

Snowy Monaro Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Snowy Monaro Regional Council

General Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
1. Understanding Council's Financial Statements	3
2. Statement by Councillors and Management	4
3. Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
4. Contents for the notes to the Financial Statements	10
5. Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	82
On the Financial Statements (Sect 417 [3])	85

Overview

Snowy Monaro Regional Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

81 Commissioner Street
COOMA NSW 2630

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.snowymonaro.nsw.gov.au.

Snowy Monaro Regional Council

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2024.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

About the Councillor/Management Statement

The financial statements must be certified by Management as 'presenting fairly' the Council's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, Property, Plant and Equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by the NSW Audit Office.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the Audit Report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

Snowy Monaro Regional Council

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to Section 413 (2c) of the *Local Government Act 1993 (NSW)*

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 14 November 2024.



Mr Christopher Hanna 29.11.2024
Mayor



Ms Tricia Hopkins 29.11.2024
Councillor



Mr Stephen Dunshea 29.11.2024
Chief Executive Officer



Mr Simon Rennie 29.11.2024
Responsible Accounting Officer

Snowy Monaro Regional Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Restated Actual 2023
Income from continuing operations				
36,936	Rates and annual charges	B2-1	39,401	32,536
20,166	User charges and fees	B2-2	14,938	19,675
391	Other revenues	B2-3	1,301	1,645
29,889	Grants and contributions provided for operating purposes	B2-4	29,118	35,607
55,682	Grants and contributions provided for capital purposes	B2-4	38,756	47,431
3,562	Interest and investment revenue	B2-5	4,830	2,814
1,276	Other income	B2-6	1,141	1,055
147,902	Total income from continuing operations		129,485	140,763
Expenses from continuing operations				
36,013	Employee benefits and on-costs	B3-1	33,569	33,296
34,805	Materials and services	B3-2	33,610	35,976
–	Borrowing costs	B3-3	1,044	951
27,583	Depreciation, amortisation and impairment of non-financial assets	B3-4	28,084	23,750
2,101	Other expenses	B3-5	2,131	2,009
(2,060)	Net loss from the disposal of assets	B4-1	1,015	629
98,442	Total expenses from continuing operations		99,453	96,611
49,460	Operating result from continuing operations		30,032	44,152
Discontinued operations				
–	Operating result from discontinued operations	D2	(6,097)	–
49,460	Net operating result for the year attributable to Council		23,935	44,152
Net operating result for the year before grants and contributions provided for capital purposes				
(6,222)			(14,821)	(3,279)

The above Income Statement should be read in conjunction with the accompanying notes.

Snowy Monaro Regional Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	Restated 2023
Net operating result for the year – from Income Statement		23,935	44,152
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of Infrastructure, Property, Plant & Equipment	C1-7	77,798	152,354
Less revaluation reserve disposed as part of Discontinued aged care business		(9,260)	–
Impairment (loss) reversal relating to infrastructure, property, plant and equipment	C1-7	507	(12,151)
Other movements - adjustment to Revaluation Reserve		–	(2,433)
Total items which will be reclassified subsequently to the operating result when specific conditions are met		–	(2,433)
Total other comprehensive income for the year		69,045	137,770
Total comprehensive income for the year attributable to Council		92,980	181,922

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Snowy Monaro Regional Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	Restated 2023	Restated 1 July 2022
ASSETS				
Current assets				
Cash and cash equivalents	C1-1	34,845	13,923	47,494
Investments	C1-2	59,500	83,000	19,000
Receivables	C1-4	25,854	30,745	21,377
Inventories	C1-5	3,915	1,462	2,313
Contract assets and contract cost assets	C1-6	331	596	4,153
Other	C1-9	837	816	703
Total current assets		125,282	130,542	95,040
Non-current assets				
Investments	C1-2	4,000	4,000	20,000
Infrastructure, property, plant and equipment (IPPE)	C1-7	1,637,152	1,549,988	1,374,291
Intangible assets	C1-8	2,347	2,799	3,251
Right of use assets	C2-1	253	31	53
Total non-current assets		1,643,752	1,556,818	1,397,595
Total assets		1,769,034	1,687,360	1,492,635
LIABILITIES				
Current liabilities				
Payables	C3-1	15,934	23,260	17,127
Contract liabilities	C3-2	19,808	25,888	19,904
Lease liabilities	C2-1	94	17	23
Borrowings	C3-3	–	13	27
Employee benefit provisions	C3-4	7,943	6,904	7,000
Provisions	C3-5	2,442	–	–
Total current liabilities		46,221	56,082	44,081
Non-current liabilities				
Lease liabilities	C2-1	166	17	33
Borrowings	C3-3	–	–	12
Provisions	C3-5	32,892	34,486	33,655
Total non-current liabilities		33,058	34,503	33,700
Total liabilities		79,279	90,585	77,781
Net assets		1,689,755	1,596,775	1,414,854
EQUITY				
Accumulated surplus	C4-1	1,226,850	1,202,915	1,161,197
IPPE revaluation reserve	C4-1	462,905	393,860	253,657
Council equity interest		1,689,755	1,596,775	1,414,854
Total equity		1,689,755	1,596,775	1,414,854

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Snowy Monaro Regional Council

Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
\$ '000							
				Restated	Restated	Restated	
Opening balance at 1 July		1,202,915	393,860	1,596,775	1,191,063	253,762	1,444,825
Correction of prior period errors	G4-1	–	–	–	(29,867)	(105)	(29,972)
Restated opening balance		1,202,915	393,860	1,596,775	1,161,196	253,657	1,414,853
Restated net operating result for the year		23,935	–	23,935	44,796	–	44,796
Correction of prior period errors	G4-1	–	–	–	(644)	–	(644)
Other comprehensive income							
Correction of prior period errors	G4-1	–	–	–	(2,433)	–	(2,433)
– Restated gain (loss) on revaluation of infrastructure, property, plant & equipment	C1-7	–	77,798	77,798	–	152,354	152,354
- Less revaluation reserve disposed as part of Discontinued aged care business		–	(9,260)	(9,260)	–	–	–
– Impairment (loss) reversal relating to IPP&E	C1-7	–	507	507	–	(12,151)	(12,151)
Total comprehensive income		23,935	69,045	92,980	41,719	140,203	181,922
Closing balance at 30 June		1,226,850	462,905	1,689,755	1,202,915	393,860	1,596,775

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Snowy Monaro Regional Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Restated Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
36,933	Rates and annual charges		38,218	32,894
20,158	User charges and fees		21,488	17,790
3,562	Interest received		4,204	1,614
85,571	Grants and contributions		60,702	81,327
–	Bonds, deposits and retentions received		–	1,903
1,668	Other		2,927	3,566
<i>Payments:</i>				
(36,016)	Payments to employees		(32,517)	(33,260)
(34,809)	Payments for materials and services		(34,951)	(23,027)
(3)	Borrowing costs		(43)	(7)
–	Bonds, deposits and retentions refunded		(1,047)	–
(2,098)	Other		(14,359)	(11,943)
74,966	Net cash flows from operating activities	G1-1	44,622	70,857
Cash flows from investing activities				
<i>Receipts:</i>				
–	Sale of investments		12,000	5,800
–	Sale of real estate assets		–	924
2,660	Proceeds from sale of IPPE		1,028	384
<i>Payments:</i>				
–	Purchase of investments		(12,000)	(5,800)
–	Net redemption/(acquisition) of term deposits		23,500	(48,000)
(94,605)	Payments for IPPE		(45,687)	(57,616)
–	Purchase of real estate assets		(2,438)	–
(91,945)	Net cash flows from investing activities		(23,597)	(104,308)
Cash flows from financing activities				
<i>Receipts:</i>				
9,953	Proceeds from borrowings		–	–
<i>Payments:</i>				
–	Repayment of borrowings		(13)	(26)
–	Principal component of lease payments		(90)	(94)
9,953	Net cash flows from financing activities		(103)	(120)
(7,026)	Net change in cash and cash equivalents		20,922	(33,571)
38,064	Cash and cash equivalents at beginning of year		13,923	47,494
31,038	Cash and cash equivalents at end of year	C1-1	34,845	13,923
50,017	Investments on hand – end of year ¹	C1-2	63,500	87,000
81,055	Total cash, cash equivalents and investments		98,345	100,923

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Snowy Monaro Regional Council

Contents for the notes to the Financial Statements for the year ended 30 June 2024

A About Council and these financial statements	12
A1-1 Basis of preparation	12
B Financial Performance	14
B1 Functions or activities	14
B1-1 Functions or activities – income, expenses and assets	14
B1-2 Components of functions or activities	15
B2 Sources of income	16
B2-1 Rates and annual charges	16
B2-2 User charges and fees	17
B2-3 Other revenues	18
B2-4 Grants and contributions	19
B2-5 Interest and investment revenue	22
B2-6 Other income	22
B3 Costs of providing services	23
B3-1 Employee benefits and on-costs	23
B3-2 Materials and services	24
B3-3 Borrowing costs	24
B3-4 Depreciation, amortisation and impairment of non-financial assets	25
B3-5 Other expenses	26
B4 Gains or losses	27
B4-1 Gain or loss from disposal, replacement and de-recognition of assets	27
B5 Performance against budget	28
B5-1 Material budget variations	28
C Financial position	30
C1 Assets we manage	30
C1-1 Cash and cash equivalents	30
C1-2 Financial investments	30
C1-3 Restricted and allocated cash, cash equivalents and investments	32
C1-4 Receivables	34
C1-5 Inventories	36
C1-6 Contract assets and Contract cost assets	37
C1-7 Infrastructure, property, plant and equipment	38
C1-8 Intangible assets	42
C1-9 Other	42
C2 Leasing activities	43
C2-1 Council as a lessee	43
C2-2 Council as a lessor	46
C3 Liabilities of Council	47
C3-1 Payables	47
C3-2 Contract Liabilities	48
C3-3 Borrowings	48
C3-4 Employee benefit provisions	51
C3-5 Provisions	52

Snowy Monaro Regional Council

Contents for the notes to the Financial Statements for the year ended 30 June 2024

C4 Reserves	53
C4-1 Nature and purpose of reserves	53
D Council structure	54
D1 Results by fund	54
D1-1 Income Statement by fund	54
D1-2 Statement of Financial Position by fund	55
D2 Discontinued operations	56
E Risks and accounting uncertainties	57
E1-1 Risks relating to financial instruments held	57
E2-1 Fair value measurement	60
E3-1 Contingencies	64
F People and relationships	67
F1 Related party disclosures	67
F1-1 Key management personnel (KMP)	67
F1-2 Councillor and Mayoral fees and associated expenses	67
F2 Other relationships	68
F2-1 Audit fees	68
G Other matters	69
G1-1 Statement of Cash Flows information	69
G2-1 Commitments	70
G3-1 Events occurring after the reporting date	70
G4 Changes from prior year statements	71
G4-1 Correction of errors	71
G5 Statement of developer contributions	73
G5-1 Summary of developer contributions	73
G5-2 Developer contributions by plan	74
G5-3 Contributions not under plans	75
G6 Statement of performance measures	76
G6-1 Statement of performance measures – consolidated results	76
G6-2 Statement of performance measures by fund	77
H Additional Council disclosures (unaudited)	79
H1-1 Statement of performance measures – consolidated results (graphs)	79
H1-2 Council information and contact details	81

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Snowy Monaro Regional Council ("the Council") on 14 November 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

The Council is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Certain comparative figures in the prior period have been reclassified in order to conform to changes in current year presentation.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (ii) landfill remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The Consolidated Fund has been included in the financial statements of the Council.

Cash and other assets of the following activities have been included as part of the Consolidated Fund:

- general purpose operations
- water service

A1-1 Basis of preparation (continued)

- sewerage service
- waste service
- Residential Aged Care

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, a separate and distinct Trust Fund is maintained, to account for all money and property received by the Council in trust, which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these reports.

A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the Australian Taxation Office are presented as operating cash flows.

Volunteer services

Council is supported in some of its functions by volunteers. Whilst the support from volunteers is essential to providing these functions, Council has not recognised the income from the receipt of these volunteer services for the following reasons:

- Community Facility Management (Section 355) – the fair value of these services cannot be reliably measured.
- Community Transport – services would not be 'purchased' if not provided voluntarily.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council has not applied any pronouncements before their operative date in the annual reporting period beginning 1 July 2023.

As at the date of authorisation of these financial statements, Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards released during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2024.

There were no adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures.

B Financial Performance

B1 Functions or activities

B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Community	7,895	13,158	17,031	21,971	(9,136)	(8,813)	4,651	9,937	171,156	14,138
Economy	45,153	56,308	37,447	38,236	7,706	18,072	3,576	50,651	110,797	10,729
Environment	43,278	39,088	40,613	35,721	2,665	3,367	51,935	11,065	1,420,382	1,586,366
Leadership	33,159	32,209	4,362	40	28,797	32,169	7,712	11,385	66,699	76,127
Total functions and activities	129,485	140,763	99,453	95,968	30,032	44,795	67,874	83,038	1,769,034	1,687,360

B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 are as follows:

To deliver balanced planning across a complex set of needs for the Snowy Monaro region and the community, Council has aligned its Delivery Program and Operational Plan to the business planning principles of the quadruple bottom line: Community, Economy, Environment and Leadership.

These key themes are influenced by a range of factors, including state government legislation and regional priorities, as well as community conversations, the availability of resources and project affordability. Each theme is informed by outcomes and specific strategies to deliver them.

Community - Our communities are welcoming, inclusive and safe; our lifestyle needs are actively considered and planned for; and opportunities exist to enhance our health and social wellbeing.

- Our region's health and wellbeing needs will be met by providing quality health and well-being services that continually support the changing needs of our community, including community support and aged care services. Our recreation, sporting and leisure facilities will encourage our community to engage in active and healthy lifestyles, and our youth will be supported in reaching their full potential.
- Our region's diverse cultural identity will be preserved and celebrated for the richness it brings to our regional identity, and we will foster and support the arts, creative expression and spaces.
- We are committed to being a safe and caring community. We will develop, maintain and promote safe spaces and facilities that are accessible and inclusive, as well as actively foster and encourage positive social behaviours (including law and order).

Economy - We are a vibrant and prosperous community providing opportunities for growth and learning.

- We will attract diverse businesses and industries to the region, and will foster and support their adaptive, sustainable practices. We will capitalise on our proximity to ACT, Victoria and neighbouring NSW regions.
- We are committed to advocating for and promoting education and lifelong learning opportunities, together with providing access to spaces where people can connect and learn.
- We will acknowledge and celebrate the unique heritage and character of our region's towns and villages, and further promote our visitor accommodation and recreational infrastructure.

Environment - Our iconic natural environment and heritage are preserved and enhanced for future generations whilst balancing the needs for regional development and growth.

- We are committed to protecting and enhancing our existing natural environment, and ensuring our water, waste, sewer and stormwater management practices are contemporary, sustainable and efficient.
- We will ensure that plans for rural, urban and industrial development are sensitive to our region's natural environment and heritage. We will improve and maintain our publicly owned infrastructure and facilities, and advocate for a diverse range of housing and accommodation to suit the changing needs of our community.
- Our community will be connected through efficient transportation networks by ensuring our region's transportation corridors are improved and maintained. We are committed to ensuring our region has access to effective telecommunication infrastructure and services.

Leadership - We have contemporary civic leadership and governance that fosters trust and efficiency.

- We are committed to delivering holistic and integrated planning and decision making, and ensuring we implement sound governance practices to conduct Council business. We will advocate to, and work with, other levels of government, community and industry, and manage service delivery in an efficient and sustainable way.
- We will deliver public services and processes in a reliable and efficient way in response to our community's needs, and utilise sound fiscal management practices in pursuing and attracting other sources of revenue.
- Our community will be consulted and encouraged to engage in the development of plans, services and policies. We will ensure that residents have access to timely, relevant and accurate information on issues that affect them, so they feel empowered to participate in shaping the future of our region.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	12,179	10,368
Farmland	6,471	5,832
Business	1,425	1,476
Less: pensioner rebates	(298)	(302)
Rates levied to ratepayers	19,777	17,374
Pensioner rate subsidies received	189	190
Total ordinary rates	19,966	17,564
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	4,201	3,562
Stormwater management services	15	15
Water supply services	3,138	2,057
Sewerage services ¹	9,764	7,149
Waste management services (non-domestic)	2,205	2,100
Less: pensioner rebates	(223)	(224)
Liquid trade waste	117	112
Onsite sewerage system management	120	99
Pensioner annual charges subsidies received:		
– Water	51	53
– Sewerage	47	49
Total annual charges	19,435	14,972
Total rates and annual charges	39,401	32,536

Council has used 2022 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

(1) Increase in Sewerage Services Annual Charge is due to the reclassification of some User Charges as Annual Charges.

B2-2 User charges and fees

\$ '000	Timing	2024	2023
User charges			
Water supply services	1	6,686	5,425
Sewerage services ¹	1	515	1,839
Waste management services (non-domestic)	2	624	716
Total user charges		7,825	7,980
Fees			
Waste disposal tipping fees	2	2,135	2,331
Aged care	1	978	1,367
Planning and building regulation	2	1,199	1,262
Community services	1	453	1,107
Transport for NSW works (state roads not controlled by Council)	1	1,879	4,281
Cemeteries	2	367	296
Saleyards	2	213	163
Swimming centres	2	170	95
Holiday park fees	2	206	179
Section 10.7 certificates (EP&A Act)	2	122	122
Community Facilities	2	30	31
Section 603 certificates	1	66	62
Sewer fees	2	62	63
Private works- s 67	1	25	23
Animal Control	2	57	31
Inspection Services	2	62	58
Water connection fees	2	16	2
Other	2	51	42
Less: Discontinued Operations - Aged Care (disclosed separately below)		(978)	-
Total fees		7,113	11,515
Town planning ²	2	-	180
Total user charges and fees		7,113	11,695
Total user charges and fees		14,938	19,675
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		9,624	14,104
User charges and fees recognised at a point in time (2)		5,314	5,571
Total user charges and fees		14,938	19,675

Material accounting policy information

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

(1) Movement in Sewerage User charges is due to some sewerage charges being reclassified from User Charges to Annual Charges.

(2) No Town Planning fees were earned during FY2024.

B2-3 Other revenues

\$ '000	Timing	2024	2023
Insurance rebates	2	99	89
Sales - Landfill	2	38	124
Diesel rebate	2	201	161
Fines – parking	2	160	192
Insurance claims recoveries	2	325	320
Commissions and agency fees	2	79	74
Legal fees recovery – rates and charges (extra charges)	2	261	332
Sales – general	2	60	56
Reimbursement of expenses	2	1	–
Landfill legacy sites	2	–	112
Other	2	98	185
Less: Discontinued Operations - Aged Care Business (disclosed separately below)		(21)	–
Total other revenue		1,301	1,645
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		1,301	1,645
Total other revenue		1,301	1,645

Material accounting policy information for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory 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 occurs first.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
Relating to current year					
Financial assistance – general component	2	427	2,227	–	–
Financial assistance – local roads component	2	190	717	–	–
Prepayment received in advance for subsequent year					
Financial assistance – general component	2	7,285	8,081	–	–
Financial assistance – local roads component	2	3,259	3,631	–	–
Amount recognised as income during current year		11,161	14,656	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Aged care	2	3,018	3,396	(22)	7
Less: Discontinued Business Unit - Aged Care	2	(3,018)	–	22	–
Sewerage	1	384	–	–	87
Domestic waste management	2	13	–	65	166
Community care	1	2,740	1,349	–	–
Community transport	1	646	609	–	–
Economic development	1	219	420	1,030	8,410
Employment and training programs	2	–	–	18	79
Library	1	3	3	18	162
Noxious weeds	1	402	425	–	–
NSW rural fire services	1	572	936	77	86
Parks, sportsfields and reserves	1	191	171	256	2,634
Public halls	1	427	622	167	335
Planning and building regulation	1	–	214	–	–
Recreation and culture	1	14	–	2,360	618
Saleyards	1	25	–	–	262
Storm/flood damage	2	5,808	2,663	–	–
Sewerage services	1	–	4	381	3,798
Street lighting	2	117	50	–	–
Transport (other roads and bridges funding)	1	17	6,301	22,749	20,341
Transport (roads to recovery)	1	3,822	861	–	–
Water supplies	1	40	–	7,245	2,031
Youth services	1	25	4	–	–
Paving	1	–	–	17	450
Other specific grants	1	11	129	(7)	81
Tourism	1	–	77	100	18
Transport for NSW contributions (regional roads, block grant)	1	2,245	2,495	–	–
Boco Rock Community Fund	1	236	222	–	–
Total special purpose grants and non-developer contributions – cash		17,957	20,951	34,476	39,565
Non-cash contributions					
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)		–	–	2,013	–
Drainage		–	–	–	561
Roads and bridges	2	–	–	–	3,397
Sewerage (excl. section 64 contributions)		–	–	–	701
Water supplies (excl. section 64 contributions)	2	–	–	–	751
Total other contributions – non-cash		–	–	2,013	5,410
Total special purpose grants and non-developer contributions (tied)		17,957	20,951	36,489	44,975

B2-4 Grants and contributions (continued)

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023	
Total grants and non-developer contributions						
		29,118	35,607	36,489	44,975	
Comprising						
– Commonwealth funding		10,511	20,741	(318)	409	
– State funding		18,315	10,926	32,388	42,647	
– Other funding		292	3,940	4,419	1,919	
		29,118	35,607	36,489	44,975	
Developer contributions						
\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 7.11 – contributions towards amenities/services						
		2	–	–	771	288
S 64 – water supply contributions						
		2	–	–	584	1,147
S 64 – sewerage service contributions						
		2	–	–	912	1,021
Total developer contributions – cash			–	–	2,267	2,456
Total developer contributions			–	–	2,267	2,456
Total grants and contributions			29,118	35,607	38,756	47,431
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time						
			12,019	14,143	–	–
Grants and contributions recognised at a point in time						
			17,099	21,464	38,756	47,431
Total grants and contributions			29,118	35,607	38,756	47,431

B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent funds at 1 July	5,929	7,222	35,206	32,025
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	4,703	6,104	7,256	6,629
Add: Funds received and not recognised as revenue in the current year	–	–	19,808	25,888
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(5,693)	(6,838)	(6,814)	(5,194)
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	–	(19,904)
Add: Funds not yet received for expenses incurred in the current year	–	(559)	(30,455)	(4,238)
Unspent funds at 30 June	4,939	5,929	25,001	35,206

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include when services are rendered, or on completion of services. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

Developer contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

B2-4 Grants and contributions (continued)

Developer contributions may only be expended for the purposes for which the contributions were required, but Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

B2-5 Interest and investment revenue

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	344	213
– Cash and investments	4,486	2,601
Total interest and investment income	4,830	2,814

B2-6 Other income

\$ '000	Notes	2024	2023
Rental income			
Other lease income			
Council Owned Properties		1,003	884
Leaseback fees - council vehicles		138	171
Total other lease income		1,141	1,055
Total rental income	C2-2	1,141	1,055
Total other income		1,141	1,055

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	31,205	27,920
Travel expenses	76	32
Employee leave entitlements (ELE)	1,932	2,450
ELE on-costs	(84)	14
Superannuation	3,119	2,901
Superannuation – defined benefit plans	164	90
Workers' compensation insurance	1,493	1,087
Fringe benefit tax (FBT)	24	29
Payroll tax	166	126
Training costs (other than salaries and wages)	362	260
Protective clothing	25	21
Recruitment expenses	106	93
Other	8	11
Total employee costs	38,596	35,034
Less: capitalised costs	(1,655)	(1,738)
Less: Costs associated with Discontinued Aged Care Business disclosed separately below	(3,372)	–
Total employee costs expensed	33,569	33,296
Number of 'full-time equivalent' employees (FTE) at year end ¹	285	332

Material accounting policy information

Employee benefit expense is recognised when the employee has provided services in accordance with their individual employment contract.

Retirement benefit obligations

All Council employees are entitled to benefits on retirement, disability or death in accordance with their employment contract. Council contributes to eligible employees defined benefit plan and defined contribution plan on behalf of its employees.

Superannuation plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme. However, sufficient information to account for the plan as a defined benefit is not available, and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to E3-1 for more information.

Capitalised Costs

Council employees provide services to enable Council to deliver various activities to the community. Where an employee is participating in a construction project their employment cost and associated on-costs are capitalised into the total cost of delivering that project.

(1) The reduction in FTE is attributed to the divestment of the aged care business in the FTE Count as at 30 June, 2024.

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		5,502	5,600
Contractors		23,353	21,512
Consultants		1,308	798
Audit Fees	F2-1	291	270
Councillor and Mayoral fees and associated expenses	F1-2	329	322
Advertising		78	110
Bank charges		105	101
Electricity and heating		2,459	2,262
Insurance		1,290	1,295
Postage & Freight		119	143
Printing and stationery		193	172
Street lighting		314	294
Telephone and communications		509	553
Valuation fees		126	117
Motor vehicle registration		259	180
Memberships and subscriptions – other		493	407
Software licences		1,500	1,219
Legal fees:			
– planning and development		63	34
– debt recovery		290	348
– other		189	50
Expenses from leases of low value assets		244	189
Total materials and services		39,014	35,976
Less: Costs associated with Discontinued Aged Care Business disclosed separately below		(5,404)	–
Total materials and services		33,610	35,976

Material accounting policy information

Expenses are recorded on an accruals basis as Council receives the benefit from the goods or services.

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
Interest on leases		11	5
Interest on loans		–	2
Discount adjustment relating to movement in provision for Remediation (Landfills)	C3-5	1,033	944
Total borrowing costs expensed		1,044	951

Material accounting policy information

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		1,594	1,426
Office equipment		68	138
Furniture and fittings		79	79
Land improvements (depreciable)		32	29
Infrastructure:			
	C1-7		
– Buildings – non-specialised		2,879	1,404
– Buildings – specialised		2,367	1,230
– Other structures		357	294
– Roads		7,785	7,172
– Bridges		1,260	1,145
– Footpaths		380	374
– Stormwater drainage		335	306
– Water supply network		5,489	4,766
– Sewerage network		3,610	3,034
– Swimming pools		101	92
– Other open space/recreational assets		342	281
Right of use assets	C2-1	94	94
Other assets:			
– Library books		111	72
– Other		37	23
Reinstatement, rehabilitation and restoration assets:			
– Landfill assets	C3-5,C1-7	1,337	1,338
– Quarry assets	C3-5,C1-7	1	1
Intangible assets	C1-8	452	452
Total gross depreciation and amortisation costs		28,710	23,750
Less: Depreciation associated with Discontinued Aged Care Business separately disclosed below		(626)	–
Total depreciation and amortisation costs		28,084	23,750
Impairment / revaluation decrement of IPPE			
Infrastructure:			
	C1-7		
– Roads		(507)	12,151
Total gross IPPE impairment / revaluation decrement costs		(507)	12,151
Amounts taken through revaluation reserve	C1-7	507	(12,151)
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	–
Total depreciation, amortisation and impairment for non-financial assets		28,084	23,750

Material accounting policy information

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by

B3-4 Depreciation, amortisation and impairment of non-financial assets (continued)

which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of receivables			
Rates and annual charges		269	75
User charges and fees		11	(71)
Interest and investment income		1	–
Total impairment of receivables	C1-4	281	4
Other			
– NSW fire brigade levy		119	101
– NSW rural fire service levy		1,330	1,329
– NSW state emergency services		98	56
– Other contributions/levies		80	40
– SEWOL		40	40
– South east arts		18	17
– Tourism		38	63
– Community Bushfire Recovery		26	2
– Other		286	357
Landfill legacy sites		(185)	–
Total other		1,850	2,005
Total other expenses		2,131	2,009

Material accounting policy information

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

B4 Gains or losses

B4-1 Gain or loss from disposal, replacement and de-recognition of assets

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		21	17
Gain (or loss) on disposal		21	17
Gain (or loss) on disposal of plant and equipment			
Proceeds from disposal – plant and equipment	C1-7	1,007	367
Less: carrying amount of plant and equipment assets sold/written off		(874)	(396)
Gain (or loss) on disposal		133	(29)
Gain (or loss) on disposal of infrastructure			
Less: carrying amount of infrastructure assets sold/written off	C1-7	(1,169)	(1,498)
Gain (or loss) on disposal		(1,169)	(1,498)
Gain (or loss) on disposal of real estate assets held for sale			
Proceeds from disposal – real estate assets	C1-5	–	924
Less: carrying amount of real estate assets sold/written off		–	(43)
Gain (or loss) on disposal		–	881
Gain (or loss) on disposal of investments			
Proceeds from disposal/redemptions/maturities – investments	C1-2	12,000	5,800
Less: carrying amount of investments sold/redeemed/matured		(12,000)	(5,800)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(1,015)	(629)

Material accounting policy information

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 29 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----		
Revenues					
Rates and annual charges	36,936	39,401	2,465	7%	F
User charges and fees	20,166	14,938	(5,228)	(26)%	U
A decrease in expected ordered works on state roads was the main contributor, with lesser favourable impact by community support program & aged care fees, followed by a reduction in non-residential sewer discharge fees.					
Other revenues	391	1,301	910	233%	F
Favourable due to insurance rebates, legal cost recoveries and other small sundry items.					
Operating grants and contributions	29,889	29,118	(771)	(3)%	U
Capital grants and contributions	55,682	38,756	(16,926)	(30)%	U
Resheduling of major rural roads, bridges & recreation/open space projects.					
Interest and investment revenue	3,562	4,830	1,268	36%	F
The opportunity to re-invest maturing term deposits at shorter term with higher yield has positively impacted investment returns.					
Other income	1,276	1,141	(135)	(11)%	U
Slight reduction in community facility hire.					
Expenses					
Employee benefits and on-costs	36,013	33,569	2,444	7%	F
Materials and services	34,805	33,610	1,195	3%	F
Significant increase in maintenance works completed on rural roads under natural disaster & regional emergency road repair funding has unfavourably impacted materials and contracts.					
Borrowing costs	-	1,044	(1,044)	∞	U
Borrowing costs encompassed the discounting impact of future cash outlays for landfill remediation. As this is an estimated non-cash calculation, it was not budgeted for.					
Depreciation, amortisation and impairment of non-financial assets	27,583	28,084	(501)	(2)%	U
Other expenses	2,101	2,131	(30)	(1)%	U
Net losses from disposal of assets	(2,060)	1,015	(3,075)	149%	U
Delays in settlement of land held for sale (refer Note C1-5 Inventories) has unfavourably impacted the forecasted profit from disposal of assets.					

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----		
Operating result from discontinued operations	–	(6,097)	6,097	∞	F
Aged care regulatory requirements extended the duration of operations originally forecast.					

Statement of cash flows

Cash flows from operating activities	74,966	44,622	(30,344)	(40)%	U
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Cash flows from operating activities are unfavourable due mainly to lower than budgeted operating grants, user fees/charges & capital grants received. Operating expenditure was favourable for all funds except Aged Care.

Cash flows from investing activities	(91,945)	(23,597)	68,348	(74)%	F
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The opportunity to re-invest maturing term deposits at shorter term with higher yield has positively impacted investment returns.

Cash flows from financing activities	9,953	(103)	(10,056)	(101)%	U
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Cash flows from financing activities unfavourable due to timing of waste loan being moved to the 25/26 financial year.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	12,249	7,457
Cash equivalent assets		
– Deposits at call	22,596	6,466
Total cash and cash equivalents	34,845	13,923

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	34,845	13,923
Balance as per the Statement of Cash Flows	34,845	13,923

Material accounting policy information

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost				
Long term deposits	59,500	4,000	83,000	4,000
Total	59,500	4,000	83,000	4,000
Total financial investments	59,500	4,000	83,000	4,000

Material accounting policy information

Financial instruments are recognised initially at the date that Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

C1-2 Financial investments (continued)

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	98,345	100,923
Less: Externally restricted cash, cash equivalents and investments	<u>(71,575)</u>	<u>(73,898)</u>
Cash, cash equivalents and investments not subject to external restrictions	26,770	27,025
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	15,704	22,966
Specific purpose unexpended grants – water fund	3,159	1,794
Specific purpose unexpended grants – sewer fund	945	1,128
External restrictions – included in liabilities	19,808	25,888
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	4,579	3,527
Developer contributions – water fund	6,285	5,459
Developer contributions – sewer fund	5,853	4,699
Specific purpose unexpended grants (recognised as revenue) – general fund	10,110	1,577
Water fund	19,222	23,703
Sewer fund	3,933	2,751
Domestic waste management	738	686
Snowy River Hostel accommodation bonds	–	655
Yallambee Lodge accommodation bonds	–	3,428
Crown land reserves	723	1,390
Special Rate Variation	254	–
Boco Rock Community Reserve	22	15
Kamoto-Cooma Friendship Scholarship Fund	48	46
Other	–	74
External restrictions – other	51,767	48,010
Total external restrictions	71,575	73,898

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	26,770	27,025
Less: Internally restricted cash, cash equivalents and investments	<u>(26,047)</u>	<u>(26,960)</u>
Unrestricted and unallocated cash, cash equivalents and investments	723	65

Internal allocations

At 30 June, Council has internally allocated funds to the following:

Plant and vehicle replacement	983	233
Employees leave entitlement	2,433	1,483
Deposits, retentions and bonds	2,222	2,563

C1-3 Restricted and allocated cash, cash equivalents and investments (continued)

\$ '000	2024	2023
Uncompleted works	2,722	1,604
Waste management	5,353	5,887
Yallambee Lodge building/equipment replacement	–	271
Former Snowy River LGA	551	551
Former Bombala LGA	1,240	1,267
Stronger communities fund Interest	–	1,390
Prepayment Financial Assistance Grants ⁽¹⁾	10,543	11,711
Total internal allocations	26,047	26,960

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

⁽¹⁾The 85% prepayment of 2024/25 Financial Assistance Grant in June 2024 was internally restricted as at 30 June 2024. For the previous year, the 100% prepayment was internally restricted. The 85% prepayment of 2024/25 Financial Assistance Grant in June 2024 was internally restricted as at 30 June 2024. For the previous year, the 100% prepayment was internally restricted.

\$ '000	2024	2023
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	723	65

C1-4 Receivables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Rates and annual charges	8,052	–	7,144	–
Interest and extra charges	989	–	1,025	–
User charges and fees	5,652	–	10,815	–
Accrued revenues				
– Interest on investments	1,811	–	1,150	–
– Other income accruals	54	–	39	–
Government grants and subsidies	9,399	–	10,055	–
Net GST receivable	478	–	837	–
Total	26,435	–	31,065	–
Less: provision for impairment				
User charges and fees	(581)	–	(320)	–
Total provision for impairment – receivables	(581)	–	(320)	–
Total net receivables	25,854	–	30,745	–

Material accounting policy information

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are classified as non-current assets.

Receivables are recognised initially at fair value, and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

C1-4 Receivables (continued)

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

None of the receivables that have been written off are subject to enforcement activity.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Real estate (refer to (a) below)	2,820	–	382	–
Stores and materials	1,066	–	1,049	–
Trading stock	29	–	31	–
Total inventories at cost	3,915	–	1,462	–
Total inventories	3,915	–	1,462	–

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(a) Details for real estate development				
Residential (land held for resale)	2,820	–	382	–
Total real estate for sale	2,820	–	382	–

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion, and the estimated costs necessary to make the sale.

Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

C1-6 Contract assets and Contract cost assets

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Contract assets	331	–	596	–
Total contract assets	331	–	596	–

Contract assets

Work relating to infrastructure grants	331	–	596	–
Total contract assets	331	–	596	–

Material accounting policy information

Contract assets

Contract assets represent Councils right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023 ¹			Asset movements during the reporting period									At 30 June 2024		
	Gross carrying amount ¹	Accumulated depreciation and impairment	Net carrying amount ¹	Additions renewals ²	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment reversal (recognised in equity)	WIP transfers	Adjustments and transfers	Tfrs from/(to) 'held for sale' category	Revaluation increments/(decrements) to equity (ARR)	Gross carrying amount ¹	Accumulated depreciation and impairment	Net carrying amount
\$ '000	Restated	Restated	Restated												
Capital work in progress	72,637	–	72,637	26,147	10,355	–	–	–	(25,213)	1	–	–	83,927	–	83,927
Plant and equipment	24,682	(10,628)	14,054	2,932	–	(1,134)	(1,594)	–	205	–	–	–	25,502	(11,039)	14,463
Office equipment	3,433	(3,208)	225	–	–	–	(68)	–	–	–	–	–	3,427	(3,270)	157
Furniture and fittings	1,206	(1,051)	155	–	–	(1)	(79)	–	–	–	–	–	1,167	(1,092)	75
Land:															
– Operational land	36,976	–	36,976	–	96	(524)	–	–	79	–	(2,544)	3,695	37,778	–	37,778
– Community land	39,595	–	39,595	–	113	(420)	–	–	–	–	–	1,768	41,056	–	41,056
Land improvements – depreciable	2,135	(256)	1,879	228	–	–	(32)	–	2,000	–	–	60	4,432	(297)	4,135
Infrastructure:															
– Buildings – non-specialised	98,322	(38,416)	59,906	254	–	(8,900)	(2,879)	–	526	1	–	2,650	90,948	(39,390)	51,558
– Buildings – specialised	77,133	(35,356)	41,777	482	–	(157)	(2,367)	–	4,466	(2)	–	2,231	85,866	(39,436)	46,430
– Other structures	13,647	(4,481)	9,166	1,432	–	(5)	(357)	–	206	–	–	292	15,726	(4,992)	10,734
– Roads	596,530	(221,446)	375,084	4,355	576	(503)	(7,785)	507	8,154	(2)	–	21,129	641,039	(239,524)	401,515
– Bridges	141,810	(59,194)	82,616	2,892	–	(309)	(1,260)	–	5,700	–	–	4,537	157,770	(63,594)	94,176
– Footpaths	17,496	(7,809)	9,687	–	15	(158)	(380)	–	160	1	–	492	18,083	(8,266)	9,817
– Bulk earthworks (non-depreciable)	493,499	–	493,499	–	66	–	–	–	–	(1)	–	26,504	520,068	–	520,068
– Stormwater drainage	32,750	(10,509)	22,241	–	255	–	(335)	–	11	–	–	1,190	34,788	(11,426)	23,362
– Water supply network	314,058	(154,861)	159,197	262	543	(4)	(5,489)	–	1,283	(1)	–	7,727	378,050	(214,532)	163,518
– Sewerage network	195,696	(90,786)	104,910	126	349	–	(3,610)	–	1,172	1	–	5,178	207,308	(99,182)	108,126
– Swimming pools	4,945	(2,207)	2,738	–	–	–	(101)	–	14	1	–	86	5,121	(2,383)	2,738
– Other open space/recreational assets	8,640	(3,210)	5,430	129	–	(2)	(342)	–	809	–	–	166	9,853	(3,663)	6,190
– Other infrastructure	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other assets:															
– Library books	1,255	(811)	444	68	–	–	(111)	–	11	–	–	11	1,376	(953)	423
– Other	4,788	(2,260)	2,528	10	–	–	(37)	–	417	–	–	81	5,372	(2,373)	2,999
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):															
– Quarry assets	40	(10)	30	–	–	–	(1)	–	–	(1)	–	1	41	(12)	29
– Landfill assets	23,014	(7,800)	15,214	–	–	–	(1,337)	–	–	1	–	–	23,015	(9,137)	13,878
Total infrastructure, property, plant and equipment	2,204,287	(654,299)	1,549,988	39,317	12,368	(12,117)	(28,164)	507	–	(1)	(2,544)	77,798	2,391,713	(754,561)	1,637,152

(1) Restated - Refer to Note G4-1

(2) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

C1-7 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period								At 30 June 2023 ¹			
	Gross carrying amount ¹ Restated	Accumulated depreciation and impairment ¹ Restated	Net carrying amount Restated	Additions renewals ²	Additions new assets	Carrying value of disposals	Depreciation expense ¹ Restated	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Adjustments and transfers	Tfrs from/(to) 'held for sale' category	Revaluation increments/(decrements) to equity (ARR) ¹ Restated	Gross carrying amount ¹ Restated	Accumulated depreciation and impairment ¹ Restated	Net carrying amount ¹ Restated
\$ '000															
Capital work in progress	45,448	–	45,448	31,600	9,315	–	–	–	(13,727)	1	–	–	72,637	–	72,637
Plant and equipment	23,396	(9,670)	13,726	1,814	280	(400)	(1,426)	–	60	–	–	–	24,682	(10,628)	14,054
Office equipment	3,433	(3,070)	363	–	–	–	(138)	–	–	–	–	–	3,433	(3,208)	225
Furniture and fittings	1,207	(972)	235	–	–	–	(79)	–	–	(1)	–	–	1,206	(1,051)	155
Land:															
– Operational land	26,006	–	26,006	–	–	–	–	–	–	(453)	3	11,423	36,976	–	36,976
– Community land	30,431	–	30,431	–	–	(30)	–	–	–	453	–	8,741	39,595	–	39,595
Land improvements – depreciable	1,973	(214)	1,759	59	–	–	(29)	–	–	1	–	89	2,135	(256)	1,879
Infrastructure:															
– Buildings – non-specialised	70,336	(44,201)	26,135	33	144	–	(1,404)	–	3,693	19	–	31,286	98,322	(38,416)	59,906
– Buildings – specialised	61,478	(44,450)	17,028	479	–	–	(1,230)	–	736	(17)	–	24,781	77,133	(35,356)	41,777
– Other structures	12,423	(3,948)	8,475	80	–	–	(294)	–	465	(1)	–	441	13,647	(4,481)	9,166
– Roads	547,401	(190,663)	356,738	8,523	2,339	(983)	(7,172)	(12,151)	5,388	1,650	–	20,753	596,530	(221,446)	375,084
– Bridges	133,421	(55,302)	78,119	840	–	(207)	(1,145)	–	460	(1)	–	4,546	141,810	(59,194)	82,616
– Footpaths	15,376	(7,145)	8,231	276	49	(112)	(374)	–	1,081	1	–	535	17,496	(7,809)	9,687
– Bulk earthworks (non-depreciable)	465,642	–	465,642	1,019	1,008	(2)	–	–	61	(1,651)	–	27,422	493,499	–	493,499
– Stormwater drainage	30,503	(9,692)	20,811	110	561	–	(306)	–	17	–	–	1,048	32,750	(10,509)	22,241
– Water supply network	287,704	(137,133)	150,571	1,754	751	(161)	(4,766)	–	–	–	–	11,049	314,058	(154,861)	159,197
– Sewerage network	179,042	(81,435)	97,607	948	701	–	(3,034)	–	1,463	1	–	7,224	195,696	(90,786)	104,910
– Swimming pools	4,705	(2,008)	2,697	–	–	–	(92)	–	–	–	–	133	4,945	(2,207)	2,738
– Other open space/recreational assets	7,686	(2,776)	4,910	263	–	(2)	(281)	–	303	–	–	237	8,640	(3,210)	5,430
– Other infrastructure	–	–	–	–	–	–	–	–	–	4	–	–	–	–	–
Other assets:															
– Library books	1,094	(681)	413	–	76	–	(72)	–	–	–	–	27	1,255	(811)	444
– Other	4,439	(2,073)	2,366	–	–	–	(23)	–	–	–	–	184	4,788	(2,260)	2,528
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):															
– Tip assets	23,013	(6,462)	16,551	–	–	–	(1,338)	–	–	1	–	–	23,014	(7,800)	15,214
– Quarry assets	38	(8)	30	–	–	–	(1)	–	–	–	–	2	40	(10)	30
Total infrastructure, property, plant and equipment	1,976,195	(601,903)	1,374,292	47,798	15,224	(1,897)	(23,204)	(12,151)	–	7	3	149,921	2,204,287	(654,299)	1,549,988

(1) Restated - Refer to Note G4-1

(2) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

C1-7 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Useful lives of IPPE

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	1 to 20	Playground equipment	25
Office furniture	5 to 30	Benches, seats etc.	20
Computer equipment	2 to 10		
Vehicles	2 to 8	Buildings	
Heavy plant/road making equipment	5 to 20	Non-Specialised	25 to 75
Other plant and equipment	5 to 33	Specialised	25 to 80
Water and sewer assets		Stormwater assets	
Water Supply Structures	20 to 100	Pipes	100
Wastewater Structures	20 to 70	Pits	50 to 80
Reticulation pipes: PVC	80	Culverts	80
Reticulation pipes: other	80	Other	30 to 100
Pumps and telemetry	20 to 35		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	25	Bulk earthworks	Infinite
Sealed roads: structure	80 to 120	Swimming pools	50
Unsealed roads	40 to 120	Other open space/recreational assets	10 to 100
Bridge: concrete	120		
Bridge: other	100		
Road pavements	65 to 80		
Kerb, gutter and footpaths	25 to 70		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 5 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning, Industry and Environment – Water.

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

C1-7 Infrastructure, property, plant and equipment (continued)

Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased, or constructed wholly or from money to the credit of the Fund, is to be vested in the council of the area for, or on behalf of, which the firefighting equipment has been purchased or constructed".

Notwithstanding the above, Council has determined that it does not control Rural Fire Service plant and vehicles and therefore does not recognise these assets.

Infrastructure, property, plant and equipment – current year impairments

\$ '000	2024	2023
Impairment losses recognised direct to equity (ARR):		
– Storm damage to road network	(507)	12,151
Total impairment losses	(507)	12,151

During FY2024, as a result of remediation works completed to repair previously damaged roads, Council reassessed the impairment provision and determined a write-back of \$507,000. During FY2023 Council recognised a further impairment to its road network relating to storm damage suffered during the February 2022 flood event. The additional impairment recognised in FY2023 was \$12.1m. The assessment of the estimated cost of fixing the damage was completed by Transport NSW under the Natural Disaster Recovery program in September 2023 and was significantly more than estimated at 30 June 2022. The additional provision was recognised as at 30 June 2023.

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
Intangible Assets		
Opening values at 1 July		
Gross book value	4,121	4,121
Accumulated amortisation	(1,322)	(870)
Net book value – opening balance	2,799	3,251
Movements for the year		
Amortisation charges	(452)	(452)
Closing values at 30 June		
Gross book value	4,121	4,121
Accumulated amortisation	(1,774)	(1,322)
Total Intangible assets – net book value	2,347	2,799

Accounting policy

Software development costs

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to ten years.

Residential Aged Care - bed licences

Until April 2024, Council owned and operated two Residential Aged Care facilities. Bed licences were granted by the Commonwealth Department of Health & Ageing. From 1 July 2024, the Australian Government abolished bed licences in response to the recommendations of the Final Report of the Royal Commission into Aged Care Quality and Safety (Royal Commission). As a result, the licenses were amortised over their remaining useful life, with expiry as at 30 June 2024.

The licences issued by the Department of Health & Ageing were issued for no consideration and were recognised by Council at fair value, if and only if, it is probable that the future economic benefits attributable to the bed licences were to flow to Council and the fair value of bed licences could be measured reliably.

C1-9 Other

Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	837	–	816	–
Total other assets	837	–	816	–

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over Office and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as servers. The leases are for between 1 and 5 years and the payments are fixed.

Extension Options

Included in the leases for office and IT equipment are extension options to provide flexibility and certainty to Council operations and reduce costs. The extension options are at Council's discretion and have not been included in the lease liabilities.

(a) Right of use assets

\$ '000	IT Equipment
2024	
Opening balance at 1 July	31
Additions to right-of-use assets	316
Depreciation charge	(94)
Balance at 30 June	253
2023	
Opening balance at 1 July	53
Additions to right-of-use assets	72
Depreciation charge	(94)
Balance at 30 June	31

C2-1 Council as a lessee (continued)

(b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	94	166	17	17

(c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2024					
Cash flows	95	164	–	259	260
2023					
Cash flows	18	18	–	36	34

(d) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2024	2023
Interest on lease liabilities	11	5
Depreciation of right of use assets	94	94
Expenses relating to leases of low-value assets	244	189
	349	288

C2-1 Council as a lessee (continued)

(e) Statement of Cash Flows

\$ '000	2024	2023
Total cash outflow for leases	106	62
	106	62

Material accounting policy information

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / Concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C2-2 Council as a lessor

Operating leases

Council leases out a number of Council owned properties. These leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below

\$ '000	2024	2023
Lease income (excluding variable lease payments not dependent on an index or rate)	1,141	1,055
Total income relating to operating leases for Council assets	1,141	1,055

Amount of IPPE leased out by Council under operating leases

Buildings - non-specialised	15,974	15,974
Buildings - specialised	750	750
Community Land	8,291	8,291
Operational Land	4,318	4,318
Total amount of IPPE leased out by Council under operating leases	29,333	29,333

(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	853	492
1–2 years	838	182
2–3 years	796	164
3–4 years	805	110
4–5 years	779	98
> 5 years	3,163	421
Total undiscounted lease payments to be received	7,234	1,467

Material accounting policy information

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	3,467	–	2,753	–
Prepaid rates and user charges	1,609	–	1,615	–
Other	239	–	460	–
Accrued expenses:				
– Salaries and wages	592	–	579	–
– Other expenditure accruals	7,779	–	10,501	–
Performance Bonds, Deposits and Retentions:				
- Security bonds, deposits and retentions	2,222	–	3,269	–
- Residential Aged Care accommodation bonds	–	–	4,083	–
Advances	26	–	–	–
Total payables	15,934	–	23,260	–

Current payables not anticipated to be settled within the next twelve months

\$ '000	2024	2023
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	2,222	3,269
Total payables	2,222	3,269

Material accounting policy information

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Payables

Payables represent liabilities for goods and services provided to Council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Performance Bonds, Deposits & Retentions

Residential aged care accommodation bonds become payable by Council on departure by the resident. As Council does not have an unconditional right to defer the refund for 12 months the accommodation bond is disclosed as a current liability. Effective 12 April 2024 under a Transfer Deed Agreement, Council transferred the Business, Assets, Liabilities and operational responsibility of the Residential Aged Care Business to Respect Group Limited for nil consideration.

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	15,904	-	25,888	-
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	3,904	-	-	-
Total grants received in advance		19,808	-	25,888	-
Total contract liabilities		19,808	-	25,888	-

Notes

(i) Council has received funding to construct infrastructure assets. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2024	2023
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	8,594	7,447
Total revenue recognised that was included in the contract liability balance at the beginning of the period	8,594	7,447

Material accounting policy information

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer. Council presents the funds which exceed revenue recognised as a contract liability.

C3-3 Borrowings

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured	-	-	13	-
Total borrowings	-	-	13	-

Current borrowings not anticipated to be settled within the next twelve months

No borrowings, even though classified as current, are not expected to be settled in the next 12 months.

C3-3 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

\$ '000	2023		2024
	Opening Balance	Cash flows	Closing balance
Loans – secured	13	(13)	–
Lease liability (Note C2-1b)	34	226	260
Total liabilities from financing activities	47	213	260

\$ '000	2022		2023
	Opening Balance	Cash flows	Closing balance
Loans – secured	39	(26)	13
Lease liability (Note C2-1b)	56	(22)	34
Total liabilities from financing activities	95	(48)	47

C3-3 Borrowings (continued)

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Credit cards/purchase cards	200	124
Total financing arrangements	200	124
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	25	48
Total drawn financing arrangements	25	48
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Credit cards/purchase cards	175	76
Total undrawn financing arrangements	175	76

Additional financing arrangements information

Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

Security over loans and borrowings

Loans and overdrafts are secured over future cash flows of Council. Lease liabilities are secured by the underlying leased assets.

Material accounting policy information

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	2,665	–	2,384	–
Long service leave	3,941	–	3,181	–
Other leave – TIL and flex	467	–	385	–
ELE on-costs	870	–	954	–
Total employee benefit provisions	7,943	–	6,904	–

Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	6,556	5,903
	6,556	5,903

Material accounting policy information

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

C3-5 Provisions

\$ '000	2024	2024	2023	2023
	Current	Non-Current	Current	Non-Current
Other provisions				
Asset remediation/restoration (future works)	2,442	32,892	–	34,486
Total provisions	2,442	32,892	–	34,486

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	34,486	34,486
Changes to provision:		
Unwinding of discount	1,001	1,001
Other	(153)	(153)
Total other provisions at end of year	35,334	35,334
2023		
At beginning of year	33,655	33,655
Changes to provision:		
Unwinding of discount	944	944
Remeasurement effects	(113)	(113)
Total other provisions at end of year	34,486	34,486

Nature and purpose of provisions

Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the landfill and quarry sites as a result of past operations.

Material accounting policy information

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a borrowing cost.

C3-5 Provisions (continued)

Asset remediation – tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Council structure

D1 Results by fund

General fund refers to all Council activities other than water and sewer. All amounts disclosed in this note are gross i.e. inclusive of internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	26,460	3,097	9,844
User charges and fees	7,634	6,721	583
Interest and investment revenue	3,052	1,346	432
Other revenues	1,140	158	3
Grants and contributions provided for operating purposes	29,078	40	–
Grants and contributions provided for capital purposes	28,358	8,372	2,026
Other income	1,141	–	–
Total income from continuing operations	96,863	19,734	12,888
Expenses from continuing operations			
Employee benefits and on-costs	28,311	2,682	2,576
Materials and services	24,822	4,304	4,484
Borrowing costs	1,044	–	–
Depreciation, amortisation and impairment of non-financial assets	18,738	5,640	3,706
Other expenses	1,828	275	28
Net losses from the disposal of assets	1,075	(4)	(56)
Total expenses from continuing operations	75,818	12,897	10,738
Operating result from continuing operations	21,045	6,837	2,150
Discontinued operations			
Net profit/(loss) from discontinued operations	(6,097)	–	–
Net operating result for the year	14,948	6,837	2,150
Net operating result attributable to each council fund	14,948	6,837	2,150
Net operating result for the year before grants and contributions provided for capital purposes	(13,410)	(1,535)	124

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	34,845	-	-
Investments	12,064	36,036	11,400
Receivables	17,735	3,781	4,338
Inventories	3,915	-	-
Contract assets and contract cost assets	331	-	-
Other	837	-	-
Total current assets	69,727	39,817	15,738
Non-current assets			
Investments	4,000	-	-
Infrastructure, property, plant and equipment	1,326,589	182,829	127,734
Intangible assets	2,347	-	-
Right of use assets	253	-	-
Total non-current assets	1,333,189	182,829	127,734
Total assets	1,402,916	222,646	143,472
LIABILITIES			
Current liabilities			
Payables	14,261	1,264	409
Contract liabilities	15,905	3,159	744
Lease liabilities	94	-	-
Employee benefit provision	7,943	-	-
Provisions	2,442	-	-
Total current liabilities	40,645	4,423	1,153
Non-current liabilities			
Lease liabilities	166	-	-
Provisions	32,892	-	-
Total non-current liabilities	33,058	-	-
Total liabilities	73,703	4,423	1,153
Net assets	1,329,213	218,223	142,319
EQUITY			
Accumulated surplus	999,610	115,231	112,009
Revaluation reserves	329,603	102,992	30,310
Council equity interest	1,329,213	218,223	142,319
Total equity	1,329,213	218,223	142,319

D2 Discontinued operations

D2-1 Discontinued operations

\$ '000	2024	2023
(a) Description		
Effective 12 April 2024 under a Transfer Deed Agreement, Council transferred the Business, Assets, Liabilities and operational responsibility of the Residential Aged Care Business to Respect Group Limited for nil consideration.		
(b) Income Statement and cash flow information		
Financial performance		
Revenues		
User Charges	99	–
Fees	879	–
Grants and contributions provided for operating purposes	3,018	–
Grants and contributions provided for capital purposes	107	–
Other income	21	–
Expenses		
Employee benefits and on-costs	(3,372)	–
Materials and services	(5,404)	–
Depreciation, amortisation and impairment	(626)	–
Operating result from discontinued operations	(5,278)	–
Gain/(loss) on sale		
Consideration received for discontinued operations	–	–
Less:		
Net carrying value of discontinued operations	(819)	–
Gain/(loss) on sale	(819)	–
Net operating results from discontinued operations	(6,097)	–
Cash flows from discontinued operations		
Net cash flows from operating activities	(8,692)	–
Net cash flows from financing activities (General Fund interfund)	8,692	–
Net increase/(decrease) in cash generated by the operations	–	–
(c) Carrying amounts of assets and liabilities		
Carrying value – assets - Infrastructure, property, plant and equipment	819	–
Net carrying value	819	–

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance team under policies approved by the Councillors.

The fair value of investments, receivables, loans, payable and lease liabilities approximates their carrying amount.

The risks associated with the financial instruments held are:

- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
<p>The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.</p>		
<p>Council does not invest in investment products where capital invested is at risk other than by liquidation.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	983	1,012
Impact of a 10% movement in price of investments		
– Equity / Income Statement	9,834	10,126

E1-1 Risks relating to financial instruments held (continued)

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and outstanding balances in accordance with its debt management policy. Council also encourages ratepayers to pay their rates by the due date through incentives.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

The credit risk for liquid funds and other short-term financial assets is considered low, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly, and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

There has been an increase in the concentration of investment with Council's bank provider NAB due to the low interest rate environment. It is not considered a significant increase in credit risk due to the move into a high credit rated financial institution.

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

\$ '000	Not yet overdue rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
2024				
Gross carrying amount	4,096	3,309	647	8,052
2023				
Gross carrying amount	3,532	3,128	484	7,144

Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Notes	Not yet overdue	Overdue debts				Total
			0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024							
Gross carrying amount		14,020	2,951	245	35	1,463	18,714
Expected loss rate (%)		2.86%	0.27%	0.57%	3.79%	11.60%	3.11%
ECL provision		401	8	1	1	170	581
2023							
Gross carrying amount		13,505	29	55	36	424	14,049
Expected loss rate (%)		1.53%	4.58%	10.29%	18.17%	23.61%	2.28%
ECL provision		207	1	6	7	100	321

E1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended, and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total contractual cash outflows	Actual carrying values
2024							
Payables	0.00%	2,222	14,117	–	–	16,339	15,934
Total financial liabilities		2,222	14,117	–	–	16,339	15,934
2023							
Payables	0.00%	3,269	20,010	–	–	23,279	23,260
Borrowings	8.07%	13	–	–	–	13	13
Total financial liabilities		3,282	20,010	–	–	23,292	23,273

E2-1 Fair value measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Financial assets and liabilities

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Infrastructure, property, plant and equipment							
	C1-7						
Plant & Equipment		–	–	14,463	14,054	14,463	14,054
Office Equipment		–	–	157	225	157	225
Furniture & Fittings		–	–	75	155	75	155
Operational Land		37,778	36,976	–	–	37,778	36,976
Community Land		–	–	41,056	39,595	41,056	39,595
Land Improvements		–	–	4,135	1,879	4,135	1,879
Buildings – Specialised		–	–	46,430	41,777	46,430	41,777
Buildings – Non Specialised		51,558	59,906	–	–	51,558	59,906
Other Structures		–	–	10,734	9,166	10,734	9,166
Road infrastructure		–	–	401,515	375,084	401,515	375,084
Bridges		–	–	94,176	82,616	94,176	82,616
Footpaths		–	–	9,817	9,687	9,817	9,687
Bulk Earthworks		–	–	520,068	493,499	520,068	493,499
Stormwater Drainage		–	–	23,362	22,241	23,362	22,241
Water Supply Network		–	–	163,518	159,197	163,518	159,197
Sewerage Network		–	–	108,126	104,910	108,126	104,910
Swimming Pools		–	–	2,738	2,738	2,738	2,738
Other Open		–	–	–	–	–	–
Space/Recreational Assets		–	–	6,190	5,430	6,190	5,430
Library Books		–	–	423	444	423	444
Tip Restoration Asset		–	–	13,878	15,214	13,878	15,214
Quarry Restoration Asset		–	–	29	30	29	30
Other Assets		–	–	2,999	2,528	2,999	2,528
Total infrastructure, property, plant and equipment		89,336	96,882	1,463,889	1,380,469	1,553,225	1,477,351

Non-recurring fair value measurements

E2-1 Fair value measurement (continued)

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Fair value measurements using significant unobservable inputs (level 3)

The valuation process for level 3 fair value measurements

Council uses the following processes for the fair valuation of Level 3 Infrastructure, Property, Plant and Equipment:

Plant & Equipment, Furniture & Fittings, Office Equipment, Other Assets - Historical cost less accumulated depreciation.

Community Land - Land values obtained by the NSW Valuer-General.

Specialised Buildings - Valued at Depreciated Replacement Cost by an independent qualified valuer.

Other Structures - Valued at Depreciated Replacement Cost by qualified Council staff.

Roads infrastructure and stormwater assets - Valued at Depreciated Replacement Cost by qualified Council staff.

Water Supply Network - Valued at Depreciated Replacement Cost by qualified Council staff.

Sewerage Network - Valued at Depreciated Replacement Cost by qualified Council staff.

Recreational Assets (other than buildings) - Valued at Depreciated Replacement Cost by qualified Council staff.

Depreciated Replacement Cost is calculated from the current replacement value less the accumulated depreciation to account for the consumption of the service potential of the asset. The asset age is determined from the date of acquisition. If the date is not known, the asset age is determined by estimating the remaining life from an assessment of the asset condition, and subtracting the remaining life from the useful life of the asset.

The Current Replacement Value is the cost of a standard modern asset that would be installed if Council were deprived of the existing asset. Where specific estimates are available, these are used to determine the replacement values. In the absence of detailed estimates, unit rates are obtained from a recognised source and are appropriately factored to reflect the regional location of the asset.

Historical Cost is the cost of assets based on current invoices and contract, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market.

Where appropriate, disposal costs are taken into account when calculating the Depreciated Replacement Cost.

E2-1 Fair value measurement (continued)

Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

\$ '000	Fair value (30/6/24) 2024	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant & Equipment	14,463	Historical cost	Cost per unit, useful life, residual value, condition of asset
Office Equipment	157	Historical cost	Cost per unit, useful life, residual value, condition of asset
Furniture & Fittings	75	Historical cost	Cost per unit, useful life, residual value, condition of asset
Community Land	41,056	Market value	Valuer General's Valuation
Land Improvements	4,135	Depreciated replacement cost	Useful life, residual value, condition of asset
Buildings - Specialised	46,430	Depreciated replacement cost	Cost per sq metre, dimensions & specification, pattern of consumption, components, useful life, condition of asset
Other Structures	10,734	Depreciated replacement cost	Cost per unit rates, pattern of consumption, components, useful life, asset condition
Road infrastructure	401,515	Depreciated replacement cost	Cost per sq metre, dimensions & specification, pattern of consumption, components, useful life, condition of asset
Bridges	94,176	Depreciated replacement cost	Cost per sq metre, dimensions & specification, pattern of consumption, components, useful life, condition of asset
Footpaths	9,817	Depreciated replacement cost	Cost per sq metre, pattern of consumption, components, useful life, condition of asset
Bulk Earthworks	520,068	Current replacement cost	Cost per sq metre
Stormwater Drainage	23,362	Depreciated replacement cost	Unit rates, cost per metre, useful life, condition of asset
Water Supply Network	163,518	Depreciated replacement cost	Unit rates, pattern of consumption, components, useful life, asset condition
Sewerage Network	108,126	Depreciated replacement cost	Unit rates, pattern of consumption, components, useful life, asset condition
Swimming Pools	2,738	Depreciated replacement cost	Cost per unit, useful life, condition of asset
Other Open Space/Recreational Assets	6,190	Depreciated replacement cost	Cost per unit, useful life, condition of asset
Library Books	423	Historical cost	Cost per unit, useful life, condition of asset
Landfill Restoration Asset	13,878	Depreciated replacement cost	Cost per cubic / square metre, useful life
Quarry Restoration Asset	29	Depreciated replacement cost	Cost per cubic / square metre, useful life
Other Assets	2,999	Depreciated replacement cost	Unit rates, asset condition, useful life

E2-1 Fair value measurement (continued)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Level 3 IPPE	
	2024	2023 Restated
Opening balance at 1 July	1,380,470	1,276,702
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	71,452	107,212
Other movements		
Purchases (GBV)	39,438	32,404
Disposals (WDV)	(2,693)	(1,897)
Depreciation and impairment	(24,778)	(33,951)
Closing balance at 30 June	1,463,889	1,380,470

Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

E3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formula and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are::

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ended 30 June 2024 (increasing to 9.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The additional lump sum contribution for each pooled employer is a share of the total additional contributions of \$20.0 million for the period 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2024.

The adequacy of contributions is assessed at each triennial actuarial investigation, the next of which is due effective 30 June 2024, and monitored annually between triennials.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ended 30 June 2024 was \$95,570. The last formal valuation of the Scheme was performed by the Fund Actuary, Richard Boyfield, FIAA, as at 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$60,235.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2024 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,237.5	
Past Service Liabilities	2,141.9	104.5%
Vested Benefits	2,159.8	103.6%

* excluding member accounts and reserves in both assets and liabilities.

The share of any funding surplus or deficit that can be attributed to Council is 0.40% as at 30 June 2024.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	3.5% for FY2023-24, 2.5% per annum thereafter.

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2024.

(ii) CivicRisk Mutual

Council is a member of Civic Risk Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

E3-1 Contingencies (continued)

(iv) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities

(i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

(ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

ASSETS NOT RECOGNISED

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2024	2023
Compensation:		
Short-term benefits	1,300	1,436
Post-employment benefits	163	137
Total	1,463	1,573

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool) will not be disclosed.

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000						
2024						
Workwear	1	56	–	30 days	–	–
Other	2	4	–	30 days	–	–
2023						
Workwear	1	51	1	30 days	–	–
Other	2	5	–	30 days	–	–

¹ Council has procured workwear from Hip Pocket Workwear. The business is owned by a member of the KMP of Council. Amounts are billed based on market rates for such suppliers and were due and payable under normal payment terms.

² Other minor amounts were paid for goods and services provided by businesses owned by close family members of two Council KMP's. Amounts are billed based on market rates for such suppliers and were due and payable under normal payment terms.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
Mayoral fee	47	46
Councillors' fees	239	228
Other Councillors' expenses (including Mayor)	43	48
Total	329	322

The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	163	267
Additional audit fees from prior year	93	–
Remuneration for audit and other assurance services	256	267
Total fees paid or payable to the Auditor-General	256	267
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Internal Audit Services	33	–
Other Acquittal assurance services	2	3
Total fees paid or payable for non-assurance services	35	3
Total audit fees	291	270

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	23,935	44,152
Add / (less) non-cash items:		
Depreciation and amortisation	28,084	23,749
(Gain) / loss on disposal of assets	1,015	629
Non-cash capital grants and contributions	(2,013)	(5,410)
Unwinding of discount rates on reinstatement provisions	1,001	944
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	4,630	(9,296)
Increase / (decrease) in provision for impairment of receivables	261	(71)
(Increase) / decrease of inventories	(15)	809
(Increase) / decrease of other current assets	(21)	(114)
(Increase) / decrease of contract asset	265	3,557
Increase / (decrease) in payables	714	(198)
Increase / (decrease) in other accrued expenses payable	(2,709)	3,682
Increase / (decrease) in other liabilities	(5,331)	2,649
Increase / (decrease) in contract liabilities	(6,080)	5,984
Increase / (decrease) in employee benefit provision	1,039	(96)
Increase / (decrease) in other provisions	(153)	(113)
Net cash flows from operating activities	44,622	70,857

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Transport Infrastructure	8,842	17,204
Plant and equipment	372	1,329
Water Infrastructure	4,778	10,934
Sewer Infrastructure	1,491	671
Other Infrastructure	7,748	9,796
Waste Infrastructure	–	209
Total commitments	23,231	40,143
These expenditures are payable as follows:		
Within the next year	16,171	40,143
Later than one year and not later than 5 years	7,060	–
Total payable	23,231	40,143

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

G4 Changes from prior year statements

G4-1 Correction of errors

Nature of prior period error

Continuous data cleansing and re-assessments during FY2023/24 have revealed certain anomalies in Council's asset registers.

Water Pipes

Inaccuracies pertaining to the overstated useful and remaining lives utilised in the comprehensive revaluation of the Water Supply network assets carried out in FY2021/22, were discovered. This resulted in a decrement to Asset Replacement Reserve and Net Written Down Value of \$16.7m at 1 July 2022. Increase to depreciation of \$739,000 and an indexation decrement of \$1.496m in FY2022/23.

Disposals

Other asset classes impacted by prior period corrections in preparation for the 2024/25 roads revaluation are community land, roads, footpaths, bulk earthworks and work in progress. The majority of these assets have been identified as Crown or State roads and disposed. This resulted in a decrement to Accumulated Surplus and Net Written Down Value of \$16.6m at 1 July 2022. Decrease to depreciation of \$98,000 and an indexation decrement of \$973,000 in FY2022/23.

Bridges

Two bridges have been reassessed for correct useful life based on construction material, resulting in a \$601,000 increment to Asset Revaluation Reserve and Net Written Down Value at 1 July 2022. Increase to depreciation of \$3,000 and an indexation increment of \$35,000 in FY2022/23.

The errors identified above have been corrected by restating the balances at the beginning of the earliest period presented being 1 July 2022, as a decrement to Assets with the corresponding decrement to Accumulated Surplus and Asset Revaluation Reserve at that date. Impacts on the Income Statement for the year ended 30 June 2023 and Statement of Financial Position as at 30 June 2023 are also presented.

Changes to the opening Statement of Financial Position at 1 July 2022

Statement of Financial Position

\$ '000	Original Balance 1 July, 2022	Impact Increase/ (decrease)	Restated Balance 1 July, 2022
Infrastructure, property, plant & equipment	1,406,597	(32,306)	1,374,291
Total non-current assets	1,429,901	(32,306)	1,397,595
Total assets	1,524,941	(32,306)	1,492,635
Net assets	1,447,160	(32,306)	1,414,854
Accumulated surplus	1,193,503	(16,558)	1,176,945
Revaluation reserves	253,657	(15,748)	237,909
Total equity	1,447,160	(32,306)	1,414,854

Adjustments to the comparative figures for the year ended 30 June 2023

Statement of Financial Position

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Infrastructure, property, plant & equipment	1,585,370	(35,384)	1,549,986
Total non-current assets	1,592,200	(35,384)	1,556,816
Total assets	1,722,743	(35,384)	1,687,359
Net assets	1,632,158	(35,384)	1,596,774

G4-1 Correction of errors (continued)

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Accumulated surplus	1,238,298	(17,202)	1,221,096
Revaluation Reserve	393,860	(18,182)	375,678
Total equity	1,632,158	(35,384)	1,596,774

Income Statement

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Depreciation, amortisation and impairment of non-financial assets	23,106	644	23,750
Total expenses from continuing operations	95,968	644	96,612
Net operating result for the year	44,795	(644)	44,151

Statement of Comprehensive Income

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Gain (loss) on revaluation of Infrastructure, Property, Plant & Equipment	152,354	(2,433)	149,921
Other comprehensive income	140,203	(2,433)	137,770
Total comprehensive income for the year	184,998	(3,077)	181,921

G5 Statement of developer contributions

G5-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Roads	464	168	–	–	28	–	–	660	–
Parking	40	–	–	–	2	–	–	42	–
Open space	595	–	–	–	26	–	–	621	–
Community facilities	381	12	–	–	17	–	–	410	–
Public parking	9	–	–	–	1	–	–	10	–
Roadworks	480	6	–	–	21	–	–	507	–
Open space and public art	80	8	–	–	4	–	–	92	–
Sport and recreation facilities	77	4	–	–	4	–	–	85	–
Community services and facilities	525	31	–	–	25	–	–	581	–
Shared pathways - Jindabyne area	39	4	–	–	2	–	–	45	–
Shared trails - Jindabyne area	155	10	–	–	7	–	–	172	–
Regional waste management	372	46	–	–	19	–	–	437	–
Bushfire services	91	10	–	–	4	–	–	105	–
Michelago Village Road	–	28	–	–	1	–	–	29	–
Michelago Village Open Space	–	15	–	–	1	–	–	16	–
Michelago Village Waste	–	3	–	–	–	–	–	3	–
Michelago Village Plan Admin	–	5	–	–	–	–	–	5	–
S7.11 contributions – under a plan	3,308	350	–	–	162	–	–	3,820	–
S7.12 levies – under a plan	28	509	–	–	24	–	–	561	–
Total S7.11 and S7.12 revenue under plans	3,336	859	–	–	186	–	–	4,381	–
S7.11 not under plans	190	–	–	–	8	–	–	198	–
S64 contributions	10,159	1,496	–	–	514	(31)	–	12,138	–
Total contributions	13,685	2,355	–	–	708	(31)	–	16,717	–

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

G5-2 Developer contributions by plan

Purpose

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
CONTRIBUTION PLAN (Snowy Monaro Regional Council)									
Michelago Village Road	–	28	–	–	1	–	–	29	–
Michelago Village Open Space	–	15	–	–	1	–	–	16	–
Michelago Village Plan Admin	–	5	–	–	–	–	–	5	–
Michelago Village Waste	–	3	–	–	–	–	–	3	–
Total	–	51	–	–	2	–	–	53	–
CONTRIBUTION PLAN (former Cooma-Monaro)									
Roads	464	168	–	–	28	–	–	660	–
Parking	40	–	–	–	2	–	–	42	–
Open space	595	–	–	–	26	–	–	621	–
Community facilities	381	12	–	–	17	–	–	410	–
Total	1,480	180	–	–	73	–	–	1,733	–
CONTRIBUTION PLAN (former Snowy River)									
Public parking	9	–	–	–	1	–	–	10	–
Roadworks	480	6	–	–	21	–	–	507	–
Open space and public art	80	8	–	–	4	–	–	92	–
Sport and recreation facilities	77	4	–	–	4	–	–	85	–
Community services and facilities	525	31	–	–	25	–	–	581	–
Shared pathways – Jindabyne area	39	4	–	–	2	–	–	45	–
Shared trails – Jindabyne area	155	10	–	–	7	–	–	172	–
Regional waste management	372	46	–	–	19	–	–	437	–
Bushfire services	91	10	–	–	4	–	–	105	–
Total	1,828	119	–	–	87	–	–	2,034	–

G5-2 Developer contributions by plan (continued)

S7.12 Levies – under a plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
CONTRIBUTION PLAN (Snowy Monaro Regional Council)									
Purpose									
Northern Catchment	–	12	–	–	1	–	–	13	–
Central Catchment	–	69	–	–	3	–	–	72	–
South East Catchment	–	98	–	–	4	–	–	102	–
Central West Catchment	–	43	–	–	2	–	–	45	–
South West Catchment	–	287	–	–	13	–	–	300	–
Total	–	509	–	–	23	–	–	532	–
CONTRIBUTION PLAN NUMBER 1 (former Bombala)									
Purpose									
Other	28	–	–	–	1	–	–	29	–
Total	28	–	–	–	1	–	–	29	–
G5-3 Contributions not under plans									
(former Snowy River)									
Purpose									
Community facilities	28	–	–	–	1	–	–	29	–
Kerb and gutter	32	–	–	–	1	–	–	33	–
Voluntary payment agreement	130	–	–	–	6	–	–	136	–
Total	190	–	–	–	8	–	–	198	–

G6 Statement of performance measures

G6-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	2023	Indicators 2022	2021	Benchmark
1. Operating performance ratio						
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(7,428)	(8.19)%	(2.84)%	(1.37)%	(30.27)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	90,729					
2. Own source operating revenue ratio						
Total continuing operating revenue excluding all grants and contributions ¹	61,611	47.58%	41.01%	51.65%	60.19%	> 60.00%
Total continuing operating revenue	129,485					
3. Unrestricted current ratio						
Current assets less all external restrictions	49,588	3.11x	2.58x	1.72x	2.27x	> 1.50x
Current liabilities less specific purpose liabilities	15,962					
4. Debt service cover ratio						
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	21,700	18.92x	20.59x	18.31x	(1.18)x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,147					
5. Rates and annual charges outstanding percentage						
Rates and annual charges outstanding	3,992	8.29%	5.87%	10.53%	12.94%	< 10.00%
Rates and annual charges collectable	48,175					
6. Cash expense cover ratio						
Current year's cash and cash equivalents plus all term deposits	98,345	14.22 months	17.72 months	15.83 months	13.02 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	6,918					

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

G6-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(8.78)%	0.21%	(13.51)%	(20.47)%	1.14%	(9.46)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	40.70%	34.61%	57.37%	70.41%	84.28%	63.04%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	3.11x	2.58x	9.00x	∞	13.65x	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	12.00x	15.79x	∞	∞	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	25.66%	26.29%	0.00%	0.00%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	14.22 months	13.58 months	∞	56.62 months	∞	13.65 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note 23a above.

(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

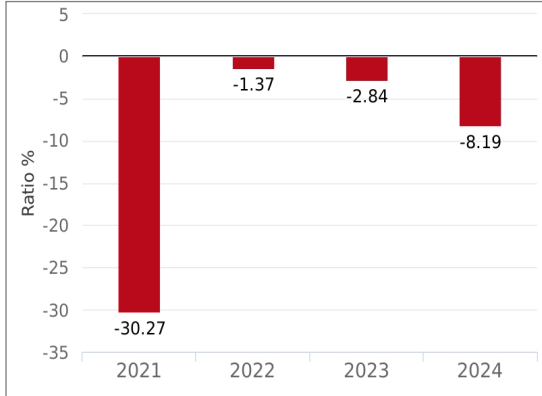
END OF AUDITED FINANCIAL STATEMENTS

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2023/24 result

2023/24 ratio (8.19)%

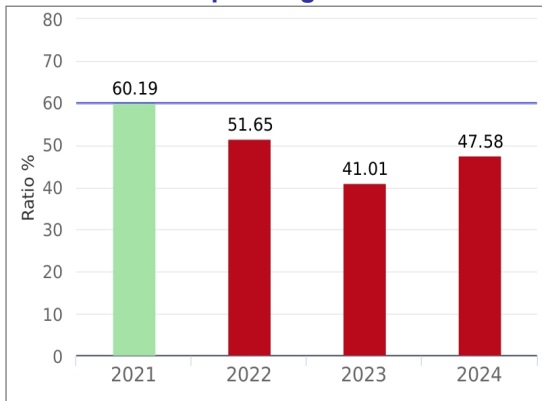
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2023/24 result

2023/24 ratio 47.58%

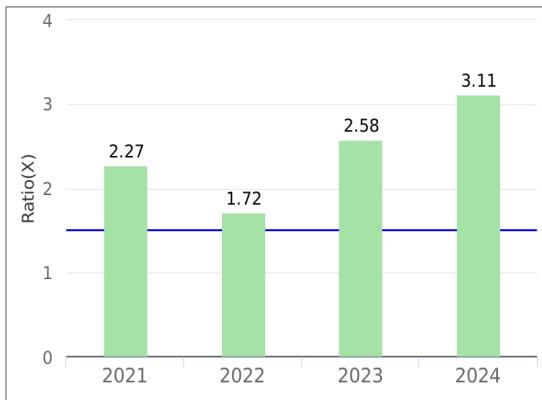
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2023/24 result

2023/24 ratio 3.11x

Benchmark: — > 1.50x

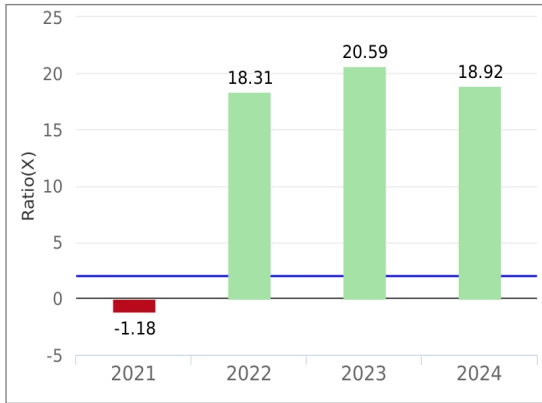
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Debt service cover ratio



Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2023/24 result	
2023/24 ratio	18.92x

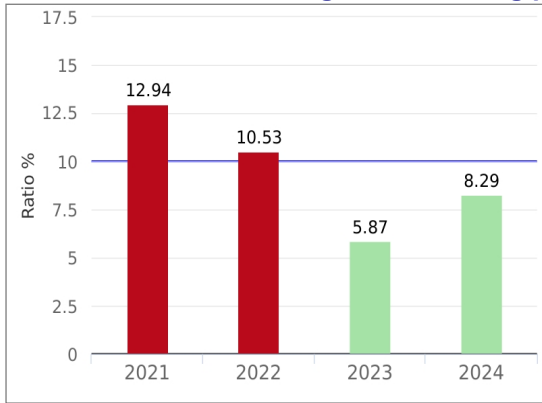
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2023/24 result	
2023/24 ratio	8.29%

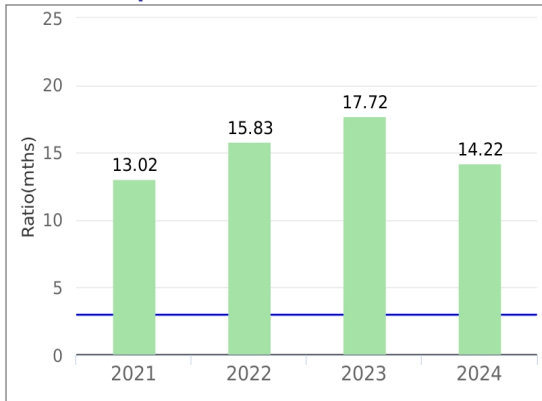
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2023/24 result	
2023/24 ratio	14.22 months

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business:

Cooma

81 Commissioner Street
COOMA NSW 2630

Berridale

2 Myack Street
BERRIDALE NSW 2628

Bombala

71 Caveat Street
BOMBALA NSW 2632

Jindabyne

2/1 Gippsland Street
JINDABYNE NSW 2627

Opening hours:

8:30am - 4:30pm
Monday to Friday

Telephone: 1300 345 345

Email: council@snowymonaro.nsw.gov.au

Internet: www.snowymonaro.nsw.gov.au

Officers

Chief Executive Officer

Stephen Dunshea

Chief Financial Officer / Responsible Accounting Officer

Simon Rennie

Public Officer

Luke O'Sullivan
Coordinator Governance

Auditors

Audit Office of NSW
Sue Prichard
Director, Financial Audit
Level 19, Darling Park Tower 2
201 Sussex Street
SYDNEY NSW 2000

Elected members

Mayor

Chris Hanna

Councillors

Tanya Higgins (Deputy Mayor)
Narelle Davis
Peter Beer
Louise Frolich
Tricia Hopkins
Karlee Johnson
Bob Stewart
Lynda Summers
Craig Mitchell
Luke Williamson

Other information

ABN: 72 906 802 034



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Snowy Monaro Regional Council

To the Councillors of Snowy Monaro Regional Council

Opinion

I have audited the accompanying financial statements of Snowy Monaro Regional Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information. In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The Council's annual report for the year ended 30 June 2024 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 'Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Susan Prichard
Delegate of the Auditor-General for New South Wales

29 November 2024
SYDNEY



Christopher Hanna
 Mayor
 Snowy Monaro Regional Council
 PO Box 714
 COOMA NSW 2630

Contact: Susan Prichard
 Phone no: 02 8280 5637
 Our ref: R008-2124742775-10028

29 November 2024

Dear Mayor

**Report on the Conduct of the Audit
 for the year ended 30 June 2024
 Snowy Monaro Regional Council**

I have audited the general purpose financial statements (GPFS) of the Snowy Monaro Regional Council (the Council) for the year ended 30 June 2024 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2024 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	39.4	32.5	↑ 21.2
Grants and contributions revenue	67.9	83.0	↓ 18.3
Operating result from continuing operations	30.0	44.2	↓ 32.1
Net operating result before capital grants and contributions	(14.8)	(3.3)	↓ 348.5

Rates and annual charges revenue (\$39.4 million) increased by \$6.9 million (21.2 per cent) in 2023–24 due to the prior year's undercharge of sewerage usage rate of 6.8 per cent, and special rate variation of 12.25 per cent.

Grants and contributions revenue (\$67.9 million) decreased by \$15.1 million (18.3 per cent) in 2023–24 due to:

- decrease of \$3.4 million in non-cash contributions for subdivision dedications
- decrease of \$8.0 million in cash contributions for special purpose grants and non-developer contributions
- decrease of \$3.5 million in financial assistance grants.

Council's operating result from continuing operations (\$30.0 million including depreciation, amortisation and impairment expense of \$28.1 million) was \$14.2 million lower than the 2022–23 result. This was mainly due to a decrease in grants and contributions revenue by \$15.16 million (18.3 per cent) and increase in depreciation, amortisation and impairment expense of \$4.3 million (18.1 per cent).

The net operating result before capital grants and contributions (\$14.8 million deficit) was \$11.5 million (348.5 per cent) lower than the 2022–23 result. This was mainly due to the increases in depreciation, amortisation and impairment expense, other expenses, employee benefits and on-costs, rates and annual charges, interest and investment income and decrease in user charges and fees, grants and contributions.

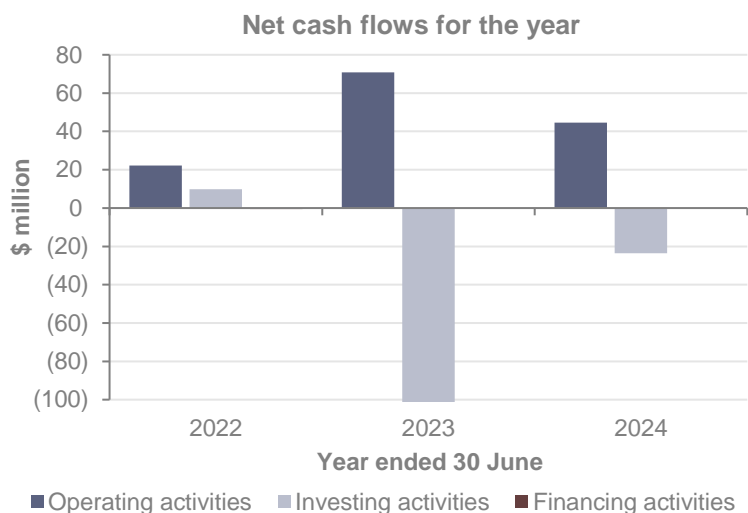
STATEMENT OF CASH FLOWS

The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of the Council during the year.

Net cash inflows from operating activities decreased by \$26.3 million due to higher payments for materials and services, other payments costs and higher receipts of rates and annual charges, user charges and fees, interest received and other receipts. This was offset by decrease in grants and contributions.

Cash flows from investing activities increased by \$80.7 million due to lower payments for IPPE offset by higher net redemption of term deposits.

Cash flows from financing activities are stable at \$0.1 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	98.3	100.9	<ul style="list-style-type: none"> Total cash, cash equivalents and investments decreased by \$2.6 million.
Restricted and allocated cash, cash equivalents and investments:			<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. The increase in Council's externally restricted cash and investments is mainly due to increase in the water supply fund.
• External restrictions	71.6	73.9	
• Internal allocations	26.0	27.0	<ul style="list-style-type: none"> Internal allocations are those cash and investments that Council have allocated by resolution or policy of Council to identified programs of works and any forward plans identified by Council. The decrease in internal allocations is mainly due to the decrease in project funding.

Debt

At 30 June 2024, Council had:

- Nil borrowings (2023: \$0.01 million).
- \$0.2 million (2023: \$0.1 million) in credit card facility with \$0.18 million used (2023: \$0.08 million).

PERFORMANCE

Performance measures

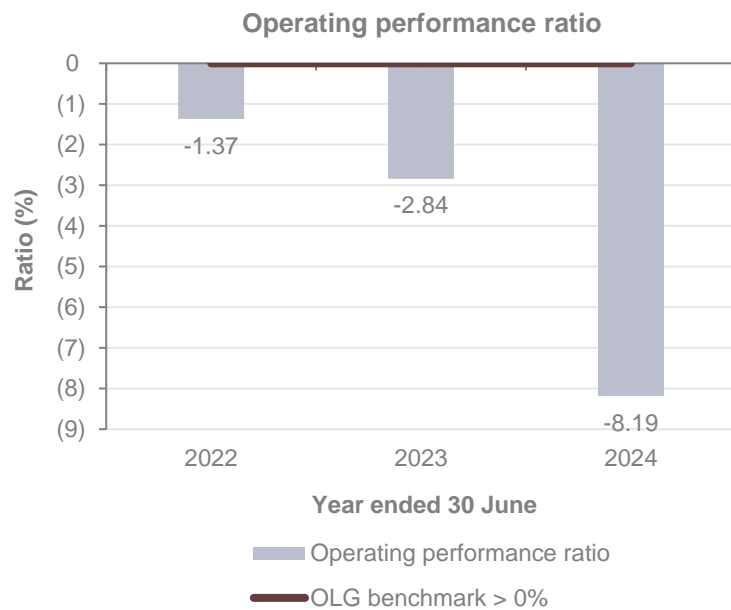
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

Operating performance ratio

Council did not meet the benchmark for the current reporting period.

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.

This trend reflects the increasing cost of service delivery compared to operating income received, particularly grants and contribution revenue.



Own source operating revenue ratio

Council did not meet the benchmark for the current reporting period.

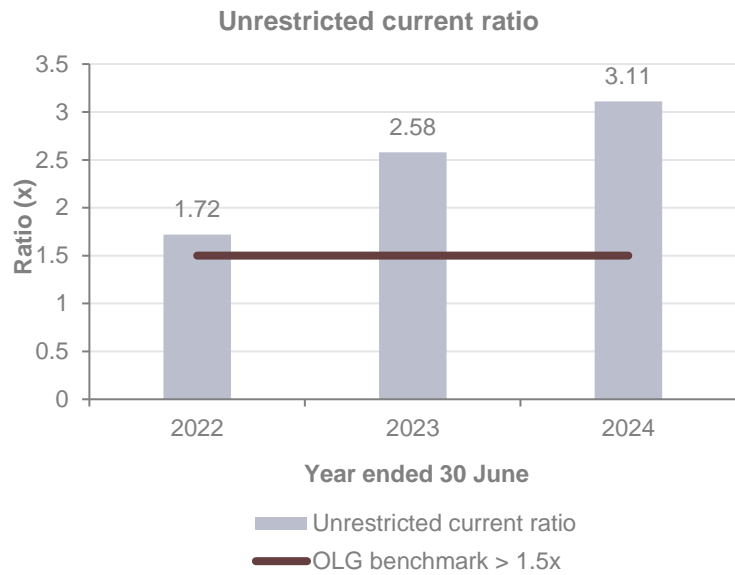
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council met the benchmark for the current reporting period.

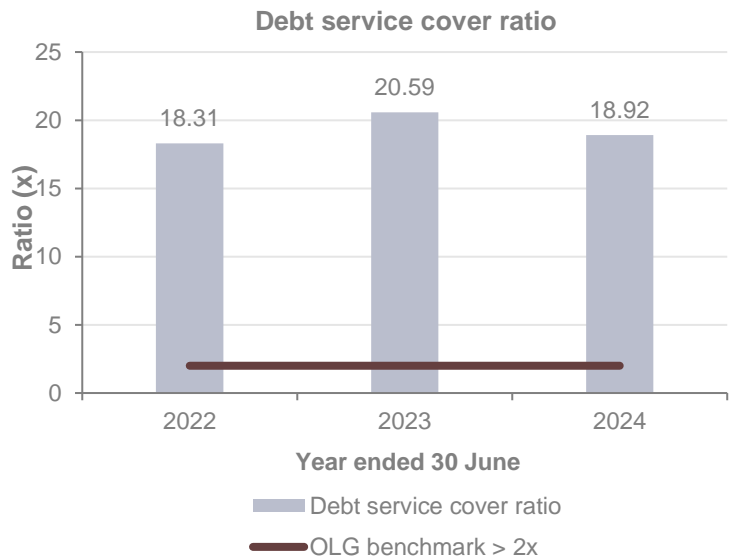
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council met the benchmark for the current reporting period.

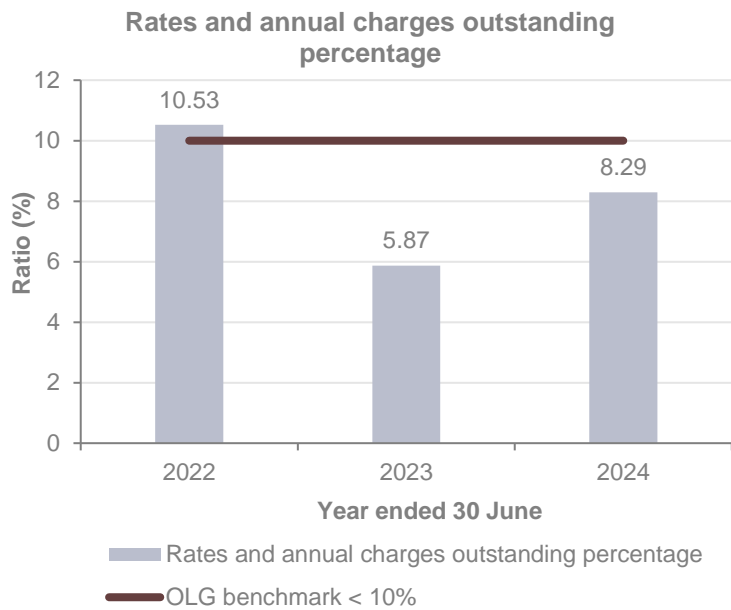
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

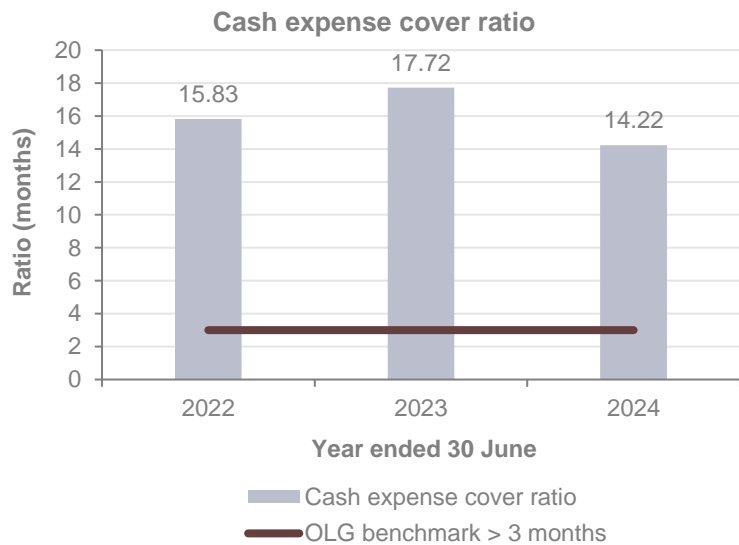
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts.



Cash expense cover ratio

Council met the benchmark for the current reporting period.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



Infrastructure, property, plant and equipment renewals

Council renewed \$39.3 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads and capital work-in-progress. A further \$12.4 million (net of developer contributions) was spent on new assets.

OTHER MATTERS

Legislative compliance

My audit procedures did not identify any instances of material non-compliance with the financial reporting requirements in Chapter 13, Part 3, Division 2 of the LG Act and the associated regulation or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited.
- staff provided all accounting records and information relevant to the audit.



Susan Prichard
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Cc: Mr Stephen Dunshea, Chief Executive Officer
Mr Simon Rennie, Chief Financial Officer
Mr Michael Quirk, Chair of the Audit, Risk and Improvement Committee

