



ATTACHMENTS

ENCLOSURES

Ordinary Council Meeting

22 October 2024

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Goulburn Mulwaree Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Goulburn Mulwaree Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

184-194 Bourke Street
Goulburn NSW 2580

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.goulburn.nsw.gov.au.

Goulburn Mulwaree 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 senior staff 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.

Goulburn Mulwaree Council

General Purpose Financial Statements

for the year ended 30 June 2024

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 22 October 2024.

Cr Nina Dillon
Mayor
22 October 2024

Cr Caitlin Flint
Deputy Mayor
22 October 2024

Aaron Johansson
Chief Executive Officer
22 October 2024

Brendan Hollands
Responsible Accounting Officer
22 October 2024

Goulburn Mulwaree Council | Income Statement | for the year ended 30 June 2024

Goulburn Mulwaree Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
42,641	Rates and annual charges	B2-1	42,871	41,195
19,085	User charges and fees	B2-2	21,338	20,552
1,373	Other revenues	B2-3	1,977	1,557
10,426	Grants and contributions provided for operating purposes	B2-4	17,974	20,668
41,172	Grants and contributions provided for capital purposes	B2-4	21,397	21,162
2,965	Interest and investment income	B2-5	6,316	3,550
475	Other income	B2-6	639	1,460
640	Net gain from the disposal of assets	B4-1	–	–
118,777	Total income from continuing operations		112,512	110,144
Expenses from continuing operations				
32,399	Employee benefits and on-costs	B3-1	31,749	28,599
25,836	Materials and services	B3-2	29,664	26,685
1,594	Borrowing costs	B3-3	1,896	1,927
22,681	Depreciation, amortisation and impairment of non-financial assets	B3-4	30,571	28,969
983	Other expenses	B3-5	1,142	939
–	Net loss from the disposal of assets	B4-1	225	5,650
83,493	Total expenses from continuing operations		95,247	92,769
35,284	Operating result from continuing operations		17,265	17,375
35,284	Net operating result for the year attributable to Council		17,265	17,375
(5,888)	Net operating result for the year before grants and contributions provided for capital purposes		(4,132)	(3,787)

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

Goulburn Mulwaree Council | Statement of Comprehensive Income | for the year ended 30 June 2024

Goulburn Mulwaree Council

Statement of Comprehensive Income
for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		17,265	17,375
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	71,550	105,600
Total items which will not be reclassified subsequently to the operating result		71,550	105,600
Total other comprehensive income for the year		71,550	105,600
Total comprehensive income for the year attributable to Council		88,815	122,975

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

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Goulburn Mulwaree Council | Statement of Financial Position | as at 30 June 2024

Goulburn Mulwaree Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	37,652	33,628
Investments	C1-2	97,000	96,500
Receivables	C1-4	8,204	7,018
Inventories	C1-5	410	487
Contract assets and contract cost assets	C1-6	4,372	6,797
Other	C1-9	1,015	402
Total current assets		148,653	144,832
Non-current assets			
Investments	C1-2	2,000	–
Receivables	C1-4	63	42
Infrastructure, property, plant and equipment (IPPE)	C1-7	1,600,837	1,522,884
Investment property	C1-8	5,750	5,500
Right of use assets	G2-1	576	–
Total non-current assets		1,609,226	1,528,426
Total assets		1,757,879	1,673,258
LIABILITIES			
Current liabilities			
Payables	C3-1	7,942	9,411
Contract liabilities	C3-2	18,192	19,651
Lease liabilities	C2-1	588	–
Borrowings	C3-3	2,290	2,283
Employee benefit provisions	C3-4	7,414	7,011
Total current liabilities		36,426	38,356
Non-current liabilities			
Payables	C3-1	1,500	1,800
Borrowings	C3-3	31,227	33,517
Employee benefit provisions	C3-4	935	887
Provisions	C3-5	15,424	14,382
Total non-current liabilities		49,086	50,586
Total liabilities		85,512	88,942
Net assets		1,672,367	1,584,316
EQUITY			
Accumulated surplus	C4-1	522,337	505,072
IPPE revaluation reserve	C4-1	1,150,794	1,079,244
Total equity		1,673,131	1,584,316

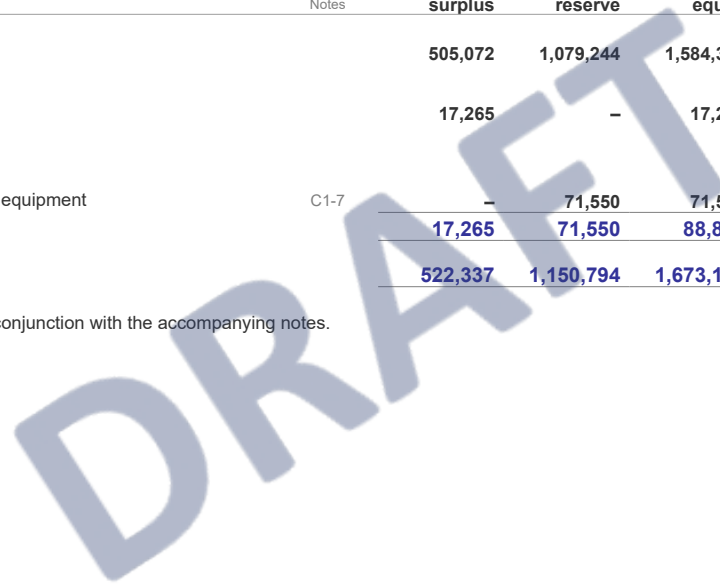
The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Goulburn Mulwaree Council | Statement of Changes in Equity | for the year ended 30 June 2024

Goulburn Mulwaree Council
Statement of Changes in Equity
 for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		505,072	1,079,244	1,584,316	487,697	973,644	1,461,341
Net operating result for the year		17,265	–	17,265	17,375	–	17,375
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	71,550	71,550	–	105,600	105,600
Total comprehensive income		17,265	71,550	88,815	17,375	105,600	122,975
Closing balance at 30 June		522,337	1,150,794	1,673,131	505,072	1,079,244	1,584,316

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



Goulburn Mulwaree Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
42,641	Rates and annual charges		42,738	41,287
19,085	User charges and fees		20,425	20,802
2,965	Interest received		5,808	2,612
51,598	Grants and contributions		39,279	51,330
–	Bonds, deposits and retentions received		–	187
1,848	Other		8,399	2,138
<i>Payments:</i>				
(32,399)	Payments to employees		(31,309)	(29,035)
(25,836)	Payments for materials and services		(31,425)	(26,914)
(1,594)	Borrowing costs		(1,628)	(1,701)
–	Bonds, deposits and retentions refunded		(368)	–
(983)	Other		(7,201)	1,277
57,325	Net cash flows from operating activities	G1-1	44,718	61,983
Cash flows from investing activities				
<i>Receipts:</i>				
–	Sale of investments		96,500	90,500
–	Redemption of term deposits		–	522
640	Proceeds from sale of IPPE		324	3,765
<i>Payments:</i>				
–	Purchase of investments		(96,500)	(90,500)
–	Acquisition of term deposits		(2,500)	–
(99,155)	Payments for IPPE		(35,339)	(47,498)
(98,515)	Net cash flows from investing activities		(37,515)	(43,211)
Cash flows from financing activities				
<i>Receipts:</i>				
4,000	Proceeds from borrowings		–	–
<i>Payments:</i>				
(2,140)	Repayment of borrowings		(2,283)	(2,521)
(116)	Principal component of lease payments		(132)	(90)
1,744	Net cash flows from financing activities		(2,415)	(2,611)
(39,446)	Net change in cash and cash equivalents		4,788	16,161
–	Cash and cash equivalents at beginning of year		33,628	17,467
(39,446)	Cash and cash equivalents at end of year	C1-1	38,416	33,628
–	plus: Investments on hand at end of year	C1-2	99,000	96,500
(39,446)	Total cash, cash equivalents and investments		137,416	130,128

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

Goulburn Mulwaree Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on dd MMMM yyyy. 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.

These 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. Council is a not-for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

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 and investment property.

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. estimated fair values of investment property – refer Note C1-8
- ii. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- iii. estimated tip remediation provisions – refer Note C3-5
- iv. 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 (NSW), 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
- Domestic Waste Management Fund
- Water Supply Fund
- Sewerage Service Fund

continued on next page ...

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A1-1 Basis of preparation (continued)

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), 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.

It is Council's opinion that no Trust monies held by Council are subject to Council's control and therefore they have not been included in these reports.

As at 30 June 2024 the balance of the trust fund was \$547,744 (\$395,396 at 30 June 2023).

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)

Volunteer services

Council has volunteers working in various areas. These volunteer services have not been recognised as income as per AASB 1058.18. This is because the fair value of such services cannot be reliably measured and it would not have been purchased if they were not donated.

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 its operative date in the annual reporting period beginning 1 July 2023.

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

This Standard modifies AASB 13 Fair Value Measurement for application by not-for-profit public sector entities such as Council.

It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to generate cash inflows and also provides guidance and clarification when valuing assets that are restricted (in their use) at Council.

This includes guidance and clarification regarding the determination of an assets highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values.

Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value.

The standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

New accounting standards adopted 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.

The following new standard is effective for the first time at 30 June 2024:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and

Definition of Accounting Estimates

The most significant change introduced by this standard is to remove the requirement to disclose significant accounting policies and instead require disclosure of material accounting policy information.

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements

continued on next page ...

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A1-1 Basis of preparation (continued)

make on the basis of those financial statements.”

In applying the new requirements, Council has after taking into account the various specific facts and circumstances applied professional judgement to ensure it discloses only material accounting policies as opposed to significant accounting policies throughout these financial statements.

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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										
Civic Leadership	37,994	36,050	10,613	12,285	27,381	23,765	10,425	10,990	201,569	196,927
Community	3,303	4,400	6,372	7,603	(3,069)	(3,203)	2,581	3,653	173,675	164,447
Economy	5,642	5,740	14,477	11,832	(8,835)	(6,092)	2,185	3,047	13,533	12,138
Environment	15,448	16,951	12,025	14,906	3,423	2,045	2,386	3,208	146,144	138,836
Infrastructure	50,125	47,003	51,760	46,143	(1,635)	860	21,794	20,932	1,222,958	1,160,910
Total functions and activities	112,512	110,144	95,247	92,769	17,265	17,375	39,371	41,830	1,757,879	1,673,258

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B1-2 Components of functions or activities

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

Civic Leadership

Our Leadership - Council administration including executive management, councillor expenses, human resources, financial services, organisational overheads and oncosts, information and technology, customer service and administrative support. Governance such as access to information, code of conduct, legal services, insurances and policies and procedures.

Community

Our Community - Community services and education, including development, youth services, aged and disabled services. Community amenities such as public cemeteries, public conveniences and street lighting. Recreation and cultural services including, public library, art gallery and museums, community halls, sporting grounds and venues, swimming pool, parks and gardens, and other sport and recreation.

Economy

Our Economy - Economic affairs including marketing, visitor information and events, strategic planning and property management.

Environment

Our Environment - Activities such as public health, noxious plants and animal control, solid waste management, street cleaning, drainage and stormwater management, other environmental protection activities.

Infrastructure

Our Infrastructure - Includes the following networks; sewerage services, water supplies, bridges, footpaths, parking areas, sealed and unsealed roads, urban streets, rural and regional roads.

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B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	16,258	15,598
Farmland	2,390	2,466
Business	5,218	4,917
Less: pensioner rebates	(444)	(440)
Rates levied to ratepayers	23,422	22,541
Pensioner rate subsidies received	243	241
Total ordinary rates	23,665	22,782
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	5,213	4,931
Water supply services	2,877	2,717
Sewerage services	10,747	10,415
Waste management services (non-domestic)	585	562
Less: pensioner rebates	(476)	(469)
Annual charges levied	18,946	18,156
Pensioner annual charges subsidies received:		
– Water	95	94
– Sewerage	91	91
– Domestic waste management	74	72
Total annual charges	19,206	18,413
Total rates and annual charges	42,871	41,195

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.

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

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

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.

B2-2 User charges and fees

\$ '000	2024	2023
Specific user charges		
Water supply services	7,879	7,434
Sewerage services	2,474	2,437
Waste management services (non-domestic)	1,695	1,663
Total specific user charges	12,048	11,534
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions		
Building regulation	309	300
Planning and building regulation	1,345	1,243
Private works – section 67	130	108
Regulatory/ statutory fees	214	201
Section 10.7 certificates (EP&A Act)	106	119
Section 603 certificates	78	76
Total fees and charges – statutory/regulatory	2,182	2,047
(ii) Fees and charges – other (incl. general user charges)		
Cemeteries	282	361
Gravel pits	76	185
Library and art gallery	81	42
Transport for NSW works (state roads not controlled by Council)	1,177	811
GPAC Income	520	388
Swimming centres	1,348	1,225
Waste disposal tipping fees	3,115	3,521
Aged and disabled services	42	47
Hire of council properties	91	73
Sports stadium/recreation facilities	102	93
Animal Impounding	26	24
Other	248	201
Total fees and charges – other	7,108	6,971
Total other user charges and fees	9,290	9,018
Total user charges and fees	21,338	20,552
Timing of revenue recognition for user charges and fees		
User charges and fees recognised at a point in time (2)	2,706	2,468
User charges and fees recognised over time (1)	18,632	18,084
Total user charges and fees	21,338	20,552

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.

B2-3 Other revenues

\$ '000	2024	2023
Fines – parking	86	48
Fines – other	112	62
Legal fees recovery – rates and charges (extra charges)	135	110
Commissions and agency fees	4	18
Gas Main Rental	18	19
Diesel rebate	148	99
Insurance claims recoveries	120	50
Sales – general	619	528
Insurance rebates	91	83
Low value exception lease income	151	126
Employee contributions	203	196
License Agreements	33	31
Other	257	187
Total other revenue	1,977	1,557
Timing of revenue recognition for other revenue		
Other revenue recognised over time (1)	1,977	1,557
Other revenue recognised at a point in time (2)	-	-
Total other revenue	1,977	1,557

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	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	248	1,064	–	–
Financial assistance – local roads component	91	553	–	–
Payment in advance - future year allocation				
Financial assistance – general component	3,820	4,226	–	–
Financial assistance – local roads component	2,010	2,260	–	–
Amount recognised as income during current year	6,169	8,103	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Previously specific grants:				
Water supplies	–	42	227	345
Sewerage services	–	–	188	2,021
Aged care	201	72	–	–
Bushfire and emergency services	645	601	–	6
Community care	310	335	746	624
Economic development	14	325	–	–
Employment and training programs	–	7	–	–
Environmental programs	44	26	542	458
Floodplain management	(4)	51	52	–
Heritage and cultural	8	102	–	5
Library – per capita	255	270	–	–
LIRS subsidy	72	11	–	–
Noxious weeds	215	113	53	–
NSW rural fire services	–	–	9	19
Recreation and culture	193	99	6,382	3,647
Storm/flood damage	2,861	3,169	–	–
Road safety initiatives	68	55	24	190
Street lighting	161	157	–	–
Traffic route subsidy	2	–	–	–
Transport (roads to recovery)	1,566	996	–	–
Transport (other roads and bridges funding)	3,390	3,342	3,676	2,448
Other specific grants	–	–	253	267
Previously contributions:				
Bushfire services	299	747	–	–
Community services	23	88	80	35
Drainage	16	–	–	–
Other councils – joint works/services	26	30	–	–
Recreation and culture	–	–	168	732
Roads and bridges	2	4	3,557	3,442
Transport for NSW contributions (regional roads, block grant)	31	335	15	330
Sewerage (excl. section 64 contributions)	–	–	22	63
Water supplies (excl. section 64 contributions)	–	–	–	(52)
Other contributions	39	47	–	–
Veolia host fee	775	864	–	–
ESL Subsidy	–	225	–	–
Total special purpose grants and non-developer contributions – cash	11,212	12,113	15,994	14,580
Non-cash contributions				
Other	–	–	–	414
Total other contributions – non-cash	–	–	–	414

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B2-4 Grants and contributions (continued)

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Total special purpose grants and non-developer contributions (tied)	11,212	12,113	15,994	14,994
Total grants and non-developer contributions	17,381	20,216	15,994	14,994
Comprising:				
– Other funding	4,605	1,544	(498)	1,551
– Commonwealth funding	14	10,003	316	3,628
– State funding	12,762	8,669	16,176	9,815
	17,381	20,216	15,994	14,994

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):	G3					
Cash contributions						
S 7.11 – contributions towards amenities/services		1	591	448	2,403	2,593
S 64 – water supply contributions		1	–	–	652	502
S 64 – sewerage service contributions		1	–	–	807	1,080
S 64 – stormwater contributions		1	–	–	193	351
Other developer contributions			2	4	–	–
Total developer contributions – cash			593	452	4,055	4,526
Non-cash contributions						
S 7.11 – contributions towards amenities/services		1	–	–	584	451
S 64 – water supply contributions		1	–	–	380	113
S 64 – sewerage service contributions		1	–	–	24	238
S 64 – stormwater contributions		1	–	–	360	840
Total developer contributions non-cash			–	–	1,348	1,642
Total developer contributions			593	452	5,403	6,168
Total contributions			593	452	5,403	6,168
Total grants and contributions			17,974	20,668	21,397	21,162
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			–	–	–	–
Grants and contributions recognised at a point in time (2)			17,974	20,668	21,397	21,162
Total grants and contributions			17,974	20,668	21,397	21,162

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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 grants and contributions				
Unspent funds at 1 July	906	239	20,664	5,872
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	334	759	2,940	18,785
Add: Funds received and not recognised as revenue in the current year	167	-	2,629	-
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-	(2,334)	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(696)	(92)	(3,440)	(3,993)
	-	-	-	-
Unspent funds at 30 June	711	906	20,459	20,664
Contributions				
Unspent funds at 1 July	-	-	24,504	24,841
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-	5,775	4,886
Add: contributions received and not recognised as revenue in the current year	-	-	-	-
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	-	-	-	900
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	-	-	(1,558)	(6,996)
Unspent contributions at 30 June	-	-	28,721	23,631

Material accounting policy information

Grants and contributions - enforceable agreement with sufficiently specific performance obligations

Where grant and contribution revenue arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue are recognised when control of each performance obligations is transferred.

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.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

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.

Grant income

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B2-4 Grants and contributions (continued)

Assets arising from grants in the scope of AASB 1058 is recognised at the assets 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.

Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable 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 as there is no profit margin.

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*.

While Council generally incorporates these amounts as part of a Development Consent 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.

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	137	88
– Cash and investments	6,179	3,462
Total interest and investment income (losses)	6,316	3,550

Material accounting policy information

Interest income is recognised using the effective interest rate at the date that interest is earned.

B2-6 Other income

\$ '000	Notes	2024	2023
Fair value increment on investment properties			
Fair value increment on investment properties		250	1,100
Total fair value increment on investment properties	C1-8	250	1,100
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		389	360
Total Investment properties		389	360
Total rental income	C2-2	389	360
Total other income		639	1,460

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	23,940	22,411
Employee leave entitlements (ELE)	5,262	4,304
Superannuation	3,077	2,769
Workers' compensation insurance	537	470
Fringe benefit tax (FBT)	121	33
Payroll tax	106	124
Protective clothing	133	161
Total employee costs	33,176	30,272
Less: capitalised costs	(1,427)	(1,673)
Total employee costs expended	31,749	28,599
Number of 'full-time equivalent' employees (FTE) at year end	316	315

Material accounting policy information

Employee benefit expenses are recorded when the service has been provided by the employee.

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans 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 Note E3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		5,490	4,962
Contractor costs		15,228	14,088
Audit Fees	F2-1	97	183
Councillor and Mayoral fees and associated expenses	F1-2	278	275
Advertising		298	386
Bank charges		240	238
Electricity and heating		3,014	2,214
Insurance		2,157	1,705
Postage		159	121
Printing and stationery		170	203
Street lighting		719	602
Subscriptions and publications		277	262
Telephone and communications		273	257
Valuation fees		152	143
Training costs (other than salaries and wages)		422	322
Other expenses		99	160
Legal expenses: planning and development		299	189
Legal expenses: debt recovery		135	118
Legal expenses: other		157	257
Total materials and services		29,664	26,685

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B3-2 Materials and services (continued)

Material accounting policy information

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

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on leases		29	1
Interest on loans		1,589	1,686
Total interest bearing liability costs		1,618	1,687
Total interest bearing liability costs expensed		1,618	1,687
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	278	240
Total other borrowing costs		278	240
Total borrowing costs expensed		1,896	1,927

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.

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		1,696	2,334
Office equipment		804	785
Furniture and fittings		89	79
Land improvements (depreciable)		67	63
Infrastructure:	C1-7		
– Buildings – non-specialised		3,036	2,489
– Other structures		558	288
– Roads		10,220	9,657
– Bridges		1,299	1,215
– Footpaths		1,233	1,163
– Stormwater drainage		1,758	1,765
– Water supply network		4,118	3,596
– Sewerage network		2,980	2,734
– Swimming pools		394	78
– Other open space/recreational assets		1,227	1,310
Right of use assets	C2-1	144	136
Other assets:			
– Library books		157	187
– Other		158	188
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5, C1-7	619	619
– Quarry assets	C3-5, C1-7	14	14
Total gross depreciation and amortisation costs		30,571	28,700
Total depreciation and amortisation costs		30,571	28,700
Impairment / revaluation decrement of IPPE			
Infrastructure:	C1-7		
– Roads		–	244
– Stormwater drainage		–	25
Total gross IPPE impairment / revaluation decrement costs		–	269
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	269
Total depreciation, amortisation and impairment for non-financial assets		30,571	28,969

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

Other assets 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 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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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		89	–
User charges and fees		(41)	–
Other		79	–
Total impairment of receivables	C1-4	127	–
Other			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		147	85
– NSW fire brigade levy		167	141
– NSW rural fire service levy		526	526
Donations, contributions and assistance to other organisations (Section 356)		175	187
Total other expenses		1,142	939

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.

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B4 Gains or losses

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of property (excl. investment property)			
Less: carrying amount of property assets sold/written off		-	(93)
Gain (or loss) on disposal		-	(93)
Gain (or loss) on disposal of plant and equipment			
Proceeds from disposal – plant and equipment	C1-7	324	272
Less: carrying amount of plant and equipment assets sold/written off		(220)	(360)
Gain (or loss) on disposal		104	(88)
Gain (or loss) on disposal of infrastructure			
Proceeds from disposal – infrastructure	C1-7	-	3,493
Less: carrying amount of infrastructure assets sold/written off		(329)	(8,962)
Gain (or loss) on disposal		(329)	(5,469)
Gain (or loss) on disposal of investments			
Proceeds from disposal/redemptions/maturities – investments	C1-2	96,500	90,500
Less: carrying amount of investments sold/redeemed/matured		(96,500)	(90,500)
Gain (or loss) on disposal		-	-
Net gain (or loss) from disposal of assets		(225)	(5,650)

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.

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B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 20 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	42,641	42,871	230	1%	F
User charges and fees	19,085	21,338	2,253	12%	F
Other revenues	1,373	1,977	604	44%	F
Favourable result is due to higher than anticipated operational returns across a number of business units. Examples include Legal Fees Recovery (Rates and Charges) (135K), Merchandise revenues (150K), GPAC Bar Sales (80K), Insurance claim recoveries (120K) and Fuel Tax Credits higher than expected (148K).					
Operating grants and contributions	10,426	17,974	7,548	72%	F
Council is conservative in budgeting grant funding and this favourable result is due to a couple of grants awarded above budgeted figures during the year. These include Special Purpose grants for storm/flood damage (2,861K) and local and rural road grants (1,682K).					
Capital grants and contributions	41,172	21,397	(19,775)	(48)%	U
This result is due to delays in completion of a number grant funded projects including Carr Confoy Pavilion (4,000K), Mayfield Road Bridge replacement (2,170K), North Goulburn Employment Precinct and Round About.					
Interest and investment revenue	2,965	6,316	3,351	113%	F
Council takes a conservative approach to budgeting for Interest and Investment revenue and the sustained high interest rates throughout this financial year have resulted in this year's actual returns being significantly higher than anticipated.					
Net gains from disposal of assets	640	-	(640)	(100)%	U
Anticipated disposal and replacement of Plant and Fleet was not required during the year at the level budgeted.					
Other income	475	639	164	35%	F
Expenses					
Employee benefits and on-costs	32,399	31,749	650	2%	F
Materials and services	25,836	29,664	(3,828)	(15)%	U
Storm/flood damage costs (3,602K), which were grant funded, accounted for the majority of this variance to budget. Additionally, the variance was the result of the continued high inflationary forces throughout much of the 2023/24 year which impacted many of Council's project costs.					
Borrowing costs	1,594	1,896	(302)	(19)%	U
This result was due to the unwinding discount relating to Goulburn Tip provision. This was in line with previous years and current rates, however budget was not projected for this expense.					
Depreciation, amortisation and impairment of non-financial assets	22,681	30,571	(7,890)	(35)%	U

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B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
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Variance is due to higher than anticipated depreciation costs as a result of the other structures valuation and index rates required for all other assets held by Council.

Other expenses	983	1,142	(159)	(16)%	U
Net losses from disposal of assets	-	225	(225)	∞	U

Statement of cash flows

Cash flows from operating activities	57,325	44,718	(12,607)	(22)%	U
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This variance is due to unfavourable cash outflows from operating and other expenditure as outline above

Cash flows from investing activities	(98,515)	(37,515)	61,000	(62)%	F
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This result is primarily due to the deferral of a number of grant funded projects including the Carr-Confoy Pavilion, North Goulburn Employment Precinct and WWTP and WTP projects.

Cash flows from financing activities	1,744	(2,415)	(4,159)	(238)%	U
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This result is primarily due to the deferral of a number of loan funded projects including Carr-Confoy Pavilion. Due to the deferral of these projects, the borrowings will not taken up.

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C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	453	745
Cash equivalent assets		
– Deposits at call	37,199	27,883
– Short-term deposits	–	5,000
Total cash and cash equivalents	37,652	33,628

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	37,652	33,628
Balance as per the Statement of Cash Flows	37,652	33,628

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		2023	
	Current	Non-current	Current	Non-current
Debt securities at amortised cost				
Long term deposits	97,000	2,000	96,500	–
Total	97,000	2,000	96,500	–
Total financial investments	97,000	2,000	96,500	–
Total cash assets, cash equivalents and investments	134,652	2,000	130,128	–

Material accounting policy information

Financial instruments are recognised initially on the date that the 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.

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C1-2 Financial investments (continued)

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.

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.

Fair value through other comprehensive income – equity instruments

Council has no strategic investments in entities over which they do not have significant influence nor control.

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
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(a) Externally restricted cash, cash equivalents and investments

Total cash, cash equivalents and investments	136,652	130,128
Less: Externally restricted cash, cash equivalents and investments	(121,588)	(106,938)
Cash, cash equivalents and investments not subject to external restrictions	15,064	23,190

External restrictions

External restrictions – included in liabilities

External restrictions included in cash, cash equivalents and investments above comprise:

Specific purpose unexpended loans – general	99	248
Specific purpose unexpended loans – water	122	137
Employee leave entitlements – domestic waste	244	229
Employee leave entitlements – sewerage	368	346
Employee leave entitlements – water	670	632
Specific purpose unexpended grants – general fund	5,373	8,929
Specific purpose unexpended grants – water fund	37	–
Specific purpose unexpended grants – sewer fund	12,486	12,641
External restrictions – included in liabilities	19,399	23,162

External restrictions – other

External restrictions included in cash, cash equivalents and investments above comprise:

Developer contributions – general	7,278	4,239
Developer contributions – water fund	10,560	9,486
Developer contributions – sewer fund	10,883	9,906
Specific purpose unexpended grants (recognised as revenue) – general fund	3,274	–
Water fund	12,474	17,803
Water supplies – incomplete works	10,925	3,969
Sewerage services – incomplete works	24,874	24,142

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

\$ '000	2024	2023
Domestic waste management	3,129	2,871
Sewer fund	18,607	11,243
Domestic Waste Management - Incomplete Works	185	117
External restrictions – other	102,189	83,776
Total external restrictions	121,588	106,938

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
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(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions

	15,064	23,190
Less: Internally restricted cash, cash equivalents and investments	(14,818)	(19,298)
Unrestricted and unallocated cash, cash equivalents and investments	246	3,892

Internal allocations

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

Plant and vehicle replacement	1,903	1,926
Employees leave entitlement	1,066	1,066
Bridges	14	14
Buildings	182	97
Collex/Veolia host fee	1,017	987
Community assistance scheme	168	278
Election reserve	141	78
Energy efficiency	5	5
Environment	–	2,755
Financial Assistance Grant	5,830	6,487
Gallery	99	23
Insurance rebates	133	110
Library development	20	10
Local roads/infrastructure	159	701
Marulan hall	138	138
Museums	184	148
Outdoor pool renewal	–	7
Performing arts	252	2
Other Rec & Culture	484	697
Risk management	281	281
Social plan	33	33
Special projects	919	1,565
Strategic planning	513	511
Technology	408	487
Tip replacement	–	131
Tourism	88	72
Training	100	100
Printers	120	120
Landscaped Areas	138	138
Other	423	331
Total internal allocations	14,818	19,298

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

C1-4 Receivables

\$ '000	2024		2023	2023
	Current	Non-current	Current	Non-current
Rates and annual charges	1,447	63	1,297	42
Interest and extra charges	61	-	57	-
User charges and fees	2,669	-	2,046	-
Accrued revenues				
- Interest on investments	1,712	-	1,208	-
- Other income accruals	2,527	-	1,647	-
Net GST receivable	-	-	827	-
Other debtors	1	-	23	-
Total	8,417	63	7,105	42
Less: provision for impairment				
Rates and annual charges	(122)	-	(34)	-
User charges and fees	(6)	-	(47)	-
Other debtors	(85)	-	(6)	-
Total provision for impairment – receivables	(213)	-	(87)	-
Total net receivables	8,204	63	7,018	42
\$ '000			2024	2023
Movement in provision for impairment of receivables				
Balance at the beginning of the year (calculated in accordance with AASB 9)			87	87
+ new provisions recognised during the year			126	52
Balance at the end of the year			213	139

Material accounting policy information

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.

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.

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C1-4 Receivables (continued)

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, or when the receivables are over 1 year past due, whichever occurs first. 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.

Rates and annual charges outstanding are secured against the property.

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C1-5 Inventories

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
(i) Inventories at cost				
Stores and materials	410	–	487	–
Total inventories	410	–	487	–

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.

C1-6 Contract assets and Contract cost assets

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Contract assets	4,372	–	6,797	–
Total contract assets and contract cost assets	4,372	–	6,797	–

Contract assets

Work relating to infrastructure grants	1,874	–	3,034	–
Construction of Transport assets	2,175	–	2,935	–
Construction of Open space assets	323	–	828	–
Total contract assets	4,372	–	6,797	–

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			Asset movements during the reporting period						At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	53,124	–	53,124	35,655	–	–	(24,771)	(27)	–	63,981	–	63,981
Plant and equipment	24,687	(14,199)	10,488	–	(222)	(1,696)	2,035	400	–	26,084	(15,079)	11,005
Office equipment	5,758	(4,571)	1,187	–	–	(804)	–	–	–	5,757	(5,374)	383
Furniture and fittings	1,380	(886)	494	–	–	(89)	–	–	–	1,380	(975)	405
Land:												
– Operational land	39,163	–	39,163	–	–	–	–	171	1,774	41,108	–	41,108
– Community land	34,034	–	34,034	–	–	–	–	(171)	1,528	35,391	–	35,391
– Land under roads (post 30/6/08)	105	–	105	5	–	–	–	–	176	286	–	286
Land improvements – depreciable	2,601	(837)	1,764	–	–	(67)	–	25	76	2,757	(959)	1,798
Infrastructure:												
– Buildings – non-specialised	139,749	(51,726)	88,023	–	–	(3,036)	3,228	55	4,543	150,535	(57,722)	92,813
– Other structures	15,960	(3,406)	12,554	–	–	(558)	839	–	1,492	17,388	(3,061)	14,327
– Roads	775,461	(242,737)	532,724	521	(329)	(10,220)	9,283	451	26,911	824,933	(265,592)	559,341
– Bridges	171,613	(44,502)	127,111	63	–	(1,299)	621	(1)	6,398	181,021	(48,128)	132,893
– Footpaths	56,286	(12,181)	44,105	–	–	(1,233)	2,692	(15)	2,174	61,848	(14,125)	47,723
– Stormwater drainage	179,964	(53,727)	126,237	360	–	(1,758)	464	143	6,326	190,085	(58,313)	131,772
– Water supply network	355,694	(113,845)	241,849	380	–	(4,118)	513	–	12,075	374,642	(123,943)	250,699
– Sewerage network	228,038	(60,510)	167,528	24	–	(2,980)	1,159	–	8,347	240,786	(66,708)	174,078
– Swimming pools	14,547	(1,016)	13,531	–	–	(394)	1	–	(1,044)	13,636	(1,542)	12,094
– Other open space/recreational assets	24,153	(4,971)	19,182	–	–	(1,227)	3,926	(665)	(738)	24,869	(4,391)	20,478
Other assets:												
– Library books	1,431	(1,274)	157	–	–	(157)	–	–	–	1,431	(1,431)	–
– Other	2,091	(508)	1,583	–	–	(158)	10	7	1,512	3,203	(249)	2,954
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Quarry assets	246	(131)	115	–	–	(14)	–	–	–	246	(145)	101
– Tip assets	11,486	(3,660)	7,826	–	–	(619)	–	–	–	11,486	(4,279)	7,207
Total infrastructure, property, plant and equipment	2,137,571	(614,687)	1,522,884	37,008	(551)	(30,427)	–	373	71,550	2,272,853	(672,016)	1,600,837

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		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	69,745	–	69,745	19,660	21,440	–	–	–	(57,500)	(221)	–	53,124	–	53,124
Plant and equipment	23,541	(12,655)	10,886	–	–	(360)	(2,334)	–	2,296	–	–	24,687	(14,199)	10,488
Office equipment	5,335	(3,786)	1,549	–	–	–	(785)	–	423	–	–	5,758	(4,571)	1,187
Furniture and fittings	1,343	(807)	536	–	–	–	(79)	–	37	–	–	1,380	(886)	494
Land:														
– Operational land	24,475	–	24,475	–	–	–	–	–	–	–	14,688	39,163	–	39,163
– Community land	24,917	–	24,917	–	414	(81)	–	–	81	279	8,424	34,034	–	34,034
– Land under roads (post 30/6/08)	104	–	104	–	1	–	–	–	–	–	–	105	–	105
Land improvements – depreciable	2,271	(727)	1,544	–	–	–	(63)	–	185	–	98	2,601	(837)	1,764
Infrastructure:														
– Buildings – non-specialised	119,872	(50,323)	69,549	–	–	–	(2,489)	–	17,535	–	3,428	139,749	(51,726)	88,023
– Other structures	8,296	(2,870)	5,426	–	–	–	(288)	–	6,537	–	879	15,960	(3,406)	12,554
– Roads	731,469	(225,659)	505,810	–	3,853	(5,960)	(9,657)	(244)	9,490	222	29,210	775,461	(242,737)	532,724
– Bridges	160,756	(41,844)	118,912	–	–	(2,701)	(1,215)	–	5,311	–	6,804	171,613	(44,502)	127,111
– Footpaths	52,025	(10,398)	41,627	–	–	(172)	(1,163)	–	1,309	64	2,440	56,286	(12,181)	44,105
– Stormwater drainage	165,149	(48,095)	117,054	–	841	–	(1,765)	(25)	1,211	10	8,911	179,964	(53,727)	126,237
– Water supply network	330,130	(102,099)	228,031	–	113	–	(3,596)	–	–	–	17,301	355,694	(113,845)	241,849
– Sewerage network	211,497	(53,445)	158,052	–	237	–	(2,734)	–	–	–	11,973	228,038	(60,510)	167,528
– Swimming pools	1,724	(861)	863	–	–	–	(78)	–	12,684	–	62	14,547	(1,016)	13,531
– Other open space/recreational assets	23,606	(3,303)	20,303	–	–	(130)	(1,310)	–	360	(1,423)	1,382	24,153	(4,971)	19,182
Other assets:														
– Library books	1,432	(1,087)	345	–	–	–	(187)	–	–	(1)	–	1,431	(1,274)	157
– Other	906	(320)	586	–	–	–	(188)	–	41	1,144	–	2,091	(508)	1,583
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Tip assets	11,485	(3,041)	8,444	–	–	–	(619)	–	–	1	–	11,486	(3,660)	7,826
– Quarry assets	246	(118)	128	–	–	–	(14)	–	–	1	–	246	(131)	115
Total infrastructure, property, plant and equipment	1,970,324	(561,438)	1,408,886	19,660	26,899	(9,404)	(28,564)	(269)	–	76	105,600	2,137,571	(614,687)	1,522,884

(1) 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

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed 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 Crown Lands and Water (CLAW).

Increases in the carrying amounts arising on revaluation are credited to the 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 revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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.

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	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	10 to 40
		Stormwater assets	
Water and sewer assets		Drains	80 to 100
Dams and reservoirs	80 to 215	Culverts	50 to 80
Bores	20 to 40	Flood control structures	50 to 100
Reticulation pipes: PVC	70 to 208		
Reticulation pipes: other	25 to 75	Other infrastructure assets	
Pumps and telemetry	15 to 117	Bulk earthworks	200
		Swimming pools	10-50
Transportation assets		Unsealed roads	20
Sealed roads: surface	20	Other open space/recreational assets	4 - 110
Sealed roads: structure	50	Other infrastructure	20
Unsealed roads	20		
Bridge: concrete	100-107		
Bridge: other	50		
Road pavements - Base	50-70		
Road pavements - Sub Base	70-90		
Kerb, gutter and footpaths	40		

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

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.

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

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". Until such time as discussions on this matter have concluded and the legislation changed, Council will recognise rural fire service assets including land and buildings.

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C1-8 Investment properties

Owned investment property

\$ '000	2024	2023
At fair value		
Opening balance at 1 July	5,500	4,400
Net gain/(loss) from fair value adjustments	250	1,100
Closing balance at 30 June	5,750	5,500

Material accounting policy information

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as part of other income.

C1-9 Other

Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	1,015	-	402	-
Total other assets	1,015	-	402	-

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C2 Leasing activities

C2-1 Council as a lessee

Terms and conditions of leases

Buildings

Council currently has a lease over part of a building that it utilises to run a community centre from. This property is located at 155 Auburn Street Goulburn. The original lease term was for a period of 5 years and commenced on 1 July 2018. This lease allows for a renewal option for another 5 year period.

This lease contains an annual pricing mechanism based on either a 3% increase or CPI increase, whichever is greater, at each anniversary of the lease inception.

Extension options

Council included an option in this building lease to provide flexibility and certainty to Council operations and reduce costs of moving premises; and this extension option is at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension option will be exercised.

There are \$1,601,040 in potential future lease payments which are not included in lease liabilities as Council has assessed that the exercise of the option is not reasonably certain.

The current lease was renewed with variance on 1 July 2023 for a period of 5 years, expiring on 30 June 2028

(a) Right of use assets

\$ '000	Buildings	Total
2024		
Additions to right-of-use assets	720	720
Depreciation charge	(144)	(144)
Balance at 30 June	576	576
2023		
Opening balance at 1 July	126	126
Depreciation charge	(126)	(126)
Balance at 30 June	–	–

(b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	588	–	–	–
Total lease liabilities	588	–	–	–

(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	153	551	–	704	588

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C2-1 Council as a lessee (continued)

(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	29	1
Depreciation of right of use assets	144	136
	173	137

(e) Statement of Cash Flows

Total cash outflow for leases	(160)	(141)
	(160)	(141)

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 properties. These leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-8) and/or IPPE.

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

\$ '000	2024	2023
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(i) Assets held as investment property

Investment property operating lease relates to 56 Clinton Street Goulburn NSW 2580 by the council for community services.

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

Lease income (excluding variable lease payments not dependent on an index or rate)	389	360
Total income relating to operating leases for investment property assets	389	360

\$ '000	2024	2023
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(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	317	341
1–2 years	244	263
Total undiscounted lease payments to be received	561	604

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 then 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.

Council has concluded that the low value exception amount to be applied is \$10,000 and below.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Payables				
Goods and services – operating expenditure	1,825	–	3,663	–
Goods and services – capital expenditure	1,497	–	805	–
Accrued expenses:				
– Borrowings	228	–	238	–
– Salaries and wages	74	–	85	–
– Other expenditure accruals	109	–	329	–
Security bonds, deposits and retentions	1,584	–	1,952	–
Performing Art centre shows	344	–	257	–
Regional Hockey Facility	300	1,500	300	1,800
Other	193	–	33	–
Prepaid rates	1,788	–	1,749	–
Total payables	7,942	1,500	9,411	1,800
Total payables	7,942	1,500	9,411	1,800

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C3-1 Payables (continued)

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	667	970
Total payables	667	970

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.

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)	17,455	–	17,916	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	354	–	904	–
Unexpended capital contributions (to construct Council controlled assets)	(i)	–	–	158	–
Total grants received in advance		17,809	–	18,978	–
User fees and charges received in advance:					
Other		383	–	673	–
Total user fees and charges received in advance		383	–	673	–
Total contract liabilities		18,192	–	19,651	–

Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library and other infrastructure. 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 1058 being satisfied since the performance obligations are ongoing.

(iii) Upfront membership fees for the leisure centre do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

C3-2 Contract Liabilities (continued)

Contract liabilities relating to restricted assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Externally restricted assets				
Sewer	12,486	-	12,641	-
Unspent grants held as contract liabilities (excl. Water & Sewer)	5,323	-	6,595	-
Contract liabilities relating to externally restricted assets	17,809	-	19,236	-
Total contract liabilities relating to restricted assets	17,809	-	19,236	-
Total contract liabilities relating to unrestricted assets	383	-	415	-
Total contract liabilities	18,192	-	19,651	-

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)	3,282	2,947
Operating grants (received prior to performance obligation being satisfied)	686	92
User fees and charges received in advance:		
Other	579	660
Total revenue recognised that was included in the contract liability balance at the beginning of the period	4,547	3,699

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 ¹	2,290	31,227	2,283	33,517
Total borrowings	2,290	31,227	2,283	33,517

⁽¹⁾ Loans are secured over the general rating income of Council.
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

C3-3 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$ '000							
Loans – secured	35,800	(2,283)	–	–	–	–	33,517
Lease liability (Note C2-1b)	–	588	–	–	–	–	588
Total liabilities from financing activities	35,800	(1,695)	–	–	–	–	34,105

	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$ '000							
Loans – secured	38,321	(2,521)	–	–	–	–	35,800
Lease liability (Note C2-1b)	103	(103)	–	–	–	–	–
Total liabilities from financing activities	38,424	(2,624)	–	–	–	–	35,800

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Credit cards/purchase cards	–	110
Total financing arrangements	–	110
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Credit cards/purchase cards	–	110
Total undrawn financing arrangements	–	110

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

Loans are secured over future cash flows.

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		2023	2023
	Current	Non-current	Current	Non-current
Annual leave	2,585	–	2,404	–
Sick leave	38	–	36	–
Long service leave	4,713	935	4,471	887
Other leave	78	–	100	–
Total employee benefit provisions	7,414	935	7,011	887

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	4,869	4,544
	4,869	4,544

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		2023	2023
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Goulburn tip	–	14,991	–	13,957
Gravel pits	–	433	–	425
Sub-total – asset remediation/restoration	–	15,424	–	14,382
Total provisions	–	15,424	–	14,382

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	14,382	14,382
Unwinding of discount	278	278
Other	764	764
Total other provisions at end of year	15,424	15,424
2023		
At beginning of year	14,142	14,142
Unwinding of discount	240	240
Total other provisions at end of year	14,382	14,382

Nature and purpose of provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip and quarry.

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.

Asset remediation – tips and quarries

Provision for close-down restoration and environmental cleanup costs

	Provision \$000	Years to remediation
Goulburn Tip	\$12,306	11
Marulan Tip	\$1,921	17
Gravel Pits	\$433	10

Restoration

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 costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during

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C3-5 Provisions (continued)

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.

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, 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 property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

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.

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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.

It should be noted that for this note, General Fund income and expenditure also include income generated by, and expenses incurred by the Domestic Waste management Fund.

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	29,215	2,908	10,748
User charges and fees	10,189	8,437	2,712
Interest and investment revenue	2,519	1,335	2,462
Other revenues	1,665	231	81
Grants and contributions provided for operating purposes	17,974	–	–
Grants and contributions provided for capital purposes	18,941	1,259	1,197
Other income	639	–	–
Total income from continuing operations	81,142	14,170	17,200
Expenses from continuing operations			
Employee benefits and on-costs	28,042	1,983	1,724
Materials and services	18,880	5,556	5,228
Borrowing costs	1,147	713	36
Depreciation, amortisation and impairment of non-financial assets	23,337	4,218	3,016
Other expenses	1,142	–	–
Net losses from the disposal of assets	225	–	–
Total expenses from continuing operations	72,773	12,470	10,004
Operating result from continuing operations	8,369	1,700	7,196
Net operating result for the year	8,369	1,700	7,196
Net operating result attributable to each council fund	8,369	1,700	7,196
Net operating result for the year before grants and contributions provided for capital purposes	(10,572)	441	5,999

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	23,797	2,680	11,175
Investments	8,848	32,109	56,043
Receivables	4,891	1,910	1,403
Inventories	410	-	-
Contract assets and contract cost assets	4,372	-	-
Other	600	176	239
Total current assets	42,918	36,875	68,860
Non-current assets			
Investments	2,000	-	-
Receivables	63	-	-
Infrastructure, property, plant and equipment	1,133,184	263,641	204,012
Investment property	5,750	-	-
Right of use assets	576	-	-
Other	(5,441)	2,402	3,039
Total non-current assets	1,136,132	266,043	207,051
Total assets	1,179,050	302,918	275,911
LIABILITIES			
Current liabilities			
Payables	7,205	709	28
Contract liabilities	5,706	-	12,486
Lease liabilities	588	-	-
Borrowings	1,402	631	257
Employee benefit provision	6,504	581	329
Total current liabilities	21,405	1,921	13,100
Non-current liabilities			
Payables	1,500	-	-
Borrowings	19,333	10,191	1,703
Employee benefit provision	807	89	39
Provisions	15,424	-	-
Total non-current liabilities	37,064	10,280	1,742
Total liabilities	58,469	12,201	14,842
Net assets	1,120,581	290,717	261,069
EQUITY			
Accumulated surplus	282,659	99,463	140,215
Revaluation reserves	838,686	191,254	120,854
Council equity interest	1,121,345	290,717	261,069
Total equity	1,121,345	290,717	261,069

D1-3 Details of internal loans

(in accordance with s410(3) of the *Local Government Act 1993*)

Details of individual internal loans	War Memorial Museum	Goulburn Performing Arts Centre
Borrower (by purpose)	General Fund	General Fund
Lender (by purpose)	Sewer Fund	Sewer & Water Fund
Date of Minister's approval	8 July 2019	8 June 2021
Date raised	30 June 2019	30 June 2021
Term years	15	15
Dates of maturity	30 June 2034	30 June 2036
Rate of interest (%)	2.00%	Variable
Amount originally raised (\$'000)	\$1,000,000	\$6,300,000

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E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The 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 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 Council's finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	37,652	33,628	27,652	28,628
Receivables	8,267	7,060	8,393	7,060
Investments				
– Debt securities at amortised cost	99,000	96,500	109,000	101,500
Total financial assets	144,919	137,188	145,045	137,188
Financial liabilities				
Payables	9,442	11,211	9,648	11,211
Borrowings	33,517	35,800	33,517	35,800
Total financial liabilities	42,959	47,011	43,165	47,011

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and investments measured at amortised cost** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **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 the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

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

(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>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	1,362	1,294

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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 employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The level of outstanding receivables is reported to Council quarterly and benchmarks are set and monitored for acceptable collection performance.

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.

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	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2024				
Gross carrying amount	–	1,447	63	1,510
2023				
Gross carrying amount	–	1,313	26	1,339

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	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	9,452	3	630	220	1,037	11,342
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	10.00%	0.91%
ECL provision	–	–	–	–	104	104
2023						
Gross carrying amount	10,936	26	530	54	1,059	12,605
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	10.00%	0.84%
ECL provision	–	–	–	–	106	106

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

(c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, 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 by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. 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 for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) 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	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	1,584	6,564	1,200	300	9,648	9,442
Borrowings	4.56%	–	2,290	8,908	22,319	33,517	33,517
Total financial liabilities		1,584	8,854	10,108	22,619	43,165	42,959
2023							
Payables	0.00%	1,952	7,459	1,200	600	11,211	11,211
Borrowings	4.55%	–	2,283	8,826	24,691	35,800	35,800
Total financial liabilities		1,952	9,742	10,026	25,291	47,011	47,011

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
- Investment property

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				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2024	2023
		2024	2023	2024	2023		
Recurring fair value measurements							
Investment property							
	C1-8						
		–	–	5,750	5,500	5,750	5,500
		–	–	5,750	5,500	5,750	5,500
Infrastructure, property, plant and equipment							
	C1-7						
		–	–	11,005	10,488	11,005	10,488
		–	–	384	1,187	384	1,187
		–	–	405	494	405	494
		–	–	41,108	39,163	41,108	39,163
		–	–	35,391	34,034	35,391	34,034
		–	–	286	105	286	105
		–	–	1,798	1,764	1,798	1,764
		–	–	92,813	88,023	92,813	88,023
		–	–	14,327	12,554	14,327	12,554
		–	–	559,341	532,724	559,341	532,724
		–	–	132,892	127,111	132,892	127,111
		–	–	47,723	44,105	47,723	44,105
		–	–	131,771	126,237	131,771	126,237
		–	–	250,699	241,849	250,699	241,849
		–	–	174,078	167,528	174,078	167,528
		–	–	20,478	19,182	20,478	19,182
		–	–	12,094	13,531	12,094	13,531
		–	–	–	157	–	157
		–	–	2,953	1,583	2,953	1,583
		–	–	7,206	7,826	7,206	7,826
		–	–	101	115	101	115
		–	–	1,536,853	1,469,760	1,536,853	1,469,760

Valuation techniques

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E2-1 Fair value measurement (continued)

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Investment property

Council obtains independent valuations of its investment property on an annual basis and at the end of each reporting period to ensure the financial statements reflect the most up-to-date valuation. The best evidence of fair value is the current price in an active market for similar assets. The investment property valuation is included in level 3 of the hierarchy. The fair value of the investment property is determined by an independent, qualified valuer on an annual basis who has experience in the location of the property. Council reviews the valuation report and discusses significant movements with the valuer. As at 30 June 2024 the valuation of the investment property was performed by Marsh Valuation Services Pty Ltd, Suzanna Ham AAPI, Certified Practising Valuer. There has been no change to the valuation process during the reporting period.

Infrastructure, property, plant and equipment (IPPE)

Property, Plant & Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant and Equipment: Trucks, tractors, ride-on mowers, street sweepers, earthmoving equipment and motor vehicles.
- Office Equipment: Refrigerators, electronic whiteboards, flat-screen monitors and computer equipment.
- Furniture & Fittings: Chairs, desks and display systems.

The key unobservable inputs to the valuation are the remaining useful life and residual value. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The most recent valuation was undertaken at 30 June 2024 and was performed by Marsh Valuation Services Pty Ltd, Suzanna Ham AAPI, Certified Practising Valuer.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal. There has been no change to the valuation process during the reporting period.

Community Land

Valuations of all Council's Community Land and Council managed land are based on either the land values provided by the Valuer-General or an average unit rate based on the land values for similar properties where the Valuer-General did not provide a land value having regard to the highest and best use for this land. As these rates were not considered to be observable market evidence they have been classified as Level 3. While Community Land has been re-valued as at 30 June 2023 in line with the Valuer General, there has been no change to the valuation process during the reporting period.

Land under Roads

Council has elected to recognise Land under Roads where the road was acquired on or after 30/06/2008. 'Land under roads' have been valued using the square metres rates applicable for nearby or adjacent Community Land having regard to the highest and best use for this land. There has been no change to the valuation process during the reporting period.

Land Improvements - Depreciable

This asset class comprises land improvements such as spectator mounds, swales, berms, gardens, mulched areas, streetscaping and landscaping. These assets may be located on parks, reserves and also within road reserves. 'Land Improvements' were valued in-house using the cost approach by experienced Council engineers and asset management staff.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets

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E2-1 Fair value measurement (continued)

were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Buildings – Non Specialised

Buildings – Non Specialised were valued by Marsh Valuation Services Pty Ltd, Suzanna Ham AAPI, Certified Practising Valuer, at 30 June 2023 using a combination of sales comparison approach, income capitalisation approach and cost approach. While all buildings were physically inspected inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Other Structures

This asset class comprises Boardwalks, Viewing platforms, Floodlighting Systems, Irrigation System, Pedestrian Bridges, Retaining Walls, Monuments, Statues, Fences, Wash bays, Cemetery walls and beams. The cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Roads

This asset class comprises the Road Carriageway, Kerb and Gutter, Signs, and Traffic facilities. The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter. Cost Approach using Level 3 inputs was used to value the road carriageway and other road infrastructure assets. Valuations for the road infrastructure assets were carried out by APV Valuers and Asset Management as at 30 June 2020.

The cost approach was utilised with inputs such as estimates pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Bridges

Bridges were valued by APV Valuers and Asset Management as at 30 June 2020, using the cost approach. The approach estimated the replacement cost for each bridge by componentising the bridges into significant parts with different useful lives and taking into account a range of factors. The components included the Bridge Deck/Superstructure, Bridge Abutments/Foundations and Bridge rails/handrails. Inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

Footpaths

Footpaths were valued by APV Valuers and Asset Management as at 30 June 2020, using the cost approach. Footpaths were segmented to match the adjacent road segment and no further componentisation was undertaken. Footpaths were originally mapped and condition assessed using a combination of video condition assessment and physical inspection. Condition information is updated as changes in the network are observed through regular inspections. There has been no change to the valuation process during the reporting period.

Stormwater Drainage

Stormwater drainage assets were valued by APV Valuers and Asset Management as at 30 June 2020, using the cost approach. Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The Level of componentisation adopted by Council is in accordance with DLG Circular 09-09. Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Water Supply Network

Water Supply and Sewerage infrastructure assets were re-valued at fair value as at 30 June 2022. These assets are indexed each year in line with the Reference Rates Manual as published by the NSW Office of Water. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition. This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets (such as estimates of pattern of consumption,

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E2-1 Fair value measurement (continued)

residual value, asset condition and useful life), that require significant professional judgement and are therefore unobservable. There has been no change to the valuation process during the reporting period.

Recreation and Open Space

This asset class comprises of Playground equipment, BBQ's, Shade shelters and Outdoor fitness facilities. These assets may be located on parks, reserves and also within road reserves. 'Recreation and Open Space' assets were valued in-house using the cost approach by experienced Council engineers and asset management staff. These assets have been transferred from other 'Depreciable Land' and 'Other Structures' at 30 June 2016. Cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Swimming Pool

This asset class comprises of Swimming pools only, it does not include related plant and equipment, buildings other structures and car parks. 'Swimming Pool' assets were valued in-house using the cost approach by experienced Council engineers and asset management staff. These assets have been transferred from 'Other Structures' at 30 June 2016. Cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Library Books

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

Other Assets

Assets within this class comprise of all assets not classified elsewhere such as artwork. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. There has been no change to the valuation process during the reporting period.

Reinstatement, Rehabilitation & Restoration Assets - Tips & Quarries

Council owns and manages tips and quarries in its local government area, and it has been recognised that there will be significant costs associated with the closure and post closure management of the landfill site. Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill waste and site re-vegetation, installation of a final landfill gas management system, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure. The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. There has been no change to the valuation process during the reporting period.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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.

	Valuation technique/s	Unobservable inputs
Financial assets		
At Fair Value through Profit or Loss	Level 3	Unit price
Investment properties		
Investment Property	Level 3	Rental yield and price per hectare
Infrastructure, property, plant and equipment		
Operational Land	Level 3	<ul style="list-style-type: none"> Gross replacement cost Residual value
Community Land	Level 3	<ul style="list-style-type: none"> Gross replacement cost Residual value
Land under Roads (post 30/6/08)	Level 3	<ul style="list-style-type: none"> Unimproved capital value (price per square metre)
Land Improvements - depreciable	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Buildings - Non Specialised	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Other Structures	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Roads	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Bridges	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Footpaths	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Stormwater Drainage	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Water Supply Network	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Sewerage Network	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Recreation and Open Space	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Swimming Pools	Level 3	<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value

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E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Library Books	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Other	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Tip Assets	Level 3	<ul style="list-style-type: none"> • Discount Rate • CPI
Quarry Assets	Level 3	<ul style="list-style-type: none"> • Discount Rate • CPI
Plant and Equipment	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Office Equipment	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Furniture and Fittings	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value

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

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Operational land	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	10,488	10,886	1,187	1,549	494	536	39,163	24,474
Total gains or losses for the period								
Other movements								
Purchases (GBV)	2,035	2,296	-	-	-	-	-	-
Disposals (WDV)	(223)	(360)	-	-	-	-	-	-
Depreciation and impairment	(1,696)	(2,334)	(803)	(785)	(89)	(79)	-	-
Revaluation increments to Equity	-	-	-	-	-	-	1,774	14,689
Other movement (Tfr from WIP)	-	-	-	423	-	37	-	-
Other movement	400	-	-	-	-	-	171	-
Closing balance	11,004	10,488	384	1,187	405	494	41,108	39,163

\$ '000	Community Land		Land under Roads		Land improvement		Building non-specialised	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	34,034	24,917	105	104	1,764	1,544	88,023	69,549
Total gains or losses for the period								
Other movements								
Disposals (WDV)	-	(81)	-	-	-	-	-	-
Depreciation and impairment	-	-	-	-	(67)	(63)	(3,036)	(2,489)
Revaluation increments to Equity	1,528	8,424	177	-	77	98	4,542	3,428
Other movement (Tfr from WIP)	-	81	-	-	-	185	3,229	17,535
Other movement	(171)	693	4	1	24	-	55	-
Closing balance	35,391	34,034	286	105	1,798	1,764	92,813	88,023

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E2-1 Fair value measurement (continued)

\$ '000	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	12,554	5,426	532,724	505,810	127,111	118,912	44,105	41,627
Total gains or losses for the period								
Other movements								
Purchases (GBV)	–	–	520	–	63	–	–	–
Disposals (WDV)	–	–	(329)	(5,960)	–	(2,701)	–	(172)
Depreciation and impairment	(558)	(288)	(10,220)	(10,172)	(1,299)	(1,218)	(1,233)	(1,164)
Revaluation increments to Equity	1,492	879	26,912	29,481	6,397	6,807	2,174	2,441
Other movement (Tfr from WIP)	839	6,537	9,284	9,490	621	5,311	2,692	1,308
Other movement	–	–	450	4,075	(1)	–	(15)	65
Closing balance	14,327	12,554	559,341	532,724	132,892	127,111	47,723	44,105

\$ '000	Stormwater drainage		Water supply network		Sewerage network		Recreation and open space	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	126,237	117,054	241,849	228,031	167,528	158,052	19,182	20,303
Total gains or losses for the period								
Other movements								
Purchases (GBV)	360	–	380	–	24	–	–	–
Disposals (WDV)	–	–	–	–	–	–	–	(130)
Depreciation and impairment	(1,758)	(1,799)	(4,118)	(3,596)	(2,980)	(2,734)	(1,227)	(1,310)
Revaluation increments to Equity	6,325	8,920	12,075	17,302	8,348	11,974	(737)	1,382
Other movement (Tfr from WIP)	464	1,211	513	–	1,159	–	3,926	360
Other movement	143	851	–	112	–	236	(665)	(1,423)
Closing balance	131,771	126,237	250,699	241,849	174,079	167,528	20,479	19,182

\$ '000	Swimming pools		Library books		Other assets		Tip assets	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	13,531	863	157	345	1,583	586	7,826	8,445
Total gains or losses for the period								
Other movements								
Depreciation and impairment	(394)	(78)	(157)	(187)	(158)	(188)	(619)	(619)
Revaluation increments to Equity	(1,043)	62	–	–	1,513	–	–	–
Other movement (Tfr from WIP)	1	12,684	–	–	10	41	–	–
Other movement	–	–	–	(1)	7	1,144	–	–
Closing balance	12,095	13,531	–	157	2,955	1,583	7,207	7,826

\$ '000	Quarry assets		Investment properties		Total	
	2024	2023	2024	2023	2024	2023
Opening balance	115	128	5,500	4,400	1,475,260	1,343,541
Purchases (GBV)	–	–	–	–	3,382	2,296
Disposals (WDV)	–	–	–	–	(552)	(9,404)
Depreciation and impairment	(14)	(14)	–	–	(30,426)	(29,117)
Revaluation increments to Equity	–	–	250	1,100	71,804	106,987
Other movement (Tfr from WIP)	–	–	–	–	22,738	55,203
Other movement	–	1	–	–	402	5,754
Closing balance	101	115	5,750	5,500	1,542,608	1,475,260

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E2-1 Fair value measurement (continued)

Highest and best use

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

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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 formulae 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 future service 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 future service 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 employee contributions

*For 180 Point members, employers are required to contribute 8.5% of salaries for the year ending 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 past service contribution for each pooled employer is a share of the total past service contributions \$20 million per annum from 1 January 2022 to 31 December 2024, apportioned according to each employer’s share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of funding position for the accrued liabilities.

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 entity.

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

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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 ending 30 June 2024 was \$160,770.35. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2023.

Council’s expected contribution to the plan for the next annual reporting period is \$126,061.57

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 other accumulation accounts and reserves in both assets and liabilities.

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 FY23/24 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 Fund Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2024.

(ii) Statewide Limited

Council is a member of Statewide 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.

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E3-1 Contingencies (continued)

(iv) Other guarantees

Council has a Bank Guarantee liability of \$10,000. This is to ensure the performance obligations under Crown Land Acquisition for easements at Goulburn for Essential Energy projects.

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.

(iii) Upper Lachlan Council asset transfers

In accordance with the proclamation by the Minister for Local Government on 7th September 2006, in the event of the sale of the former Mulwaree Shire Council administration building in Clinton Street, Goulburn, 'Upper Lachlan Council is to be reimbursed 24.22% of the net profit.'

(iv) Legal liabilities

Council was party to a legal proceeding in the Supreme Court (Goulburn Mulwaree Council & Banton Family Trust ats Filetron Pty Limited) which may give rise to a contingent liability. Estimates provided state that this contingent liability may amount to approximately \$100,000.

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	1,293	1,156
Post-employment benefits	128	109
Termination benefits	-	428
Total	1,421	1,693

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		Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref					
2024						
Supply of Recycling Contract	1	707	-	30 days	-	-
Supply of plant and road construction	2	5,595	40	30 days	-	-
Council employee wages	3	379	-	Award wages	-	-
Donation	4	19	-	Donation policy	-	-
Donation – Fee waiver	5	7	-	Donation policy	-	-
Development application fee	6	5	-	30 days	-	-
Tipping Fees	7	81	-	30 days	-	-
Section 94 Contributions	8	8	-	30 days	-	-
Burial and Funeral Applications	9	281	6	30 days	-	-
Council Lessee	10	65	-	30 days	-	-
2023						

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F1-1 Key management personnel (KMP) (continued)

Nature of the transaction			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
Supply of Recycling Contract	1	650	–	30 days	–	–
Supply of plant and road construction	2	4,530	150	30 days	–	–
Council employee wages	3	376	–	Award wages	–	–
Donation	4	6	–	Donation policy	–	–
Donation – Fee waiver	5	7	–	Donation policy	–	–
Development application fee	6	5	–	30 days	–	–
Tipping Fees	7	144	15	30 days	–	–
Section 94 Contributions	8	8	6	30 days	–	–
Burial and Funeral Applications	9	254	6	30 days	–	–
Council Lessee	10	27	–	30 days	–	–

- 1 Council has appointed its recycling contract to a company of which a Councillor is a board member, the Councillor has declared their involvement and is excluded from all meetings.
- 2 Council engages three local companies for various plant hire and road making activities. The company directors are a related party to a Councillor, the Councillor has declared an interest and follows the code of conduct. All contracts are awarded through the tender process.
- 3 Two members of Council staff are related parties to KMP and Councillors. The interest is declared.
- 4 Council provided a donation/sponsorship to several community groups where Councillors are related parties. Interest had been declared and payments made through the executive donations procedure.
- 5 Council provided a donation to a charity group equal to the value of the Council facility hire fee of which a Councillor is a related party. Interest was declared and payment was made through the executive donations procedure.
- 6 Council has received a development application from a Councillor. Interest has been declared.
- 7 Council provides a debtor account for the purposes of tipping fees at the Goulburn Waste Management Centre to related parties of Councillors. Interest has been declared and all fees are charged as per the adopted fees and charges. Payment terms are 30 days.
- 8 Council provides a debtor account to issue section 94 contributions which are required to be paid by businesses who own quarries to maintain their rural haulage routes within the Goulburn Mulwaree Area. Interest has been declared and all fees are charged according to the Goulburn Mulwaree s94 Development Contribution Plan 2009 disclosed in the Councils fees and charges. Payment terms are 30 days.
- 9 Council provides a debtor account for the purpose of burial and funeral director application fees. Interest has been declared and all fees are charged as per the adopted fees and charges. Payment terms are 30 days.
- 10 The Council provides a debtor account to issue lease invoices for the Goulburn Hockey Centre to the Goulburn District Hockey Association where a KMP is a Treasurer. Interest has been declared and all fees and charges as per the executed lease agreement.

F1-1 Key management personnel (KMP) (continued)

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F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
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The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	47	46
Councillors' fees	196	190
Other Councillors' expenses (including Mayor)	35	39
Total	278	275

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F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements

Total audit fees

97	183
97	183

DRAFT

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	17,265	17,375
Add / (less) non-cash items:		
Depreciation and amortisation	30,571	28,700
(Gain) / loss on disposal of assets	225	5,650
Non-cash capital grants and contributions	(1,348)	(2,056)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	(250)	(1,100)
– Revaluation decrements / impairments of IPP&E direct to P&L	–	269
Unwinding of discount rates on reinstatement provisions	278	240
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(1,333)	(186)
Increase / (decrease) in provision for impairment of receivables	126	(52)
(Increase) / decrease of inventories	77	37
(Increase) / decrease of other current assets	(613)	(39)
(Increase) / decrease of contract asset	2,425	(1,311)
Increase / (decrease) in payables	(1,838)	(266)
Increase / (decrease) in accrued interest payable	(10)	(14)
Increase / (decrease) in other accrued expenses payable	(231)	179
Increase / (decrease) in other liabilities	(382)	2,478
Increase / (decrease) in contract liabilities	(1,459)	12,604
Increase / (decrease) in employee benefit provision	451	(525)
Increase / (decrease) in other provisions	764	–
Net cash flows from operating activities	44,718	61,983

(b) Non-cash investing and financing activities

Developer contributions 'in kind'	–	1,642
Other dedications	–	414
Total non-cash investing and financing activities	–	2,056

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		
Buildings	2,009	2,493
Other structures	5,492	1,238
Roads infrastructure	6,769	7,537
Waste water infrastructure	1,385	2,056
Water infrastructure	1,094	678
Total commitments	16,749	14,002
These expenditures are payable as follows:		
Within the next year	16,749	14,002
Total payable	16,749	14,002

Details of capital commitments

Council has a number of capital projects that have been commenced but not completed. The funding for these projects has been allocated and the majority will be completed within the 2024/2025 financial year.

DRAFT

G3 Statement of developer contributions

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal Adjustments	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
Drainage	1,502	210	-	-	42	(165)	-	1,589	-	
Roads	1,038	329	-	-	64	(72)	1,073	2,432	-	
Traffic facilities	86	102	-	-	2	-	(930)	(740)	-	
Open space	595	139	-	-	3	(600)	-	137	-	
Community facilities	921	565	-	-	61	(98)	863	2,312	-	
Other	53	9	-	-	1	-	(23)	40	-	
Urban and civic improvements	-	-	-	-	-	-	-	-	-	
Rural addressing	-	-	-	-	-	-	-	-	-	
Rural waste	-	-	-	-	-	-	-	-	-	
S7.11 contributions – under a plan	4,195	1,354	-	-	173	(935)	983	5,770	-	
S7.12 levies – under a plan	1,162	70	-	-	4	(84)	(1,005)	147	-	
Total S7.11 and S7.12 revenue under plans	5,357	1,424	-	-	177	(1,019)	(22)	5,917	-	
S7.11 not under plans	(1,118)	1,768	-	-	83	(247)	876	1,361	-	
S64 contributions	19,392	1,459	-	-	861	(269)	-	21,443	-	
Total contributions	23,631	4,651	-	-	1,121	(1,535)	854	28,721	-	

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.

G3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal Adjustments	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
CONTRIBUTION PLAN - New Mulwaree Plan										
Drainage	171	111	-	-	8	-	-	290	-	
Roads	4	31	-	-	-	-	(35)	-	-	
Other	21	2	-	-	-	-	(23)	-	-	
Total	196	144	-	-	8	-	(58)	290	-	
CONTRIBUTION PLAN - New Goulburn Citywide Plan										
Drainage	1,081	82	-	-	12	(165)	(540)	470	-	
Traffic facilities	18	-	-	-	-	-	(18)	-	-	

G3-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal Adjustments	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Open space	2	-	-	-	-	(2)	-	-	
Community facilities	16	-	-	-	(15)	(1)	-	-	
Total	1,117	82	-	-	12	(561)	470	-	
CONTRIBUTION PLAN - Marys Mount									
Drainage	598	17	-	-	17	-	632	-	
Traffic facilities	(30)	-	-	-	-	30	-	-	
Open space	174	-	-	-	-	(174)	-	-	
Total	742	17	-	-	17	(144)	632	-	
CONTRIBUTION PLAN - Ducks Lane									
Drainage	122	-	-	-	3	-	125	-	
Traffic facilities	(1,119)	100	-	-	-	197	(822)	-	
Total	(997)	100	-	-	3	197	(697)	-	
CONTRIBUTION PLAN - Clyde Street									
Drainage	(540)	-	-	-	-	540	-	-	
Traffic facilities	1,139	-	-	-	-	(1,139)	-	-	
Open space	6	-	-	-	-	(6)	-	-	
Total	605	-	-	-	-	(605)	-	-	
CONTRIBUTION PLAN - Common Street									
Drainage	70	-	-	-	2	-	72	-	
Traffic facilities	78	2	-	-	2	-	82	-	
Open space	10	-	-	-	-	-	10	-	
Total	158	2	-	-	4	-	164	-	
CONTRIBUTION PLAN LICP									
Roads	1,034	298	-	-	64	(72)	1,108	-	
Open space	403	139	-	-	3	(600)	127	-	
Community facilities	905	565	-	-	61	(83)	2,312	-	
Other	32	7	-	-	1	-	40	-	
Total	2,374	1,009	-	-	129	(755)	4,911	-	

S7.12 Levies – under a plan

CONTRIBUTION PLAN - S94A Levies

Drainage	283	1	-	-	4	-	(141)	147	-
Roads	879	69	-	-	-	(84)	(864)	-	-

continued on next page ...

G3-2 Developer contributions by plan (continued)

Total	1,162	70	-	-	4	(84)	(1,005)	147	-
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\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal Adjustments	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						

G3-3 Contributions not under plans

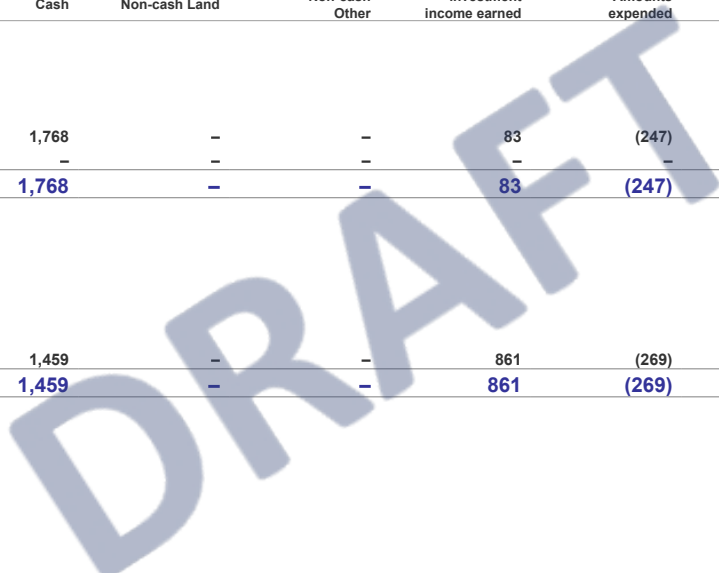
S7.11 CONTRIBUTIONS – NOT UNDER A PLAN

Roads	(1,533)	1,768	-	-	83	(247)	1,291	1,361	-
Other	415	-	-	-	-	-	(415)	-	-
Total	(1,118)	1,768	-	-	83	(247)	876	1,361	-

G3-4 S64 contributions

Sewer and Water S.64 Contributions

Sewer & Water	19,391	1,459	-	-	861	(269)	-	21,442	-
Total	19,391	1,459	-	-	861	(269)	-	21,442	-



G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2024	2024	2023	2022	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(4,030)	(4.44)%	1.17%	6.16%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	90,865				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	72,891	64.93%	61.64%	52.58%	> 60.00%
Total continuing operating revenue ¹	112,262				
3. Unrestricted current ratio					
Current assets less all external restrictions	25,752	2.44x	3.10x	2.69x	> 1.50x
Current liabilities less specific purpose liabilities	10,546				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	28,437	6.60x	6.98x	7.06x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,311				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	1,449	3.26%	3.19%	3.16%	< 10.00%
Rates and annual charges collectable	44,505				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	136,652	22.06	26.47	22.27	> 3.00
Monthly payments from cash flow of operating and financing activities	6,195	months	months	months	months

(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

G4-2 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}	(16.90)%	(8.48)%	3.42%	3.39%	37.49%	40.03%	> 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	54.37%	52.25%	91.12%	92.11%	93.04%	81.14%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.44x	3.10x	19.20x	17.97x	5.26x	4.58x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	5.31x	6.56x	4.00x	3.50x	27.51x	22.43x	> 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	3.15%	3.11%	3.65%	3.63%	3.45%	3.29%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	7.13 months	10.74 months	47.16 months	46.89 months	111.11 months	111.15 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note G4-1 above.

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

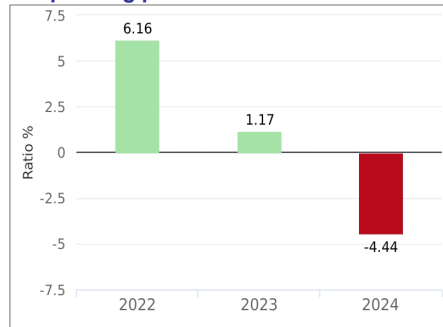
End of the audited financial statements

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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 (4.44)%

This ratio follows the trend of 2022/23 and has continued to decrease significantly due mainly to an increase in depreciation of new assets and indexation of current assets and a continued increase in costs due to inflation.

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 64.93%

This ratio has maintained its level above the benchmark this year due to the reduction in large grant funded projects.

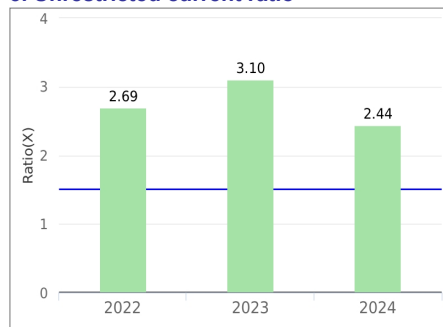
Benchmark: — > 60.00%

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 2.44x

This ratio is at a healthy level to ensure that Council can meet its short term commitments.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

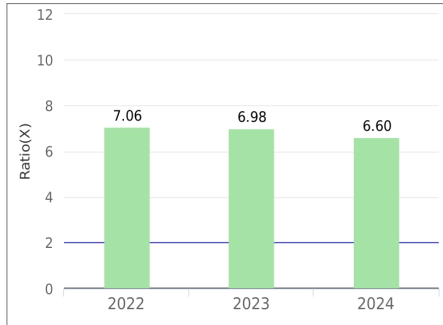
Ratio is outside benchmark

continued on next page ...

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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

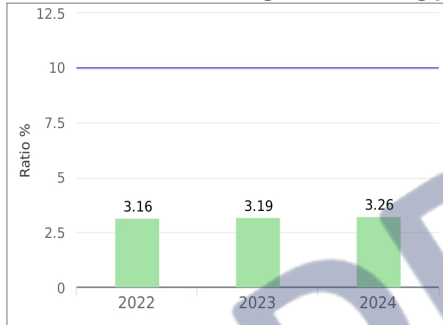
Commentary on 2023/24 result	
2023/24 ratio	6.60x
This ratio remains at a healthy level.	

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.

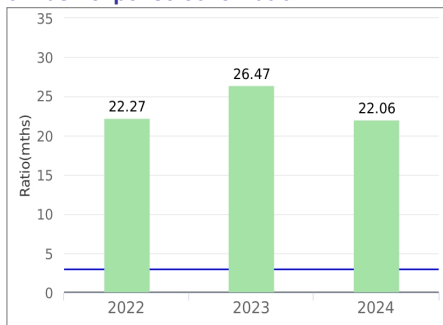
Commentary on 2023/24 result	
2023/24 ratio	3.26%
The Council's outstanding rates and debtors are still at a healthy level and this indicator remains relatively steady.	

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	22.06 months
The number of months has decreased but remains at a healthy level. This is due to no additional borrowings taken out in 2023/24 and a reduction in large infrastructure projects.	

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:
184-194 Bourke Street
Goulburn NSW 2580

Contact details

Mailing Address:
Locked Bag 22
Goulburn NSW 2580

Telephone: 02 4823 4444

Opening hours:
8:30am - 5:00pm
Monday - Friday

Internet: www.goulburn.nsw.gov.au
Email: council@goulburn.nsw.gov.au

Officers

Chief Executive Officer
Aaron Johansson

Responsible Accounting Officer
Brendan Hollands

Auditors
Audit Office of NSW
15/1 Margaret Street
Sydney NSW 2000

Elected members

Mayor
Cr Nina Dillion

Councillors
Cr Caitlin Flint
Cr Bob Kirk
Cr Liz McKeon
Cr Christopher O'Mahony
Cr Michael Prevedello
Cr Jason Shepherd
Cr Keith Smith
Cr Daniel Strickland

Goulburn Mulwaree Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

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Goulburn Mulwaree Council

General Purpose Financial Statements
for the year ended 30 June 2024

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

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Goulburn Mulwaree Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Goulburn Mulwaree Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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Statement by Councillors and Management	3
Special Purpose Financial Statements:	
Income Statement of water supply business activity	4
Income Statement of sewerage business activity	5
Income Statement of Domestic Waste Management	6
Income Statement of Commercial Waste	7
Statement of Financial Position of water supply business activity	8
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Note – Material accounting policy information	12
Auditor’s Report on Special Purpose Financial Statements	15

Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council’s self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council’s borrowing position by comparison with commercial rates).

Goulburn Mulwaree Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) *Regulatory and assurance framework for local water utilities, July 2022*

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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 22 October 2024.

Cr Nina Dillon
Mayor
22 October 2024

Cr Caitlin Flint
Deputy Mayor
22 October 2024

Aaron Johansson
Chief Executive Officer
22 October 2024

Brendan Hollands
Responsible Accounting Officer
22 October 2024

Goulburn Mulwaree Council | Income Statement of water supply business activity | for the year ended 30 June 2024

Goulburn Mulwaree Council

Income Statement of water supply business activity for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	2,908	2,748
User charges	8,334	7,713
Fees	103	113
Interest and investment income	1,335	930
Grants and contributions provided for operating purposes	-	36
Other income	231	125
Total income from continuing operations	12,911	11,665
Expenses from continuing operations		
Employee benefits and on-costs	1,983	1,849
Borrowing costs	713	814
Materials and services	5,556	4,909
Depreciation, amortisation and impairment	4,218	3,697
Other expenses *	-	-
Total expenses from continuing operations	12,470	11,269
Surplus (deficit) from continuing operations before capital amounts	441	396
Grants and contributions provided for capital purposes	1,259	960
Surplus (deficit) from continuing operations after capital amounts	1,700	1,356
Surplus (deficit) from all operations before tax	1,700	1,356
Less: corporate taxation equivalent (25%) [based on result before capital]	(110)	(99)
Surplus (deficit) after tax	1,590	1,257
Plus accumulated surplus	97,763	96,407
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	110	99
Closing accumulated surplus	99,463	97,763
Return on capital %	0.4%	0.5%
Subsidy from Council	10,183	8,950
Calculation of dividend payable:		
Surplus (deficit) after tax	1,590	1,257
Less: capital grants and contributions (excluding developer contributions)	(1,259)	(960)
Surplus for dividend calculation purposes	331	297
Potential dividend calculated from surplus	165	149

(*) Comparative figures amended to ensure consistency in the categorisation of expenses. Balance transferred to Materials & Services

Goulburn Mulwaree Council | Income Statement of sewerage business activity | for the year ended 30 June 2024

Goulburn Mulwaree Council

Income Statement of sewerage business activity for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	10,748	10,407
User charges	2,103	2,006
Liquid trade waste charges	593	550
Fees	16	19
Interest and investment income	2,462	1,570
Other income	81	78
Total income from continuing operations	16,003	14,630
Expenses from continuing operations		
Employee benefits and on-costs	1,724	1,606
Borrowing costs	36	114
Materials and services	5,228	4,278
Depreciation, amortisation and impairment	3,016	2,776
Other expenses *	-	-
Total expenses from continuing operations	10,004	8,774
Surplus (deficit) from continuing operations before capital amounts	5,999	5,856
Grants and contributions provided for capital purposes	1,197	3,401
Surplus (deficit) from continuing operations after capital amounts	7,196	9,257
Surplus (deficit) from all operations before tax	7,196	9,257
Less: corporate taxation equivalent (25%) [based on result before capital]	(1,500)	(1,464)
Surplus (deficit) after tax	5,696	7,793
Plus accumulated surplus	133,019	123,762
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	1,500	1,464
Closing accumulated surplus	140,215	133,019
Return on capital %	3.0%	3.0%
Subsidy from Council	2,738	1,917
Calculation of dividend payable:		
Surplus (deficit) after tax	5,696	7,793
Less: capital grants and contributions (excluding developer contributions)	(1,197)	(3,401)
Surplus for dividend calculation purposes	4,499	4,392
Potential dividend calculated from surplus	2,250	2,196

(*) Comparative figures amended to ensure consistency in the categorisation of expenses. Balance transferred to Materials & Services

Goulburn Mulwaree Council | Income Statement of Domestic Waste Management | for the year ended 30 June 2024

Goulburn Mulwaree Council

Income Statement of Domestic Waste Management
for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
Income from continuing operations		
Annual charges	74	72
User charges	5,085	4,806
Interest and investment income	133	87
Other income	51	58
Total income from continuing operations	5,343	5,023
Expenses from continuing operations		
Employee benefits and on-costs	934	904
Materials and services	4,086	3,703
Total expenses from continuing operations	5,020	4,607
Surplus (deficit) from continuing operations before capital amounts	323	416
Surplus (deficit) from continuing operations after capital amounts	323	416
Surplus (deficit) from all operations before tax	323	416
Less: corporate taxation equivalent (25%) [based on result before capital]	(81)	(104)
Surplus (deficit) after tax	242	312
Plus accumulated surplus	3,191	2,775
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	81	104
Closing accumulated surplus	3,514	3,191
Return on capital %	672.9%	671.0%

Goulburn Mulwaree Council | Income Statement of Commercial Waste | for the year ended 30 June 2024

Goulburn Mulwaree Council
Income Statement of Commercial Waste
 for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
Income from continuing operations		
User charges	1,695	1,663
Total income from continuing operations	1,695	1,663
Expenses from continuing operations		
Employee benefits and on-costs	185	211
Materials and services	1,042	1,001
Depreciation, amortisation and impairment	24	9
Total expenses from continuing operations	1,251	1,221
Surplus (deficit) from continuing operations before capital amounts	444	442
Surplus (deficit) from continuing operations after capital amounts	444	442
Surplus (deficit) from all operations before tax	444	442
Less: corporate taxation equivalent (25%) [based on result before capital]	(111)	(111)
Surplus (deficit) after tax	333	331
Plus accumulated surplus	2,066	1,624
– Corporate taxation equivalent	111	111
Plus adjustments for amounts unpaid:		
Closing accumulated surplus	2,510	2,066
Return on capital %	382.8%	491.1%

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Goulburn Mulwaree Council | Statement of Financial Position of water supply business activity | as at 30 June 2024

Goulburn Mulwaree Council

Statement of Financial Position of water supply business activity
as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Contract assets and contract cost assets	-	180
Cash and cash equivalents	2,680	2,680
Investments	32,109	29,347
Receivables	1,910	1,819
Internal Loan Receivable from General Fund	176	176
Total current assets	36,875	34,202
Non-current assets		
Infrastructure, property, plant and equipment	263,641	252,729
Internal Loan Receivable from General Fund	2,402	2,578
Total non-current assets	266,043	255,307
Total assets	302,918	289,509
LIABILITIES		
Current liabilities		
Payables	709	726
Borrowings	631	629
Employee benefit provisions	581	548
Total current liabilities	1,921	1,903
Non-current liabilities		
Borrowings	10,191	10,821
Employee benefit provisions	89	84
Total non-current liabilities	10,280	10,905
Total liabilities	12,201	12,808
Net assets	290,717	276,701
EQUITY		
Accumulated surplus	99,463	97,763
Revaluation reserves	191,254	178,938
Total equity	290,717	276,701

Goulburn Mulwaree Council | Statement of Financial Position of sewerage business activity | as at 30 June 2024

Goulburn Mulwaree Council

Statement of Financial Position of sewerage business activity
as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	11,175	11,175
Investments	56,043	47,103
Receivables	1,403	1,354
Contract assets and contract cost assets	-	902
Internal Loan Receivable from General Fund	239	239
Total current assets	68,860	60,773
Non-current assets		
Infrastructure, property, plant and equipment	204,012	196,190
Internal Loan Receivable from General Fund	3,039	3,277
Total non-current assets	207,051	199,467
Total assets	275,911	260,240
LIABILITIES		
Current liabilities		
Contract liabilities	12,486	12,641
Payables	28	30
Borrowings	257	293
Employee benefit provisions	329	309
Total current liabilities	13,100	13,273
Non-current liabilities		
Borrowings	1,703	1,960
Employee benefit provisions	39	37
Total non-current liabilities	1,742	1,997
Total liabilities	14,842	15,270
Net assets	261,069	244,970
EQUITY		
Accumulated surplus	140,215	133,019
Revaluation reserves	120,854	111,951
Total equity	261,069	244,970

Goulburn Mulwaree Council | Statement of Financial Position of Domestic Waste Management | as at 30 June 2024

Goulburn Mulwaree Council

Statement of Financial Position of Domestic Waste Management
as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	904	904
Investments	2,654	2,313
Receivables	154	142
Total current assets	3,712	3,359
Non-current assets		
Infrastructure, property, plant and equipment	48	62
Total non-current assets	48	62
Total assets	3,760	3,421
LIABILITIES		
Current liabilities		
Payables	2	1
Employee benefit provisions	244	229
Total current liabilities	246	230
Total liabilities	246	230
Net assets	3,514	3,191
EQUITY		
Accumulated surplus	3,514	3,191
Total equity	3,514	3,191

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Goulburn Mulwaree Council | Statement of Financial Position of Commercial Waste | as at 30 June 2024

Goulburn Mulwaree Council

Statement of Financial Position of Commercial Waste
as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
ASSETS		
Current assets		
Receivables	2,394	1,976
Total current assets	2,394	1,976
Non-current assets		
Infrastructure, property, plant and equipment	116	90
Total non-current assets	116	90
Total assets	2,510	2,066
Net assets	2,510	2,066
EQUITY		
Accumulated surplus	2,510	2,066
Total equity	2,510	2,066

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Note – Material accounting policy information

A statement summarising the supplemental accounting policies adopted in the preparation of the special purpose financial statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993* (Act), the *Local Government (General) Regulation 2022* (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, fair value of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Water Supply

Provide potable water for the Local Government Area.

b. Sewerage Services

Provide waste water services for the Local Government Area.

c. Domestic Waste Management

Collection and disposal of domestic waste in accordance with section 504 of the Local Government Act.

Category 2

(where gross operating turnover is less than \$2 million)

a. Commercial Waste

Collection and disposal of commercial waste on a user pays basis.

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

continued on next page ...

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Note – Material accounting policy information (continued)

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council’s non-business activities):

Notional rate applied (%)

Corporate income tax rate – **25.0%**

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$850,000.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25.0%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the ‘owner’ of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face ‘true’ commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council’s borrowing rate for its business activities.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses ‘would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field’.

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council’s business activities on the Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of IPPE as at 30 June

continued on next page ...

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Note – Material accounting policy information (continued)

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.30% at 30/6/24.

(iii) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Department of Industry – Water guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Industry – Water.

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Goulburn Mulwaree Council | Special Purpose Financial Statements 2024

Goulburn Mulwaree Council

Special Purpose Financial Statements
for the year ended 30 June 2024

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