	-	302	302	100	11
Off street car parks	-	375	375	100	12
Total infrastructure	22,622	20,649	(1,973)	(9)	
Intangible					
Water rights	200	197	(3)	(2)	
Total intangible	200	197	(3)	(2)	
Total capital works expenditure	41,501	34,448	(7,053)	(17)	
Represented by:					
New asset expenditure	11,954	13,733	1,779	15	
Asset renewal expenditure	23,706	16,907	(6,799)	(29)	
Asset expansion expenditure	3,121	672	(2,449)	(78)	
Asset upgrade expenditure	2,520	2,939	419	17	
Intangibles	200	197	(3)	(2)	
Total capital works expenditure	41,501	34,448	(7,053)	(17)	

Notes to the Financial Report For the Year Ended 30 June 2024

2.1 Performance against budget (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Variance due to timing of purchase of land for Neighbourhood Activity Centre.
2	Buildings	There are numerous community and sports facilities included in the 2023/24 budget, the largest includes the construction of the Red Cliffs Early Years Hub. These larger projects span over multiple years with actual expenditure occurring in 2023/24 and the 2024-25 capital works program.
3	Fixtures, fittings and furniture	Several projects are currently in progress including renewal of the CBD bin and installation of additional electric vehicle charging stations, these expenditures will now be carried forward to the 2024/25 financial year.
4	Plant, machinery and equipment	Due to supply constraints in prior financial years, the delivery and payment of purchased plant, machinery, equipment and fleet carried forward with expenditure occurring in 2023/24.
5	Roads	Additional funding was received for the Local Roads and Infrastructure Grant during the financial year which increased expenditure above original budget forecast.
6	Footpaths and cycle ways	The additional expenditure relates to completion of several major projects including the Mildura Riverfront Powerhouse Precinct and completion of carried forward projects.
7	Drainage	There are several large drainage projects underway, however there have been delays due to contractor and supply constraints. These are currently underway with expenditure to occur during the 2024-25 financial year.
8	Recreational, leisure and community facilities	Additional grant funding and the delivery of three sporting precincts projects is currently in progress with increased expenditures occurring in 2023/24. These projects will carry forward and continue during the 2024-25 financial year.

Notes to the Financial Report For the Year Ended 30 June 2024

2.1 Performance against budget (cont'd)

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

9	Waste management	The waste management program and specifically landfill capping has been delayed as Council awaits the Environmental Protection Agency (EPA) approval of the capping design. This has been carried forward to the next financial year.
10	Parks, open space and streetscapes	Due the flood event which occurred in October 2022, some capital works projects were delayed including the Nowingi Adventure Playground. These expenditures will now occur during the 2024/25 financial year.
11	Kerb and channel	Additional funding for Local Roads and Community Infrastructure Grant program resulting in increased expenditure on roads, enabling the replacement of kerb and channel associated with some road projects.
12	Off street car parks	Additional funding was received for the Local Roads and Infrastructure grant increasing expenditure above original budget forecast. This includes carparks for Mildura Sporting Precinct project.

Notes to the Financial Report For the Year Ended 30 June 2024

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following departments.

Corporate Performance

The Corporate Performance Department is comprised of six areas; Communications, Financial Services, Governance, Information Systems, People, and Corporate Performance. The Communications branch includes teams from Communication Planning, Digital and Graphic Design, and Media and Public Relations. Financial Services encompasses Financial Services Management, Management Accounting, Procurement, Finance Systems, Fleet and Workshop. The Governance branch is made up of teams from Governance and Risk, Property Services, Cemetery Operations, and Management and Recovery. The Information Systems branch includes Business Applications, IT Infrastructure and Information Management. The People branch includes Human Resources, Occupational Health and Safety, Employee Relations and Payroll Services. The Organisational Performance branch consist of Customer Experience, Service Planning, Business Improvement, and Planning and Reporting. The Corporate Performance department also auspices the Greater Sunraysia Pest Free Area.

Financial Management

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

Infrastructure and Assets

The Infrastructure and Assets Department is comprised of five branches; Engineering Development and Delivery, Works and Infrastructure, Civic Compliance, Facilities and Assets, and Waste Services. The Engineering Development and Delivery team consist of Engineering Design, Infrastructure Development, Facility Projects, and Capital Works Project Delivery. The Works and Infrastructure branch includes teams from Infrastructure Services Support, Infrastructure Works and Infrastructure Services. Waste Services includes Waste Education, Contract Management and Compliance, Weighbridge and Reporting, Waste Facilities and Waste Operations. The Civic Compliance team includes Municipal Buildings, Environmental Health and Local Laws. The Facilities and Assets branch includes Asset Preservation, Strategic Asset Systems, Facility Services, and Inspections and Reporting.

Healthy Communities

The Healthy Communities Department is comprised of four branches; Community Partnerships, Community Care, Libraries and Knowledge Hubs, and Parks and Recreation. The Community Partnerships branch includes teams from Community Development, Community Wellbeing and Environmental Sustainability. The Community Care branch includes Youth Engagement, Early Years and Community Health. The Libraries and Knowledge Hubs is made up of Collections and Technology, and Operations and Services. The Parks and Recreation branch includes Parks and Gardens, Mildura Sporting Precinct, and Recreation Development.

Strategy and Growth

The Strategy and Growth Department is comprised of six areas; Project Development Office, Arts Culture and Venues, Strategic Planning, Statutory Planning, Economic Development and Tourism, and Light State Project. The Project Development Office is responsible for Major Projects and governance of the Capital Works Program. Arts, Culture and Venue branch consist of Tech Services, Gallery and Heritage, Marketing and Development and Community Placemaking. The Statutory Planning branch is responsible for Land Use Planning, and Statutory Planning team includes Statutory Planning, Town Planning and Enforcement. The Economic Development and Tourism branch includes teams for Economic Development, Strategic Projects, Grants, Tourism, Events, and Visitor Information Centre. This also includes oversight of the Mildura City Heart, and Council's wholly owned subsidiary, the Mildura Airport Ltd.

Executive

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

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

	Income	Expenses	Surplus/ (deficit)	Grants included in income	Total assets
2024	\$'000	\$'000	\$'000	\$'000	\$'000
Healthy Communities	8,009	(24,931)	(16,922)	4,316	237,820
Financial Management	112,873	(27,724)	85,149	13,497	264,462
Corporate Performance	2,306	(25,048)	(22,742)	226	238,936
Infrastructure and Assets	5,849	(42,765)	(36,916)	520	407,941
Strategy and Growth	3,184	(10,266)	(7,082)	212	97,929
Executive	1	(1,084)	(1,083)	-	10,340
	132,222	(131,818)	404	18,771	1,257,428

	Income	Expenses	Surplus/ (deficit)	Grants included in income	Total assets
2023	\$'000	\$'000	\$'000	\$'000	\$'000
Community	13,354	(27,305)	(13,951)	7,087	250,777
Financial Management	126,716	(25,254)	101,462	32,637	231,941
Corporate	4,512	(26,493)	(21,981)	1,259	243,318
Development	8,187	(52,728)	(44,541)	597	484,275
Executive	-	(1,101)	(1,101)	-	10,109
	152,769	(132,881)	19,888	41,580	1,220,420

During the 2024 financial year, Mildura Rural City Council completed an organisational sustainability review. This has impacted departmental reporting from 2023 to 2024 financial years. For further information refer to: <https://www.mildura.vic.gov.au/Council/About-Council/Our-Organisational-Structure/2023-Organisational-Sustainability-Review>.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Consolidated		Council	
2024	2023	2024	2023
\$'000	\$'000	\$'000	\$'000

Note 3 Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2023/24 is \$15.25 billion (2022/23 was \$13.61 billion).

General rates	44,302	44,127	44,302	44,127
Waste management charge	13,341	12,443	13,341	12,443
Mildura City Heart special rate	661	646	661	646
Business differential rate	12,558	12,198	12,658	12,302
Farming differential rate	14,400	12,117	14,400	12,117
Payment in lieu of rates	371	305	371	305
Total rates and charges	85,633	81,836	85,733	81,940

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2023, and the valuation will be first applied in the rating year commencing 1 July 2023.

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

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

3.2 Statutory fees and fines

Infringements and costs	489	485	489	485
Land information certificates	60	60	60	60
Permits	367	310	367	310
Other statutory fees and fines	361	263	361	263
Valuations database	-	268	-	268
Statutory planning fees	741	801	741	801
Total statutory fees and fines	2,018	2,187	2,018	2,187

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
3.3 User fees				
Aged and health services	-	539	-	539
Child care/children's programs	442	526	442	526
Waste management services	2,247	2,461	2,247	2,461
Other fees and charges	441	512	441	512
Rent/lease fees	1,598	1,568	1,131	1,134
Animal control and local laws	622	640	622	640
Environmental health services	285	276	285	276
Airport fees and charges	5,329	4,302	-	-
Contract works	329	897	329	897
Entrance charges	883	755	883	755
Commission/agency fees	209	154	209	154
Total user fees	12,385	12,630	6,589	7,894
Total user fees				
User fees recognised at a point in time	12,385	12,630	6,589	7,894
Total user fees	12,385	12,630	6,589	7,894

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	10,296	32,160	9,350	31,601
State funded grants	11,106	13,160	9,421	9,979
Total grants received	21,402	45,320	18,771	41,580

Notes to the Financial Report
For the Year Ended 30 June 2024

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
(a) Operating grants				
<i>Recurrent - Commonwealth Government</i>				
Hands up Mallee	1,104	734	1,104	734
Aged and disability services	194	2,137	194	2,137
Financial assistance grants - general purpose	600	16,359	600	16,359
Financial assistance grants - local roads	232	6,437	232	6,437
<i>Recurrent - State Government</i>				
Aged and disability services	2	340	2	340
Libraries	443	443	443	443
Community health	1,606	1,308	1,606	1,308
Early years	439	422	439	422
Youth services	302	279	302	279
Environmental health	103	80	103	80
Social development and projects	-	25	-	25
Local laws	228	199	228	199
Arts and culture	190	190	190	190
Works and infrastructure services	161	154	161	154
Total recurrent operating grants	5,604	29,107	5,604	29,107

Notes to the Financial Report
For the Year Ended 30 June 2024

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
<i>Non-recurrent - Commonwealth Government</i>				
Airport operations	198	1,059	-	500
Early years	271	291	271	291
Recreation and sport	750	450	750	450
<i>Non-recurrent - State Government</i>				
Youth services	86	133	86	133
Community development	-	413	-	413
Social development and projects	-	413	-	413
Environmental sustainability	182	122	182	122
Community health	184	134	184	134
Aged and disability services	-	4	-	4
Early years	156	115	156	115
Economic development and tourism	1,685	2,877	-	-
Libraries	5	23	5	23
Sunraysia Pest Free	496	547	496	547
COVID-19 program funding	60	156	60	156
Local laws	-	3	-	3
Road safety	-	27	-	27
Emergency management and recovery	120	623	120	623
Event projects	8	135	8	135
Airport operations	-	304	-	-
Strategic planning	15	30	15	30
Planning and development	15	40	15	40
Recreation and sport	10	157	10	157
Total non-recurrent operating grants	4,241	8,056	2,358	4,316
Total operating grants	9,845	37,163	7,962	33,423
(b) Capital grants				
<i>Recurrent - Commonwealth Government</i>				
Roads to recovery	2,811	2,657	2,811	2,657
Total recurrent capital grants	2,811	2,657	2,811	2,657

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
<i>Non-recurrent - Commonwealth Government</i>				
Buildings	1,182	1,484	1,182	1,484
Roads	306	-	306	-
Parks, open space and streetscapes	424	552	424	552
Off street car parks	626	-	626	-
Airport operations	748	-	-	-
Footpaths and cycleways	850	-	850	-
<i>Non-recurrent - State Government</i>				
Footpaths and cycleways	-	45	-	45
Recreation and sport	214	610	214	610
Buildings	3,023	2,113	3,023	2,113
Fixtures, fittings and furniture	696	-	696	-
Waste management	-	10	-	10
Parks open space and streetscapes	259	117	259	117
Roads	347	569	347	569
Off street car parks	71	-	71	-
Total non-recurrent capital grants	8,746	5,500	7,998	5,500
Total capital grants	11,557	8,157	10,809	8,157

(c) Recognition of grant income

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

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
3.4 Funding from other levels of government (cont'd)				
Income recognised under AASB 1058 Income of Not-for-Profit Entities				
General purpose	832	22,796	832	22,796
Other specific purpose grants	20,511	20,754	17,880	17,014
Revenue recognised under AASB 15 Revenue from Contracts with Customers				
Specific purpose grants	59	1,770	59	1,770
	21,402	45,320	18,771	41,580
 (d) Unspent grants received on condition that they be spent in a specific manner				
Operating				
Balance at start of year	1,692	1,023	691	639
Received during the financial year and remained unspent at balance date	59	669	59	52
Received in prior years and spent during the financial year	(1,692)	-	(691)	-
Balance at year end	59	1,692	59	691
Capital				
Balance at start of year	1,079	2,027	1,079	2,027
Received during the financial year and remained unspent at balance date	-	1,079	-	1,079
Received in prior years and spent during the financial year	(1,079)	(2,027)	(1,079)	(2,027)
Balance at year end	-	1,079	-	1,079
Total	59	2,771	59	1,770

Unspent grants are determined and disclosed on a cash basis.

3.5 Contributions

Other contributions	58	261	58	261
Capital contributions	1,424	465	1,424	465
Developer contributions	588	2,156	588	2,156
Total monetary contributions	2,070	2,882	2,070	2,882
Non-monetary contributions	457	400	457	400
Total contributions	2,527	3,282	2,527	3,282

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
3.5 Contributions (cont'd)				
<i>Contributions of non-monetary assets were received in relation to the following asset classes.</i>				
Drainage	312	302	312	302
Parks open space and streetscapes	145	98	145	98
Total non-monetary contributions	457	400	457	400

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

3.6 Net loss on disposal of property, infrastructure, plant and equipment

Proceeds of sale	377	862	375	862
Written down value of assets disposed	(1,188)	(1,817)	(1,186)	(1,660)
Total net loss on disposal of property, infrastructure, plant and equipment	(811)	(955)	(811)	(798)

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

3.7 Other income

Interest	4,250	2,833	4,292	2,785
Interest on rates	454	457	454	457
Sales	1,673	1,337	688	617
Other income	316	1,777	194	1,520
Child care reimbursement	1,773	1,794	1,773	1,794
Fuel tax rebate	224	179	224	179
Workcover costs reimbursements	341	218	341	218
Legal costs recouped	60	230	60	230
Airport reimbursement	5	-	5	1
Cemetery reimbursement	793	949	793	949
Utilities reimbursement	20	13	20	13
Youth case management reimbursement	398	589	398	589
Insurance reimbursement	698	276	826	412
Other costs reimbursed	2,625	3,044	2,630	3,045
Total other income	13,630	13,696	12,698	12,809

Interest is recognised as it is earned.

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
3.8 Asset recognition				
The majority of asset recognitions related to gifted assets for Developer Contribution Plans (DCP). These are recognised once Council gains control of the assets and recorded on Council's asset registers.				
Asset recognition	4,697	3,875	4,697	3,875
Total asset recognition	4,697	3,875	4,697	3,875

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	51,468	53,601	48,679	50,665
Payroll tax	10	1	9	2
Superannuation	5,211	4,902	4,955	4,690
Fringe benefits tax	150	115	150	115
Total employee costs	56,839	58,619	53,793	55,472

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	267	241	267	241
Total defined benefit fund contributions	267	241	267	241

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,767	1,891	1,767	1,891
Employer contributions - other funds	3,177	2,770	2,921	2,558
Total accumulation funds contributions	4,944	4,661	4,688	4,449

Refer to note 9.3 for further information relating to Council's superannuation obligations.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
4.2 Materials and services				
Contracts other	11,478	12,784	11,057	12,531
Waste management contracts	6,138	6,776	6,138	6,776
Swimming pools	2,065	1,537	2,065	1,537
Building maintenance	2,044	2,010	2,044	2,010
General maintenance	640	508	640	508
Environmental protection waste levy	4,839	6,321	4,839	6,321
Grants, contributions and donations	2,489	2,353	3,860	4,184
Utilities	3,660	3,425	3,329	3,115
Office administration	1,526	1,570	999	1,038
Materials purchased	7,543	5,664	7,090	5,349
Plant and vehicle costs	4,192	4,410	2,326	2,615
Information technology	2,832	2,395	2,708	2,291
Insurance	1,816	1,491	1,809	1,501
Consultants	2,463	2,886	2,463	2,886
Training	1,147	1,118	1,144	1,079
Other materials and contractors	2,112	2,301	507	1,214
Total materials and services	56,984	57,549	53,018	54,955

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

4.3 Depreciation

Buildings	3,668	3,399	3,441	3,168
Plant and equipment	3,742	3,331	3,377	2,962
Infrastructure	16,046	14,799	14,939	13,697
Total depreciation	23,456	21,529	21,757	19,827

Refer to note 5.2(c), 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	112	106	92	90
Auditors' remuneration - internal audit	276	138	276	138
Councillors' allowances	395	365	395	365
Directors' fees	140	119	-	-
Refunds	123	69	123	69
Operating lease rentals	587	459	570	467
Others	917	501	734	470
Total other expenses	2,550	1,757	2,190	1,599

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Consolidated		Council	
2024	2023	2024	2023
\$'000	\$'000	\$'000	\$'000

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	39	28	10	10
Cash at bank	7,918	29,551	7,274	26,983
Term deposits	2,309	4,314	-	3,000
Total cash and cash equivalents	10,266	33,893	7,284	29,993

(b) Other financial assets

Current

Term deposits	69,050	66,767	69,050	66,767
Total current other financial assets	69,050	66,767	69,050	66,767
Total cash and cash equivalents and other financial assets	79,316	100,660	76,334	96,760

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

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

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

Notes to the Financial Report
For the Year Ended 30 June 2024

	Consolidated		Council	
	2024	2023	2024	2023
5.1 Financial assets (cont'd)	\$'000	\$'000	\$'000	\$'000
(c) Trade and other receivables				
Current				
<i>Statutory receivables</i>				
Rates debtors	5,904	3,724	5,904	3,724
Infringement debtors	1,043	973	1,043	973
Allowance for expected credit loss - infringements	(878)	(820)	(878)	(820)
Net GST receivable	537	701	537	701
<i>Non statutory receivables</i>				
General debtors	2,321	2,964	1,056	2,389
Accrued income	2,043	491	2,102	495
Loan to related entities	-	-	647	437
Allowance for expected credit loss - other debtors	(171)	(8)	-	(8)
Total current trade and other receivables	10,799	8,025	10,411	7,891
Non-current				
<i>Non statutory receivables</i>				
Loan to related entities	-	-	8,166	6,478
Total non-current trade and other receivables	-	-	8,166	6,478
Total trade and other receivables	10,799	8,025	18,577	14,369

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of receivables

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

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current (not yet due)	4,074	1,243	3,489	1,109
Past due by up to 30 days	185	720	172	720
Past due between 31 and 180 days	335	1,264	144	1,264
Past due between 181 and 365 days	-	220	-	220
Past due by more than 1 year	-	-	8,166	6,478
Total trade and other receivables	4,594	3,447	11,971	9,791

**Notes to the Financial Report
For the Year Ended 30 June 2024**

5.1 Financial assets (cont'd)

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$3,805 (2023: \$3,313) were impaired. The amount of the provision raised against these debtors was \$0 (2023: \$35). The majority of other debtors are current, with the payment arrangements in place for the remaining amounts resulting in no provision being raised.

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

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Past due between 31 and 180 days	-	13	-	13
Past due by more than 1 year	-	22	-	22
Total trade and other receivables	-	35	-	35

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
5.2 Non-financial assets				
(a) Other assets				
Current				
Prepayments	461	354	335	312
Total	461	354	335	312
Non-current				
Interest in Mildura Airport Pty Ltd (MAPL)	-	-	47,448	48,358
Interest in Mildura Regional Development (MRD)	-	-	3,797	2,870
Total	-	-	51,245	51,228
Total other assets	461	354	51,580	51,540
(b) Intangible assets				
Software	278	193	278	193
Light State project (MRD)	5,619	3,102	-	-
Water rights at valuation	11,535	13,842	11,394	13,689
Total intangible assets	17,432	17,137	11,672	13,882

Notes to the Financial Report
For the Year Ended 30 June 2024

5.2 Non-financial assets (cont'd)

(c) Intangible assets

	Light State \$'000	Software \$'000	Water rights \$'000	Total \$'000
Consolidated				
Gross carrying amount				
Balance at 1 July 2023	3,102	3,064	13,842	20,008
Acquisition	2,517	-	197	2,714
Transfer	-	375	-	375
Revaluation increment/(decrement) (note 9.1(a))	-	-	(2,504)	(2,504)
Balance at 30 June 2024	5,619	3,439	11,535	20,593
Accumulated amortisation and impairment				
Balance at 1 July 2023	-	2,871	-	2,871
Transfer	-	76	-	76
Amortisation expense	-	214	-	214
Balance at 30 June 2024	-	3,161	-	3,161
Net book value at 30 June 2023	3,102	193	13,842	17,137
Net book value at 30 June 2024	5,619	278	11,535	17,432
Council		Software \$'000	Water rights \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2023		3,064	13,689	16,753
Acquisition		-	197	197
Transfer		375	-	375
Revaluation increment/(decrement) (note 9.1(a))		-	(2,492)	(2,492)
Balance at 30 June 2024		3,439	11,394	14,833
Accumulated amortisation and impairment				
Balance at 1 July 2023		2,871	-	2,871
Transfer		76	-	76
Amortisation expense		214	-	214
Balance at 30 June 2024		3,161	-	3,161
Net book value at 30 June 2023		193	13,689	13,882
Net book value at 30 June 2024		278	11,394	11,672

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

5.2 Non-financial assets (cont'd)
(c) Intangible assets

Details of the Mildura Rural City Council's water rights; and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Water rights	-	11,394	-
Total	-	11,394	-

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 Stephen Lush AAPI, Certified Practising Valuer, recognised Valuer, (Council Officer), as at 30 June 2024.

5.3 Payables, trust funds, deposits and contract and other liabilities

(a) Trade and other payables
Current

Non-statutory payables

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade payables	848	1,090	477	715
Accrued expenses	2,334	1,989	737	1,585
Total current trade and other payables	3,182	3,079	1,214	2,300

(b) Trust funds and deposits
Current

Refundable contract deposits	499	520	499	520
Fire services levy	846	676	846	676
Refundable civic facilities deposits	17	12	17	12
Retention amounts	794	387	794	387
Other refundable deposits	978	1,191	978	1,191
Total current trust funds and deposits	3,134	2,786	3,134	2,786

(c) Contract and other liabilities
Contract liabilities

Current

Grants received in advance - operating	59	1,692	59	691
Income received in advance	34	1,087	-	1,079
Total contract liabilities	93	2,779	59	1,770

**Notes to the Financial Report
For the Year Ended 30 June 2024**

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

Other liabilities

Current

Deferred capital grants	-	1,079	-	1,079
Total other liabilities	-	1,079	-	1,079
Total contract and other liabilities	93	3,858	59	2,849

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. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of grant income. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Other liabilities

Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of an asset. As such, Council has not deferred recognition of any portion of our capital grant consideration received as a liability for outstanding obligations.

Purpose and nature of items:

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
5.4 Interest-bearing liabilities				
Current				
Other borrowings - secured	565	778	428	653
Total current interest-bearing liabilities	565	778	428	653
Non-current				
Other borrowings - secured	7,906	8,334	7,906	8,334
Finance leases	337	429	-	-
Total non-current interest-bearing liabilities	8,243	8,763	7,906	8,334
Total interest-bearing liabilities	8,808	9,541	8,334	8,987

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

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

Not later than one year	565	778	428	653
Later than one year and not later than five years	3,587	3,499	1,458	1,370
Later than five years	4,656	5,264	6,448	6,964
	8,808	9,541	8,334	8,987

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 based on contractual repayment terms at every balance date.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

5.5 Provisions

Consolidated	Employee	Landfill	Total
2024	\$ '000	restoration	\$ '000
		\$ '000	\$ '000
Balance at beginning of the financial year	13,837	33,471	47,308
Additional provisions	7,385	1,119	8,504
Amounts used	(7,800)	(10,146)	(17,946)
Balance at the end of the financial year	13,422	24,444	37,866
<i>Provisions - current</i>	12,032	305	12,337
<i>Provisions - non-current</i>	1,390	24,139	25,529
2023			
Balance at beginning of the financial year	14,760	29,890	44,650
Additional provisions	7,026	5,322	12,348
Amounts used	(7,949)	(1,741)	(9,690)
Balance at the end of the financial year	13,837	33,471	47,308
<i>Provisions - current</i>	12,558	-	12,558
<i>Provisions - non-current</i>	1,149	33,471	34,620
Council	Employee	Landfill	Total
2024	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	13,414	33,471	46,885
Additional provisions	7,161	1,119	8,280
Amounts used	(7,419)	(10,146)	(17,565)
Change in the discounted amount arising because of time and the	-	-	-
Balance at the end of the financial year	13,156	24,444	37,600
<i>Provisions - current</i>	11,797	305	12,102
<i>Provisions - non-current</i>	1,359	24,139	25,498
2023			
Balance at beginning of the financial year	14,431	29,890	44,321
Additional provisions	6,869	5,322	12,191
Amounts used	(7,886)	(1,741)	(9,627)
Balance at the end of the financial year	13,414	33,471	46,885
<i>Provisions - current</i>	12,285	-	12,285
<i>Provisions - non-current</i>	1,129	33,471	34,600

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	Consolidated		Council	
	2024	2023	2024	2023
5.5 Provisions (cont'd)	\$'000	\$'000	\$'000	\$'000
(a) Employee provisions				
Current provisions expected to be wholly settled within 12 months				
Annual leave	4,184	3,852	3,990	3,640
Long service leave	558	508	558	474
Redundancy	-	508	-	508
Rostered day off and time off in lieu	835	834	835	834
Total	5,577	5,702	5,383	5,456
Current provisions expected to be wholly settled after 12 months				
Annual leave	838	1,260	838	1,260
Long service leave	5,617	5,596	5,576	5,569
Total	6,455	6,856	6,414	6,829
Total current employee provisions	12,032	12,558	11,797	12,285
Non-current				
Long service leave	1,390	1,149	1,359	1,129
Total non-current employee provisions	1,390	1,149	1,359	1,129
Aggregate carrying amount of employee provisions:				
Current	12,032	12,558	11,797	12,285
Non-current	1,390	1,149	1,359	1,129
Total aggregate carrying amount of employee provisions	13,422	13,707	13,156	13,414

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

Annual leave

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

5.5 Provisions

(a) Employee provisions (cont'd)

Long service leave

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

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

	Consolidated		Council	
	2024	2023	2024	2023
Key assumptions:	%	%	%	%
- Discount rate	4.35	4.06	4.35	4.06
- Wage inflation rate	4.45	4.35	4.45	4.35
- Settlement period (months)	12	12	12	12

	Consolidated		Council	
	2024	2023	2024	2023
(b) Landfill restoration	\$'000	\$'000	\$'000	\$'000
Current	305	-	305	-
Non-current	24,139	33,471	24,139	33,471
Total landfill restoration	24,444	33,471	24,444	33,471

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

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

	Consolidated		Council	
	2024	2023	2024	2023
Key assumptions:	%	%	%	%
- Weighted average - Melbourne CPI	3.70	5.60	3.70	5.60
- Discount rate	4.35	4.06	4.35	4.06

	Consolidated		Council	
	2024	2023	2024	2023
(c) Total provisions	\$'000	\$'000	\$'000	\$'000
Current	12,337	12,558	12,102	12,285
Non-current	25,529	34,620	25,498	34,600
	37,866	47,178	37,600	46,885

**Notes to the Financial Report
For the Year Ended 30 June 2024**

5.6 Financing arrangements	Consolidated		Council	
	2024	2023	2024	2023
The Council has the following funding arrangements in place as at 30 June 2024.	\$'000	\$'000	\$'000	\$'000
Credit card facilities	800	800	800	800
Loans and borrowings	8,334	8,987	8,334	8,987
Total facilities	9,134	9,787	9,134	9,787
Used facilities	8,735	9,394	8,735	9,394
Unused facilities	399	393	399	393

5.7 Commitments

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

(a) Commitments for expenditure

Consolidated	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Operating					
Swimming pool management	2,147	2,275	-	-	4,422
Cleaning services	1,491	711	-	-	2,202
Security services	2,070	757	-	-	2,827
Project design	115	-	-	-	115
Other	3,159	955	201	200	4,515
Corporate expenditure	176	57	59	127	419
Waste management	6,931	7,264	8,312	-	22,507
Computers and telecomm	1,094	416	326	512	2,348
Building services	884	187	140	-	1,211
Parks and garden services	1,852	-	-	-	1,852
Total	19,919	12,622	9,038	839	42,418

**Notes to the Financial Report
For the Year Ended 30 June 2024**

5.7 Commitments (cont'd)

Consolidated	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2024	\$'000	\$'000	\$'000	\$'000	\$'000
Capital					
Buildings	4,051	-	-	-	4,051
Computers and telecomm	322	-	-	-	322
Drains	346	-	-	-	346
Fixtures, fittings and furniture	876	-	-	-	876
Footpaths and cycleways	188	-	-	-	188
Library books and art works	102	-	-	-	102
Parks, open spaces and streetscapes	2,460	-	-	-	2,460
Plant, machinery and equipment	1,278	-	-	-	1,278
Recreation, leisure and community facilities	994	-	-	-	994
Roads	2,103	-	-	-	2,103
Kerb and channel	60	-	-	-	60
Waste management and landfill	1,035	-	-	-	1,035
Off-street carparks	938	-	-	-	938
Total	14,753	-	-	-	14,753

Consolidated	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2023	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Swimming pool management	1,833	1,943	2,183	-	5,959
Waste management	7,036	7,212	17,372	-	31,620
Cleaning services	187	117	-	-	304
Security services	1,776	1,470	1,470	1,470	6,186
Project design	1,803	1,821	-	-	3,624
Corporate expenditure	348	-	-	-	348
Computers and telecomm	920	956	-	-	1,876
Parks and gardens services	72	9	-	-	81
Building services	426	47	45	45	563
Other	262	234	234	234	964
Total	14,663	13,809	21,304	1,749	51,525

Notes to the Financial Report
For the Year Ended 30 June 2024

5.7 Commitments (cont'd)

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Consolidated					
2023	\$'000	\$'000	\$'000	\$'000	\$'000
Capital					
Building	5,267	-	-	-	5,267
Computers and telecomm	299	-	-	-	299
Drains	1,308	-	-	-	1,308
Fixtures, fittings and furniture	70	-	-	-	70
Footpaths and cycleways	22	-	-	-	22
Library books and art works	74	-	-	-	74
Parks, open space and streetscapes	335	-	-	-	335
Plant and machinery equipment	2,009	-	-	-	2,009
Recreation, leisure and community facilities	2,201	-	-	-	2,201
Roads	2,243	-	-	-	2,243
Waste management and landfill	64	-	-	-	64
Other	2,488	-	-	-	2,488
Total	16,380	-	-	-	16,380

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Council					
2024	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Swimming pool management	2,147	2,275	-	-	4,422
Cleaning services	1,491	711	-	-	2,202
Security services	870	757	-	-	1,627
Project design	42	-	-	-	42
Other	2,944	754	-	-	3,698
Corporate expenditure	146	57	59	127	389
Waste management	6,899	7,232	8,281	-	22,412
Computers and telecomm	1,014	332	238	512	2,096
Building services	730	47	-	-	777
Parks and gardens services	68	-	-	-	68
Total	16,351	12,165	8,578	639	37,733

**Notes to the Financial Report
For the Year Ended 30 June 2024**

5.7 Commitments (cont'd)

Council 2024	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
Capital					
Buildings	3,986	-	-	-	3,986
Computers and telecomm	322	-	-	-	322
Drains	346	-	-	-	346
Fixtures, fittings and furniture	876	-	-	-	876
Footpaths and cycleways	188	-	-	-	188
Library books and art works	102	-	-	-	102
Parks, open space and streetscapes	2,460	-	-	-	2,460
Plant, machinery and equipment	1,242	-	-	-	1,242
Recreation, leisure and community facilities	994	-	-	-	994
Roads	2,103	-	-	-	2,103
Kerb and channel	60	-	-	-	60
Waste management and landfill	1,035	-	-	-	1,035
Off-street carpark	938	-	-	-	938
Total	14,652	-	-	-	14,652

Council 2023	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
Operating					
Swimming pool management	1,833	1,943	2,183	-	5,959
Waste management	7,036	7,212	17,372	-	31,620
Cleaning services	920	956	-	-	1,876
Security services	187	117	-	-	304
Project design	306	-	-	-	306
Corporate expenditure	348	-	-	-	348
Computers and telecomm	72	9	-	-	81
Parks and gardens services	137	-	-	-	137
Building services	379	-	-	-	379
Other	1,831	1,821	-	-	3,652
Total	13,049	12,058	19,555	-	44,662

**Notes to the Financial Report
For the Year Ended 30 June 2024**

5.7 Commitments (cont'd)

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
2023					
Capital					
Building	5,267	-	-	-	5,267
Computers and telecomm	299	-	-	-	299
Drains	1,308	-	-	-	1,308
Fixtures, fittings and furniture	70	-	-	-	70
Footpaths and cycleways	22	-	-	-	22
Library books and art works	74	-	-	-	74
Parks, open space and streetscapes	335	-	-	-	335
Plant and machinery equipment	2,009	-	-	-	2,009
Recreation, leisure and community facilities	2,201	-	-	-	2,201
Roads	2,143	-	-	-	2,143
Kerb and channel	191	-	-	-	191
Waste management and landfill	64	-	-	-	64
Total	13,983	-	-	-	13,983

(b) Operating lease receivables

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

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

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Not later than one year	752	686	321	256
Later than one year and not later than five years	1,834	2,040	758	641
Later than five years	2,169	1,573	1,690	986
	4,755	4,299	2,769	1,883

Notes to the Financial Report For the Year Ended 30 June 2024

5.8 Leases

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

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

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

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

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

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

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

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

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

5.8 Leases (cont'd)

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Right-of-use assets				
Balance at 1 July 2023	1,115	1,235	943	1,032
Adjustment	182	9	369	9
Depreciation charge	(138)	(129)	(153)	(98)
Balance at 30 June 2024	1,159	1,115	1,159	943

Lease liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	185	184	185	147
One to five years	660	591	660	443
More than five years	1,256	1,360	1,256	1,332
Total undiscounted lease liabilities as at 30 June:	2,101	2,135	2,101	1,922

Lease liabilities included in the Balance Sheet at 30 June:

Current	128	128	128	100
Non-current	1,434	1,423	1,434	1,264
Total lease liabilities	1,562	1,551	1,562	1,364

Short-term and low value leases

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

	2024	2023
	\$'000	\$'000
Expenses relating to:		
Leases of low value assets	295	442
Total	295	442

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

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

Payable:

Within one year	147	295
Later than one year but not later than five years	-	147
Total lease commitments	147	442

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

Consolidated	Carrying amount 30 June 2023 \$'000	First time recognition of assets \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Impairment Losses \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Transfers from provisions \$'000	Carrying amount 30 June 2024 \$'000
Land	121,043	6	1,373	-	22	-	-	-	-	1,901	-	124,345
Buildings	152,131	-	140	-	-	-	(3,668)	(10)	-	12,761	-	161,354
Plant and equipment	45,260	129	3,969	-	-	-	(3,743)	(359)	-	3,248	-	48,504
Infrastructure	737,340	4,562	4,856	-	42,512	-	(16,045)	(839)	-	6,992	(8,994)	770,384
Work in progress	55,926	-	25,635	457	-	-	-	-	(3,826)	(24,902)	-	53,290
	1,111,700	4,697	35,973	457	42,534	-	(23,456)	(1,208)	(3,826)	-	(8,994)	1,157,877

Summary of work in progress	Opening WIP \$'000	Additions \$'000	Contributions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	19,707	7,610	-	(230)	(14,662)	12,425
Plant and equipment	6,659	867	-	(788)	(3,248)	3,490
Infrastructure	29,560	17,158	457	(2,808)	(6,992)	37,375
Total	55,926	25,635	457	(3,826)	(24,902)	53,290

Notes to the Financial Report
For the Year Ended 30 June 2024

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

(a) Property

Consolidated	Land - specialised	Land - non specialised	Land under roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	74,532	20,272	26,239	121,043	274,999	16,792	291,791	19,707	432,541
Accumulated depreciation at 1 July 2023	-	-	-	-	(131,691)	(7,969)	(139,660)	-	(139,660)
	74,532	20,272	26,239	121,043	143,308	8,823	152,131	19,707	292,881
Movements in fair value									
Additions	1,373	-	-	1,373	101	39	140	7,610	9,123
Recognitions	-	-	6	6	-	-	-	-	6
Revaluation	-	-	22	22	-	-	-	-	22
Disposal	-	-	-	-	(95)	-	(95)	-	(95)
Write-off	-	-	-	-	-	-	-	(230)	(230)
Transfers	1,901	-	-	1,901	12,761	-	12,761	(14,662)	-
	3,274	-	28	3,302	12,767	39	12,806	(7,282)	8,826
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(3,433)	(235)	(3,668)	-	(3,668)
Accumulated depreciation of disposals	-	-	-	-	85	-	85	-	85
	-	-	-	-	(3,348)	(235)	(3,583)	-	(3,583)
At fair value 30 June 2024	77,806	20,272	26,267	124,345	287,766	16,831	304,597	12,425	441,367
Accumulated depreciation at 30 June 2024	-	-	-	-	(135,039)	(8,204)	(143,243)	-	(143,243)
Carrying amount	77,806	20,272	26,267	124,345	152,727	8,627	161,354	12,425	298,124

Notes to the Financial Report
For the Year Ended 30 June 2024

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

(b) Plant and Equipment

Consolidated	Plant machinery and equipment	Fixtures and furniture	Computer and telecommunic ations	Artwork	Library books	Total plant and equipment	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	40,466	2,233	2,788	24,228	5,659	75,374	6,659	82,033
Accumulated depreciation at 1 July 2023	(22,269)	(1,248)	(2,433)	-	(4,164)	(30,114)	-	(30,114)
	18,197	985	355	24,228	1,495	45,260	6,659	51,919
Movements in fair value								
Additions	3,517	130	168	-	154	3,969	867	4,836
Recognitions	92	-	-	37	-	129	-	129
Disposal	(990)	(6)	-	-	-	(996)	-	(996)
Write-off	-	-	-	-	-	-	(788)	(788)
Transfers	1,946	9	1,245	-	48	3,248	(3,248)	-
	4,565	133	1,413	37	202	6,350	(3,169)	3,181
Movements in accumulated depreciation								
Depreciation	(2,788)	(229)	(444)	-	(282)	(3,743)	-	(3,743)
Accumulated depreciation of disposals	635	-	2	-	-	637	-	637
Impairment losses	4	(2)	(2)	-	-	-	-	-
	(2,149)	(231)	(444)	-	(282)	(3,106)	-	(3,106)
At fair value 30 June 2024	45,031	2,366	4,201	24,265	5,861	81,724	3,490	85,214
Accumulated depreciation at 30 June 2024	(24,418)	(1,479)	(2,877)	-	(4,446)	(33,220)	-	(33,220)
Carrying amount	20,613	887	1,324	24,265	1,415	48,504	3,490	51,994

**Notes to the Financial Report
For the Year Ended 30 June 2024**

6.1 Property, infrastructure, plant and equipment (cont'd)
(c) Infrastructure

Consolidated	Roads \$'000	Kerb and channel \$'000	Footpaths and cycle ways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Waste Management \$'000	Parks open spaces and streetscapes \$'000	Aerodromes \$'000	Off street car parks \$'000	Total infrastructure \$'000	Work in progress \$'000	Total infrastructure \$'000
At fair value 1 July 2023	587,893	27,056	64,776	207,909	64,697	24,860	21,692	48,408	20,018	1,067,309	29,560	1,096,869
Accumulated depreciation at 1 July 2023	(209,948)	(9,270)	(27,505)	(40,813)	(12,823)	(5,152)	(4,255)	(9,123)	(11,080)	(329,969)	-	(329,969)
	377,945	17,786	37,271	167,096	51,874	19,708	17,437	39,285	8,938	737,340	29,560	766,900
Movements in fair value												
Additions	1,166	165	178	121	849	-	1,057	934	386	4,856	17,158	22,014
Contributions	-	-	-	-	-	-	-	-	-	-	457	457
Recognitions	1,370	274	792	1,472	-	400	357	-	88	4,753	-	4,753
Revaluation	45,668	2,143	3,745	10,077	3,192	35	1,586	-	1,378	67,824	-	67,824
Disposal	(949)	(32)	(120)	(281)	(219)	-	(2)	-	(51)	(1,654)	-	(1,654)
Write-off	-	-	-	-	-	-	-	-	-	-	(2,808)	(2,808)
Transfers	1,764	278	574	665	663	429	1,123	1,148	348	6,992	(6,992)	-
Transfers from Provision	-	-	-	-	-	(8,994)	-	-	-	(8,994)	-	(8,994)
	49,019	2,828	5,169	12,054	4,485	(8,130)	4,121	2,082	2,149	73,777	7,815	81,592
Movements in accumulated depreciation												
Depreciation	(9,158)	(396)	(1,488)	(1,484)	(579)	(931)	(492)	(981)	(536)	(16,045)	-	(16,045)
Accumulated depreciation of disposals	440	17	60	38	214	-	-	-	46	815	-	815
Accumulated depreciation of recognitions	-	(1)	(1)	(21)	-	(80)	(71)	-	(17)	(191)	-	(191)
Accumulated depreciation of revaluations	(16,890)	(745)	(2,235)	(3,266)	(1,019)	(8)	(346)	-	(803)	(25,312)	-	(25,312)
	(25,608)	(1,125)	(3,664)	(4,733)	(1,384)	(1,019)	(909)	(981)	(1,310)	(40,733)	-	(40,733)
At fair value 30 June 2024	636,912	29,884	69,945	219,963	69,182	16,730	25,813	50,490	22,167	1,141,086	37,375	1,178,461
Accumulated depreciation at 30 June 2024	(235,556)	(10,395)	(31,169)	(45,546)	(14,207)	(6,171)	(5,164)	(10,104)	(12,390)	(370,702)	-	(370,702)
Carrying amount	401,356	19,489	38,776	174,417	54,975	10,559	20,649	40,386	9,777	770,384	37,375	807,759

**Notes to the Financial Report
For the Year Ended 30 June 2024**

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

Summary of property, infrastructure, plant and equipment

Council	Carrying amount	First time recognition of assets	Additions	Contributions	Revaluation	Impairment		Disposal	Write-off	Transfers	Transfers from	Carrying amount
	30 June 2023					Losses	Depreciation				provisions	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	121,043	6	1,373	-	22	-	-	-	-	1,901	-	124,345
Buildings	136,116	-	77	-	-	-	(3,441)	(10)	-	12,761	-	145,503
Plant and equipment	43,407	129	3,713	-	-	-	(3,378)	(337)	-	3,248	-	46,782
Infrastructure	695,946	4,562	3,586	-	42,512	-	(14,938)	(839)	-	5,844	(8,994)	727,679
Work in progress	54,480	-	25,502	457	-	-	-	-	(3,684)	(23,754)	-	53,001
	1,050,992	4,697	34,251	457	42,534	-	(21,757)	(1,186)	(3,684)	-	(8,994)	1,097,310

Summary of work in progress	Opening WIP	Additions	Contributions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	19,707	7,610	-	(230)	(14,662)	12,425
Plant and equipment	6,654	830	-	(788)	(3,248)	3,448
Infrastructure	28,119	17,062	457	(2,666)	(5,844)	37,128
Total	54,480	25,502	457	(3,684)	(23,754)	53,001

Notes to the Financial Report
For the Year Ended 30 June 2024

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

(a) Property

Council	Land - specialised	Land - non specialised	Land under roads	Total land and land improvements	Buildings - specialised	Buildings - non specialised	Total buildings	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	74,532	20,272	26,239	121,043	258,000	15,418	273,418	19,707	414,168
Accumulated depreciation at 1 July 2023	-	-	-	-	(129,802)	(7,500)	(137,302)	-	(137,302)
	74,532	20,272	26,239	121,043	128,198	7,918	136,116	19,707	276,866
Movements in fair value									
Additions	1,373	-	-	1,373	77	-	77	7,610	9,060
Recognitions	-	-	6	6	-	-	-	-	6
Revaluation	-	-	22	22	-	-	-	-	22
Disposal	-	-	-	-	(95)	-	(95)	-	(95)
Write-off	-	-	-	-	-	-	-	(230)	(230)
Transfers	1,901	-	-	1,901	12,761	-	12,761	(14,662)	-
	3,274	-	28	3,302	12,743	-	12,743	(7,282)	8,763
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(3,260)	(181)	(3,441)	-	(3,441)
Accumulated depreciation of disposals	-	-	-	-	85	-	85	-	85
	-	-	-	-	(3,175)	(181)	(3,356)	-	(3,356)
At fair value 30 June 2024	77,806	20,272	26,267	124,345	270,743	15,418	286,161	12,425	422,931
Accumulated depreciation at 30 June 2024	-	-	-	-	(132,977)	(7,681)	(140,658)	-	(140,658)
Carrying amount	77,806	20,272	26,267	124,345	137,766	7,737	145,503	12,425	282,273

Notes to the Financial Report
For the Year Ended 30 June 2024

6.1 Property, infrastructure, plant and equipment (cont'd)
(b) Plant and equipment

Council	Plant machinery and equipment \$'000	Fixtures and fittings and furniture \$'000	Computers and telecommu nications \$'000	Artwork \$'000	Library books \$'000	Total plant and equipment \$'000	Work in progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2023	36,801	1,169	2,747	24,228	5,659	70,604	6,654	77,258
Accumulated depreciation at 1 July 2023	(20,040)	(568)	(2,425)	-	(4,164)	(27,197)	-	(27,197)
	16,761	601	322	24,228	1,495	43,407	6,654	50,061
Movements in fair value								
Additions	3,391	-	168	-	154	3,713	830	4,543
Recognitions	92	-	-	37	-	129	-	129
Disposal	(972)	-	-	-	-	(972)	-	(972)
Write-off	-	-	-	-	-	-	(788)	(788)
Transfers	1,946	9	1,245	-	48	3,248	(3,248)	-
	4,457	9	1,413	37	202	6,118	(3,206)	2,912
Movements in accumulated depreciation								
Depreciation	(2,579)	(73)	(444)	-	(282)	(3,378)	-	(3,378)
Accumulated depreciation of disposals	635	-	-	-	-	635	-	635
	(1,944)	(73)	(444)	-	(282)	(2,743)	-	(2,743)
At fair value 30 June 2024	41,258	1,178	4,160	24,265	5,861	76,722	3,448	80,170
Accumulated depreciation at 30 June 2024	(21,984)	(641)	(2,869)	-	(4,446)	(29,940)	-	(29,940)
Carrying amount	19,274	537	1,291	24,265	1,415	46,782	3,448	50,230

Notes to the Financial Report
For the Year Ended 30 June 2024

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

(c) Infrastructure

Council	Roads \$'000	Kerb and channel \$'000	Footpaths and cycle ways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Waste management \$'000	Parks open spaces and streetscapes \$'000	Aerodromes \$'000	Off street car parks \$'000	Total infrastructure \$'000	Work in progress \$'000	Total infrastructure \$'000
At fair value 1 July 2023	587,893	27,056	64,776	207,909	64,697	24,860	20,818	-	17,387	1,015,396	28,119	1,043,515
Accumulated depreciation at 1 July 2023	(209,948)	(9,270)	(27,505)	(40,813)	(12,823)	(5,152)	(3,953)	-	(9,986)	(319,450)	-	(319,450)
	377,945	17,786	37,271	167,096	51,874	19,708	16,865	-	7,401	695,946	28,119	724,065
Movements in fair value												
Additions	1,166	165	178	121	849	-	1,036	-	71	3,586	17,062	20,648
Contributions	-	-	-	-	-	-	-	-	-	-	457	457
Recognitions	1,370	274	792	1,472	-	400	357	-	88	4,753	-	4,753
Revaluation	45,668	2,143	3,745	10,077	3,192	35	1,586	-	1,378	67,824	-	67,824
Disposal	(949)	(32)	(120)	(281)	(219)	-	(2)	-	(51)	(1,654)	-	(1,654)
Write-off	-	-	-	-	-	-	-	-	-	-	(2,666)	(2,666)
Transfers	1,764	278	574	665	663	429	1,123	-	348	5,844	(5,844)	-
Transfers from Provision	-	-	-	-	-	(8,994)	-	-	-	(8,994)	-	(8,994)
	49,019	2,828	5,169	12,054	4,485	(8,130)	4,100	-	1,834	71,359	9,009	80,368
Movements in accumulated depreciation												
Depreciation	(9,158)	(396)	(1,488)	(1,484)	(579)	(931)	(457)	-	(445)	(14,938)	-	(14,938)
Accumulated depreciation of disposals	440	17	60	38	214	-	-	-	46	815	-	815
Accumulated depreciation of recognitions	-	(1)	(1)	(21)	-	(80)	(71)	-	(17)	(191)	-	(191)
Accumulated depreciation of revaluations	(16,890)	(745)	(2,235)	(3,266)	(1,019)	(8)	(346)	-	(803)	(25,312)	-	(25,312)
	(25,608)	(1,125)	(3,664)	(4,733)	(1,384)	(1,019)	(874)	-	(1,219)	(39,626)	-	(39,626)
At fair value 30 June 2024	636,912	29,884	69,945	219,963	69,182	16,730	24,918	-	19,221	1,086,755	37,128	1,123,883
Accumulated depreciation at 30 June 2024	(235,556)	(10,395)	(31,169)	(45,546)	(14,207)	(6,171)	(4,827)	-	(11,205)	(359,076)	-	(359,076)
Carrying amount	401,356	19,489	38,776	174,417	54,975	10,559	20,091	-	8,016	727,679	37,128	764,807

Notes to the Financial Report For the Year Ended 30 June 2024

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

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

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

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

Asset Recognition Thresholds and Depreciation Periods	Depreciation Period	Threshold Limit \$'000
Land and land improvements		
land	-	5
Buildings		
buildings	60 years	10
Plant and equipment		
plant and equipment	3 - 12 years	5
fixtures, fittings and furniture	5 - 15 years	5
library books	10 years	-
Infrastructure		
footpaths and cycle ways	15 - 50 years	10
road kerb and channel	70 years	10
road pavements	20 - 65 years	10
road seals	15 - 40 years	10
Drainage	50 - 150 years	10
Waste management	10 - 30 years	10
Aerodromes	50 years	10
Off street carparks	15 - 65 years	10
Recreational, leisure and community	10 - 50 years	10
Parks, open spaces and streetscapes	10 - 100 years	10
Intangible assets - software	3 - 15 years	1

Notes to the Financial Report For the Year Ended 30 June 2024

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

Depreciation periods used are listed on the previous page and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by qualified Valuer Mr Stephen Lush AAPI, Certified Practising Valuer (Council Officer). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions and drainage basins the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

Notes to the Financial Report For the Year Ended 30 June 2024

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

Valuation of land and building (cont'd)

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	20,272	-	31/12/2022	Full/Internal
Specialised land	-	-	77,806	31/12/2022	Full/Internal
Land under roads	-	-	26,267	30/06/2024	Full/Internal
Buildings	-	7,737	137,766	31/12/2022	Full/Internal
Total	-	28,009	241,839		

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an internal valuation undertaken by Senior Asset Officer Gavin Coulthard, (B Business, Diploma Risk Mgt). The Valuation review is undertaken by Karen Milner, Strategic Asset Systems Coordinator (CPA, Grad Cert Project Management, 15 Years Asset Management Experience) and Kylie Sergi, Manager Facilities & Assets (B App Sci, Dip Bus, 17 Years Asset Management Experience).

The date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on Rawlinson's Australian Construction Handbook 2024, a full unit rate and useful life review of these assets will be conducted in 2024/25 and 2025/26. External Condition Assessments are undertaken on a 3-5 year cycle.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	401,356	30/06/2024	Indexation
Kerb and channel	-	-	19,489	30/06/2024	Indexation
Footpaths and cycle ways	-	-	38,776	30/06/2024	Indexation
Drainage	-	-	174,417	30/06/2024	Indexation
Recreational, leisure and community facilities	-	-	54,975	30/06/2024	Indexation
Waste management	-	-	10,559	30/06/2024	Indexation
Parks, open space and streetscapes	-	-	20,091	30/06/2024	Indexation
Off street car parks	-	-	8,016	30/06/2024	Indexation
Total	-	-	727,679		

Notes to the Financial Report For the Year Ended 30 June 2024

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

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 30% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.02 and \$940.00 per square metre.

Specialised buildings are valued using current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$60.00 to \$14,118.00 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of straight line depreciation, except where a single asset class has comprehensive condition information, in which case remaining useful life is determined on the basis of condition. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2024	2023
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	26,267	26,239
Land - parks and reserves, etc.	77,806	74,532
Total specialised land	<u>104,073</u>	<u>100,771</u>

Notes to the Financial Report For the Year Ended 30 June 2024

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related parties

Parent entity

Mildura Rural City Council is the parent entity.

Subsidiaries and associates

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

(b) Key management personnel

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

Details of KMP at any time during the year are:

Councillors

Councillor (Mayor)	Liam Wood	1/07/2023 to	30/06/2024
Councillor (Deputy Mayor)	Helen Healy	1/07/2023 to	1/11/2023
Councillor (Deputy Mayor)	Mark Eckel	2/11/2023 to	30/06/2024
Councillor	Helen Healy	2/11/2023 to	30/06/2024
Councillor	Mark Eckel	1/07/2023 to	1/11/2023
Councillor	Troy Bailey	1/07/2023 to	30/06/2024
Councillor	Stefano de Pieri	1/07/2023 to	30/06/2024
Councillor	Jodi Reynolds	1/07/2023 to	30/06/2024
Councillor	Jason Modica	1/07/2023 to	30/06/2024
Councillor	Ian Arney	1/07/2023 to	30/06/2024
Councillor	Glenn Milne	1/07/2023 to	30/06/2024

Chief Executive Officer and Key Management Personnel – Former Structure

Martin Hawson	Chief Executive Officer	01/07/2023 to	30/06/2024
Daryl Morgan	General Manager Development	01/07/2023 to	02/07/2023
Mark McMillan	General Manager Corporate	01/07/2023 to	16/07/2023
Mark Jenkins	General Manager Community	01/07/2023 to	09/07/2023

Notes to the Financial Report For the Year Ended 30 June 2024

7.1 Council and key management remuneration (cont'd)

Chief Executive Officer and Key Management Personnel – New Structure

Martin Hawson	Chief Executive Officer	1/07/2023 to	30/06/2024
Kate Henschke	General Manager Corporate Performance	17/07/2023 to	30/06/2024
Daryl Morgan	General Manager Infrastructure and Assets	3/07/2023 to	30/06/2024
Mark Jenkins	Interim General Manager Strategy and Growth	10/07/2023 to	13/11/2023
Peter Alexander	General Manager Strategy and Growth	23/10/2023 to	30/06/2024
Cheree Jukes	General Manager Healthy Communities	10/07/2023 to	13/11/2023
Mark Jenkins	General Manager Healthy Communities	14/11/2023 to	30/06/2024

	2024	2023
	No.	No.
Total number of Councillors	9	9
Total of Chief Executive Officer and other KMP	7	5
Total key management personnel	16	14

(c) Remuneration of key management personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2024	2023
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,661	1,560
Post employment benefits	132	126
Other long-term benefits	43	43
Total	1,836	1,729

**Notes to the Financial Report
For the Year Ended 30 June 2024**

7.1 Council and key management remuneration (cont'd)

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

	2024	2023
	No.	No.
\$1 - \$9,999	1	-
\$30,000 - \$39,999	7	7
\$40,000 - \$49,999	1	1
\$70,000 - \$79,999	1	-
\$90,000 - \$99,999	-	1
\$100,000 - \$109,999	1	-
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	-	1
\$240,000 - \$249,999	1	-
\$260,000 - \$269,999	-	1
\$270,000 - \$279,999	1	2
\$280,000 - \$289,999	1	-
\$360,000 - \$369,999	-	1
\$380,000 - \$389,999	1	-
	16	14

**Notes to the Financial Report
For the Year Ended 30 June 2024**

7.1 Council and key management remuneration (cont'd)

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP. *

	2024	2023
	\$'000	\$'000
Total remuneration of other senior staff was as follows:		
Short-term benefits	2,448	2,416
Post employment benefits	254	251
Other - long term benefits	100	71
Termination benefits	-	-
Total	2,802	2,738

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

	2024	2023
	No.	No.
Income Range:		
\$170,000 - \$179,999	2	3
\$180,000 - \$189,999	2	1
\$190,000 - \$199,999	2	8
\$200,000 - \$209,999	4	1
\$210,000 - \$219,999	4	-
\$260,000 - \$269,999	-	1
	14	14

Total remuneration for the reporting year for senior officers included above, amounted to:	\$'000	\$'000
	2,802	2,738

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the *Local Government Act 2020*.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

7.2 Related party disclosure

(a) Transactions with related parties	2024	2023
During the period Council entered into the following transactions with related parties.	\$'000	\$'000
Employee expenses for close family members of key management personnel	80	288
	<u>80</u>	<u>288</u>

All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the award for the job they perform. Council employs 602 staff of which only 1 is a close family member of key management personnel.

The Mildura Tourism and Economic Development Ltd (MRD) is controlled by a board consisting of:

- Martin Hawson (Chair) Chief Executive Officer of Mildura Rural City Council
- Cr Liam Wood (Director) Councillor of Mildura Rural City Council
- Kate Henschke (Director) General Manager Corporate Performance of Mildura Rural City Council

While it is acknowledged that these staff have joint roles for both Council and MRD which is a related party, however being a wholly owned subsidiary of Mildura Council transactions between the two entities have not been included in the above disclosure 7.2(a) Transactions with related parties.

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

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

Council has a loan facility with Mildura Airport Pty Ltd which was originally established for upgrade of the airport runway and other capital upgrades and renewals, and has a loan facility with Mildura Tourism and Economic Development Ltd for development of the Light State project. This is disclosed in note 5.1(c) Trade and other receivables.

(d) Commitments to/from related parties

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

Notes to the Financial Report For the Year Ended 30 June 2024

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

The following are potential contingencies to be considered by Council.

Council has a single major insurance claim in progress relating to damage caused by heavy rainfall during October 2022 and subsequent flood event. This claim is being managed by the insurer who are sorting affected assets to full replacement value. Therefore, Council is not expending any financial payment resulting from the ongoing claim which would be material to our financial statements.

(b) Contingent liabilities

Contingent liabilities are:

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

The following are potential contingencies to be considered by Council.

Superannuation

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

Landfill

Council operates a landfill and will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works, however Council has made a provision for landfill restoration in its balance sheet and also has a landfill redevelopment reserve to assist in managing these future cost.

Legal matters

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

Notes to the Financial Report For the Year Ended 30 June 2024

8.1 Contingent assets and liabilities (cont'd)

Liability Mutual Insurance

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

MAV Work care

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

Support for financial subsidiaries

The economic climate has rapidly changed in the last 12 months with high inflation and supply constraints, which is still ongoing. Mildura Rural City Council has continued to support the two wholly owned subsidiaries being Mildura Airport Pty Ltd and Mildura Tourism and Economic Development Ltd. This includes financial support through a loan facility and other financial supports to ensure they can continue to operate as a going concern. This support is for a period of twelve months from the date of adoption of the Financial Statements.

(c) Guarantees for loans to other entities

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

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

Notes to the Financial Report For the Year Ended 30 June 2024

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-10 *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities to modify AASB 13 Fair Value Measurement*. AASB 2022-10 amends AASB 13 *Fair Value Measurement* for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The AASB 13 modifications:

- are applicable only to not-for-profit public sector entities;
- are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
- are to be applied prospectively for annual periods beginning on or after 1 January 2024;
- would not necessarily change practice for some not-for-profit public sector entities; and
- do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13.

Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*. AASB 2022-6 amends AASB 101 *Presentation of Financial Statements* to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments in AASB 2022-6 are effective for annual periods beginning on or after 1 January 2024. Council will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

Notes to the Financial Report For the Year Ended 30 June 2024

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2024

8.3 Financial instruments (cont'd)

(c) Credit risk

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

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

Notes to the Financial Report For the Year Ended 30 June 2024

8.3 Financial instruments (cont'd)

(d) Liquidity risk (cont'd)

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.5% and - 1.5% in market interest rates (AUD) from year-end rates of 4.5%.

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 operations.

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2024

8.4 Fair value measurement (cont'd)

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

Revaluation

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

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

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

Asset class	Revaluation frequency
Land	2 years
Buildings	2 years
Roads	1 year
Bridges	1 year
Footpaths and cycleways	1 year
Drainage	1 year
Recreational, leisure and community facilities	1 year
Waste management	1 year
Parks, open space and streetscapes	1 year
Other infrastructure	1 to 5 years

Notes to the Financial Report For the Year Ended 30 June 2024

8.4 Fair value measurement (cont'd)

Impairment of assets

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

8.5 Events occurring after balance date

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

**Notes to the Financial Report
For the Year Ended 30 June 2024**

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

Consolidated	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
2024	\$'000	\$'000	\$'000
Property			
Land	70,316	22	70,338
Buildings	77,932	-	77,932
	148,248	22	148,270
Plant and equipment			
Artwork	11,005	-	11,005
	11,005	-	11,005
Infrastructure			
Roads	280,444	28,778	309,222
Drainage	68,753	5,217	73,970
Drainage basins	7,499	1,594	9,093
Recreational, leisure and community facilities	48,449	2,173	50,622
Waste management	34	27	61
Parks, open space and streetscapes	2,513	1,240	3,753
Aerodromes	9,594	-	9,594
Off-street car parks	2,413	575	2,988
Footpaths	32,791	1,510	34,301
Kerb and channel	19,108	1,398	20,506
	471,598	42,512	514,110
Water rights			
Water rights	11,606	(2,504)	9,102
	11,606	(2,504)	9,102
Total asset revaluation reserves	642,457	40,030	682,487

**Notes to the Financial Report
For the Year Ended 30 June 2024**

9.1 Reserves (cont'd)

(a) Asset revaluation reserves (cont'd)

Consolidated	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
2023	\$'000	\$'000	\$'000
Property			
Land	26,342	43,974	70,316
Buildings	60,146	17,786	77,932
	86,488	61,760	148,248
Plant and equipment			
Artwork	11,005	-	11,005
	11,005	-	11,005
Infrastructure			
Roads	251,155	29,289	280,444
Drainage	51,660	17,093	68,753
Drainage basins	6,641	858	7,499
Recreational, leisure and community facilities	42,839	5,610	48,449
Waste management	16	18	34
Parks, open space and streetscapes	1,938	575	2,513
Aerodromes	9,594	-	9,594
Off-street car parks	1,894	519	2,413
Footpaths	32,052	739	32,791
Kerb and channel	17,834	1,274	19,108
	415,623	55,975	471,598
Water rights			
Water rights	11,694	(88)	11,606
	11,694	(88)	11,606
Total asset revaluation reserves	524,810	117,647	642,457

**Notes to the Financial Report
For the Year Ended 30 June 2024**

9.1 Reserves (cont'd)

(a) Asset revaluation reserves (cont'd)

Council 2024	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
Land	70,316	22	70,338
Buildings	70,095	-	70,095
	140,411	22	140,433
Plant and equipment			
Artwork	11,005	-	11,005
	11,005	-	11,005
Infrastructure			
Roads	280,444	28,778	309,222
Drainage	68,753	5,217	73,970
Drainage basins	7,499	1,594	9,093
Recreational, leisure and community facilities	48,449	2,173	50,622
Waste management	34	27	61
Parks, open space and streetscapes	2,513	1,240	3,753
Aerodromes	9,594	-	9,594
Off-street car parks	2,413	575	2,988
Footpaths	32,791	1,510	34,301
Kerb and channel	19,108	1,398	20,506
	471,598	42,512	514,110
Water rights			
Water rights	11,526	(2,492)	9,034
	11,526	(2,492)	9,034
Total asset revaluation reserves	634,540	40,042	674,582

**Notes to the Financial Report
For the Year Ended 30 June 2024**

9.1 Reserves (cont'd)

(a) Asset revaluation reserves (cont'd)

Council	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
2023	\$'000	\$'000	\$'000
Property			
Land	26,342	43,974	70,316
Buildings	60,009	10,086	70,095
	86,351	54,060	140,411
Plant and equipment			
Artwork	11,005	-	11,005
	11,005	-	11,005
Infrastructure			
Roads	251,155	29,289	280,444
Drainage	51,660	17,093	68,753
Drainage basins	6,641	858	7,499
Recreational, leisure and community facilities	42,839	5,610	48,449
Waste management	16	18	34
Parks, open space and streetscapes	1,938	575	2,513
Aerodromes	9,594	-	9,594
Off-street car parks	1,894	519	2,413
Footpaths	32,052	739	32,791
Kerb and channel	17,834	1,274	19,108
	415,623	55,975	471,598
Water rights			
Water rights	11,616	(90)	11,526
	11,616	(90)	11,526
Total asset revaluation reserves	524,595	109,945	634,540

Notes to the Financial Report
For the Year Ended 30 June 2024

9.1 Reserves (cont'd)

(b) Other reserves

Consolidated 2024	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Non discretionary reserves				
Apex Park reserve	364	38	-	402
Developer contribution reserve	4,975	557	(617)	4,915
Library book bequest reserve	30	-	-	30
DGR donations reserve - MAC Theatre	58	-	-	58
Merbein Caravan Park reserve	144	38	-	182
Lake Cullulleraine Caravan Park reserve	38	6	-	44
Landfill redevelopment	8,549	-	(1,332)	7,217
Public open space contribution reserve	-	31	-	31
Total	14,158	670	(1,949)	12,879
Discretionary reserves				
Artwork acquisition reserve	173	111	(12)	272
Hands up Mallee	1,321	-	(484)	837
Small towns redevelopment reserve	182	128	(88)	222
VGC advance grants reserve	18,675	-	(18,675)	-
Land acquisition reserve	1,419	500	(1,374)	545
Water transfer proceeds reserve	65	-	(27)	38
Defined benefits reserve	2,000	-	-	2,000
Capital funding reserve	624	3,712	(2,988)	1,348
Capital renewal reserve	-	754	(2)	752
MRCC community drought reserve	539	100	(588)	51
MRCC developer contribution plan reserve	15,732	4,943	(541)	20,134
Unspent events grant reserve	95	539	(481)	153
Unspent recreation, planning and development grant reserve	88	324	(148)	264
Unspent community grant program	204	330	(369)	165
Murrayville swimming pool reserve	21	-	-	21
Underbool swimming pool reserve	5	-	-	5
Energy and emission reduction reserve	-	571	-	571
Total	41,143	12,012	(25,777)	27,378
Total other reserves	55,301	12,682	(27,726)	40,257

Notes to the Financial Report
For the Year Ended 30 June 2024

9.1 Reserves (cont'd)

(b) Other reserves (cont'd)

Consolidated 2023	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Non discretionary reserves				
Apex Park reserve	519	22	(177)	364
Developer contribution reserve	3,354	2,156	(535)	4,975
Library book bequest reserve	30	-	-	30
DGR donations reserve - MAC Theatre	58	-	-	58
Merbein Caravan Park reserve	106	38	-	144
Lake Cullulleraine Caravan Park reserve	27	11	-	38
Landfill redevelopment reserve	12,637	-	(4,088)	8,549
Total	16,731	2,227	(4,800)	14,158
Discretionary reserves				
Artwork acquisition reserve	137	45	(9)	173
Hands up Mallee	1,560	-	(239)	1,321
Small towns redevelopment reserve	245	-	(63)	182
VGC advance grants reserve	13,318	18,675	(13,318)	18,675
Land acquisition reserve	619	800	-	1,419
Water transfer proceeds reserve	65	-	-	65
Defined benefits reserve	2,000	-	-	2,000
Capital funding reserve	1,947	2,006	(3,329)	624
MRCC community drought reserve	1,796	-	(1,257)	539
MRCC developer contribution plan reserve	11,476	4,744	(488)	15,732
Unspent events grant reserve	276	67	(248)	95
Unspent recreation, planning and development grant reserve	89	-	(1)	88
Unspent community grant program	-	330	(126)	204
Murrayville swimming pool reserve	25	4	(8)	21
Underbool swimming pool reserve	14	6	(15)	5
Total	33,567	26,677	(19,101)	41,143
Total other reserves	50,298	28,904	(23,901)	55,301

Notes to the Financial Report
For the Year Ended 30 June 2024

9.1 Reserves (cont'd)

(b) Other reserves (cont'd)

Council	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
2024	\$'000	\$'000	\$'000	\$'000
Non discretionary reserves				
Apex Park reserve	364	38	-	402
Developer contribution reserve	4,975	557	(617)	4,915
Library book bequest reserve	30	-	-	30
DGR donations reserve - MAC Theatre	58	-	-	58
Merbein Caravan Park reserve	144	38	-	182
Lake Cullulleraine Caravan Park reserve	38	6	-	44
Landfill redevelopment reserve	8,549	-	(1,332)	7,217
Public open space contribution reserve	-	31	-	31
Total	14,158	670	(1,949)	12,879
Discretionary reserves				
Artwork acquisition reserve	173	111	(12)	272
Hands up Mallee	1,321	-	(484)	837
Small towns redevelopment reserve	182	128	(88)	222
VGC advance grants reserve	18,675	-	(18,675)	-
Land acquisition reserve	1,419	500	(1,374)	545
Water transfer proceeds reserve	65	-	(27)	38
Defined benefits reserve	2,000	-	-	2,000
Capital funding reserve	624	3,712	(2,988)	1,348
Capital renewal reserve	-	754	(2)	752
MRCC community drought reserve	539	100	(588)	51
MRCC developer contribution plan reserve	15,732	4,943	(541)	20,134
Unspent events grant reserve	95	539	(481)	153
Unspent recreation, planning and development grant reserve	88	324	(148)	264
Unspent community grant program	204	330	(369)	165
Murrayville swimming pool reserve	21	-	-	21
Underbool swimming pool reserve	5	-	-	5
Energy and emission reduction reserve	-	571	-	571
Total	41,143	12,012	(25,777)	27,378
Total other reserves	55,301	12,682	(27,726)	40,257

Notes to the Financial Report
For the Year Ended 30 June 2024

9.1 Reserves (cont'd)

(b) Other reserves (cont'd)

Council	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
2023				
Non discretionary reserves				
Apex Park reserve	519	22	(177)	364
Developer contribution reserve	3,354	2,156	(535)	4,975
Library book bequest reserve	30	-	-	30
DGR donations reserve - MAC Theatre	58	-	-	58
Merbein Caravan Park reserve	106	38	-	144
Lake Cullulleraine Caravan Park reserve	27	11	-	38
Landfill redevelopment reserve	12,637	-	(4,088)	8,549
Total	16,731	2,227	(4,800)	14,158
Discretionary reserves				
Artwork acquisition reserve	137	45	(9)	173
Hands up Mallee	1,560	-	(239)	1,321
Small towns redevelopment reserve	245	-	(63)	182
VGC advance grants reserve	13,318	18,675	(13,318)	18,675
Land acquisition reserve	619	800	-	1,419
Water transfer proceeds reserve	65	-	-	65
Defined benefits reserve	2,000	-	-	2,000
Capital funding reserve	1,947	2,006	(3,329)	624
MRCC community drought reserve	1,796	-	(1,257)	539
MRCC developer contribution plan reserve	11,476	4,744	(488)	15,732
Unspent events grant reserve	276	67	(248)	95
Unspent recreation, planning and development grant reserve	89	-	(1)	88
Unspent community grant program	-	330	(126)	204
Murrayville swimming pool reserve	25	4	(8)	21
Underbool swimming pool reserve	14	6	(15)	5
Total	33,567	26,677	(19,101)	41,143
Total other reserves	50,298	28,904	(23,901)	55,301

Notes to the Financial Report For the Year Ended 30 June 2024

9.1 Reserves (cont'd)

Name of reserve	Nature and purpose
Non discretionary reserves	
Apex Park reserve	Set up under a Committee of Management agreement, where surplus funds are to be set aside for improvements to the park lands.
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.
Public open space contribution reserve	This reserve quarantines cash contributions within the Development Contribution Plan which relate to public open space projects.
Lake Cullulleraine Caravan Park reserve	Set up where surplus funds are to be set aside for improvements to the park lands.
Landfill redevelopment reserve	Surplus on waste management operations, to be used for landfill reinstatement and purchase of new landfill sites.
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.
Discretionary reserves	
Artwork acquisition reserve	A reserve created for any annual unspent capital works expenditure allocation towards the restoration and expansion of Council's permanent artwork collection.
Asset renewal reserve	Established in order to take advantage of any possible matching funding, by way of government grants, for renewal of Council assets.
Hands up Mallee	A reserve created to account for the unspent portion of Hands up Mallee grant funding received.

Notes to the Financial Report For the Year Ended 30 June 2024

9.1 Reserves (cont'd)

Name of reserve	Nature and purpose
Discretionary reserves	
Small town redevelopment reserve	A reserve for funds set aside for long term strategies for the small towns within the municipality.
VGC advance grants reserve	Reserve created to hold financial assistance grant funding received in advance.
Land acquisition reserve	The reserve was created to allow for the purchase of land identified for a strategic purpose.
Water transfer proceeds reserve	The reserve was established to hold proceeds from the sale of permanent and temporary water for future water purchases.
Defined benefits reserve	This reserve was established to hold funding generated from rates to be used in the advent of another defined benefits call.
Capital funding reserve	This reserve was established to hold rates funded capital works investments untied to any specific capital works project.
MRCC community drought reserve	This reserve was established to hold grant funding that is to be used to help communities affected by the drought.
MRCC developer contribution plan reserve	This reserve has been created to receive budget allocations that are to be used for the purpose of Council 's contribution towards developer contribution plan developments.
Unspent events grant reserve	An unspent event grants reserve will be established to hold grant payments that were budgeted to be paid out in the Budget but remain unallocated and unspent at the end of the financial year. The unspent grant budget allocation may be transferred to the reserve at the end of each financial year. This reserve primarily would be used to help fund large or hallmark events.
Unspent recreation, planning and development grant reserve	This reserve is to hold grant payments that were budgeted to be paid out in the annual budget but remain unallocated and unspent at the end of each financial year.
Unspent community grant program	This reserve is to ensure that funds allocated for the benefit of community groups are used to deliver projects for and on behalf of community groups.
Murrayville swimming pool reserve	This reserve is created to hold funds from the Murrayville swimming pool section 86 committee.
Underbool swimming pool reserve	This reserve is created to hold funds from the Underbool swimming pool section 86 committee.
Energy and emission reduction reserve	This reserve funds initiatives that reduce Council's energy consumption, greenhouse gas emissions and operational costs.

Notes to the Financial Report
For the Year Ended 30 June 2024

9.1 Reserves (cont'd)

(c) Financial assets revaluation

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation by an associate \$'000	Balance at end of reporting period \$'000
Council				
2024				
Interest in Mildura Airport Pty Ltd	31,086	(898)	-	30,188
Interest in Mildura Regional Development	2,820	915	-	3,735
	33,906	17	-	33,923
Total financial assets revaluation	33,906	17	-	33,923
2023				
Interest in Mildura Airport Pty Ltd	32,010	(924)	-	31,086
Interest in Mildura Regional Development	566	2,254	-	2,820
	32,576	1,330	-	33,906
Total financial assets revaluation	32,576	1,330	-	33,906

**Notes to the Financial Report
For the Year Ended 30 June 2024**

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)				
Surplus for the year	433	21,216	404	19,888
<i>Non-cash adjustments:</i>				
Depreciation/amortisation	23,808	21,858	22,124	20,123
Loss on disposal of property, infrastructure, plant and equipment	811	955	811	798
Landfill provision	-	(1,512)	-	(1,512)
Write-off of works in progress	3,385	499	3,385	499
First time recognition of non current assets	(4,697)	(3,875)	(4,697)	(3,875)
Contributions - non-monetary assets	(457)	(400)	(457)	(400)
Interest expense	736	778	562	647
Leasing finance expense	62	59	62	48
Bad debt write off	69	35	69	34
<i>Change in assets and liabilities:</i>				
(Increase) / decrease in trade and other receivables	(2,774)	(1,117)	(4,208)	(2,748)
(Increase) / decrease in prepayments	(107)	(3)	(23)	3
Increase / (decrease) in trade and other payables	103	312	(1,086)	112
Increase / (decrease) in contract and other liabilities	(2,686)	(279)	(1,711)	(896)
Increase / (decrease) in trust fund deposits	348	271	348	271
(Increase) / decrease in inventories	(141)	(125)	(128)	(118)
Increase / (decrease) in provisions	(526)	(1,017)	(488)	(1,078)
Net cash provided by operating activities	18,367	37,655	14,967	31,796

Notes to the Financial Report For the Year Ended 30 June 2024

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. 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 category, Vision My Super/Vision Super Saver, receives 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 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023: 10.5%).

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.

A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI were:

Notes to the Financial Report For the Year Ended 30 June 2024

9.3 Superannuation (cont'd)

Funding arrangements (cont'd)

Net investment returns	5.7% pa
Salary inflation	3.5% pa
Price inflation (CPI)	2.8% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2023 triennial 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 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

(b) Funding calls

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

Notes to the Financial Report For the Year Ended 30 June 2024

9.3 Superannuation (cont'd)

(b) Funding calls (cont'd)

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the defined benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

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

	2023 Triennial \$m	2022 (Interim) \$m
A VBI surplus	84.7	44.6
A total service liability surplus	123.6	105.8
A discounted accrued benefits surplus	141.9	111.9

Notes to the Financial Report For the Year Ended 30 June 2024

9.3 Superannuation (cont'd)

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2023.

The discounted accrued benefits surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024. The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns	5.6% pa
Salary inflation	3.5% pa
Price inflation (CPI)	2.7% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2020 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2020	2023
	Triennial investigation	
Net investment return	5.6% pa	5.7% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter	3.5% pa
Price inflation (CPI)	2.0% pa	2.8% pa

**Notes to the Financial Report
For the Year Ended 30 June 2024**

9.3 Superannuation (cont'd)

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2024 are detailed below:

Scheme	Type of Scheme	Rate	2024 \$	2023 \$
Vision super	Defined benefits	11.0% (2023: 10.5%)	267,429	239,292
Vision super	Accumulation	11.0% (2023: 10.5%)	1,766,671	1,891,201
Other funds	Accumulation	11.0% (2023: 10.5%)	2,921,096	2,558,110

In addition to the contributions, Council has paid no unfunded liability payments to Vision Super during the 2023/24 year.

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024.

The expected contributions to be paid to the Defined Benefits category of Vision Super for the year ended 30 June 2025 is \$260,000.

**Notes to the Financial Report
For the Year Ended 30 June 2024**

10 Change in accounting policy

There have been no changes to accounting policies in the 2023-24 year.