

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

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
29 October 2024



Cr Caitlin Flint
Deputy Mayor
29 October 2024



Aaron Johansson
Chief Executive Officer
29 October 2024



Brendan Hollands
Responsible Accounting Officer
29 October 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 | | 17,210 | 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 | | 88,760 | 122,975 |

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

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 | 1,601,601 | 1,522,884 |
| Investment property | C1-8 | 5,750 | 5,500 |
| Right of use assets | C2-1 | 576 | – |
| Total non-current assets | | 1,609,990 | 1,528,426 |
| Total assets | | 1,758,643 | 1,673,258 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | C3-1 | 7,997 | 9,411 |
| Contract liabilities | C3-2 | 18,192 | 19,651 |
| Lease liabilities | C2-1 | 160 | – |
| Borrowings | C3-3 | 2,290 | 2,283 |
| Employee benefit provisions | C3-4 | 7,414 | 7,011 |
| Total current liabilities | | 36,053 | 38,356 |
| Non-current liabilities | | | |
| Payables | C3-1 | 1,500 | 1,800 |
| Lease liabilities | C2-1 | 428 | – |
| 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 | | 49,514 | 50,586 |
| Total liabilities | | 85,567 | 88,942 |
| Net assets | | 1,673,076 | 1,584,316 |
| EQUITY | | | |
| Accumulated surplus | C4-1 | 522,282 | 505,072 |
| IPPE revaluation reserve | C4-1 | 1,150,794 | 1,079,244 |
| Total equity | | 1,673,076 | 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

| \$ '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 | | 17,210 | – | 17,210 | 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 | | 17,210 | 71,550 | 88,760 | 17,375 | 105,600 | 122,975 |
| Closing balance at 30 June | | 522,282 | 1,150,794 | 1,673,076 | 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 | | (31,478) | (26,914) |
| (1,594) | Borrowing costs | | (6,572) | (1,701) |
| – | Bonds, deposits and retentions refunded | | (368) | – |
| (983) | Other | | (2,202) | 1,277 |
| 57,325 | Net cash flows from operating activities | G1-1 | 44,720 | 61,983 |
| Cash flows from investing activities | | | | |
| <i>Receipts:</i> | | | | |
| – | Redemption of term deposits | | 96,500 | 91,022 |
| 640 | Proceeds from sale of IPPE | | 324 | 3,765 |
| <i>Payments:</i> | | | | |
| – | Acquisition of term deposits | | (99,000) | (90,500) |
| (99,155) | Payments for IPPE | | (36,105) | (47,498) |
| (98,515) | Net cash flows from investing activities | | (38,281) | (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 | | 4,024 | 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 | 37,652 | 33,628 |
| – | plus: Investments on hand at end of year | C1-2 | 99,000 | 96,500 |
| (39,446) | Total cash, cash equivalents and investments | | 136,652 | 130,128 |

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

Goulburn Mulwaree Council

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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 31 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these financial statements are set out below.

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

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

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 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

A1-1 Basis of preparation (continued)

throughout these financial statements.

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 | 14,532 | 11,832 | (8,890) | (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 | 1,223,722 | 1,160,910 |
| Total functions and activities | 112,512 | 110,144 | 95,302 | 92,769 | 17,210 | 17,375 | 39,371 | 41,830 | 1,758,643 | 1,673,258 |

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.

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 | Timing | 2024 | 2023 |
|---|--------|---------------|---------------|
| Specific user charges | | | |
| Water supply services | 2 | 7,879 | 7,434 |
| Sewerage services | 2 | 2,474 | 2,437 |
| Waste management services (non-domestic) | 2 | 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 | 2 | 309 | 300 |
| Planning and building regulation | 1 | 1,345 | 1,243 |
| Private works – section 67 | 2 | 130 | 108 |
| Regulatory/ statutory fees | 2 | 214 | 201 |
| Section 10.7 certificates (EP&A Act) | 2 | 106 | 119 |
| Section 603 certificates | 2 | 78 | 76 |
| Total fees and charges – statutory/regulatory | | 2,182 | 2,047 |
| (ii) Fees and charges – other (incl. general user charges) | | | |
| Cemeteries | 2 | 282 | 361 |
| Gravel pits | 2 | 76 | 185 |
| Library and art gallery | 2 | 81 | 42 |
| Transport for NSW works (state roads not controlled by Council) | 2 | 1,177 | 811 |
| GPAC Income | 2 | 520 | 388 |
| Swimming centres | 1 | 1,348 | 1,225 |
| Waste disposal tipping fees | 2 | 3,115 | 3,521 |
| Aged and disabled services | 2 | 42 | 47 |
| Hire of council properties | 2 | 91 | 73 |
| Sports stadium/recreation facilities | 2 | 102 | 93 |
| Animal Impounding | 2 | 26 | 24 |
| Other | 2 | 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) | | 18,632 | 18,084 |
| User charges and fees recognised over time (1) | | 2,706 | 2,468 |
| 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 | Timing | 2024 | 2023 |
|---|--------|--------------|--------------|
| Fines – parking | 1 | 86 | 48 |
| Fines – other | 1 | 112 | 62 |
| Legal fees recovery – rates and charges (extra charges) | 1 | 135 | 110 |
| Commissions and agency fees | 1 | 4 | 18 |
| Gas Main Rental | 1 | 18 | 19 |
| Diesel rebate | 2 | 148 | 99 |
| Insurance claims recoveries | 1 | 120 | 50 |
| Sales – general | 2 | 619 | 528 |
| Insurance rebates | 1 | 91 | 83 |
| Low value exception lease income | 1 | 151 | 126 |
| Employee contributions | 1 | 203 | 196 |
| License Agreements | 2 | 33 | 31 |
| Other | 2 | 257 | 187 |
| Total other revenue | | 1,977 | 1,557 |

Timing of revenue recognition for other revenue

| | | |
|---|--------------|--------------|
| Other revenue recognised over time (1) | 920 | 712 |
| Other revenue recognised at a point in time (2) | 1,057 | 845 |
| 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 | Timing | 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 | 2 | 248 | 1,064 | – | – |
| Financial assistance – local roads component | 2 | 91 | 553 | – | – |
| Payment in advance - future year allocation | | | | | |
| Financial assistance – general component | 2 | 3,820 | 4,226 | – | – |
| Financial assistance – local roads component | 2 | 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 | 2 | – | 42 | 227 | 345 |
| Sewerage services | 2 | – | – | 188 | 2,021 |
| Aged care | | 201 | 72 | – | – |
| Bushfire and emergency services | 2 | 645 | 601 | – | 6 |
| Community care | 2 | 310 | 335 | 746 | 624 |
| Economic development | | 14 | 325 | – | – |
| Employment and training programs | 2 | – | 7 | – | – |
| Environmental programs | 1 | 44 | 26 | 542 | 458 |
| Floodplain management | | (4) | 51 | 52 | – |
| Heritage and cultural | 2 | 8 | 102 | – | 5 |
| Library – per capita | 2 | 255 | 270 | – | – |
| LIRS subsidy | 2 | 72 | 11 | – | – |
| Noxious weeds | 2 | 215 | 113 | 53 | – |
| NSW rural fire services | | – | – | 9 | 19 |
| Recreation and culture | 1 | 193 | 99 | 6,382 | 3,647 |
| Storm/flood damage | 2 | 2,861 | 3,169 | – | – |
| Road safety initiatives | 2 | 68 | 55 | 24 | 190 |
| Street lighting | 2 | 161 | 157 | – | – |
| Traffic route subsidy | | 2 | – | – | – |
| Transport (roads to recovery) | 2 | 1,566 | 996 | – | – |
| Transport (other roads and bridges funding) | 1 | 3,390 | 3,342 | 3,676 | 2,448 |
| Other specific grants | 1 | – | – | 253 | 267 |
| Previously contributions: | | | | | |
| Bushfire services | 2 | 299 | 747 | – | – |
| Community services | 2 | 23 | 88 | 80 | 35 |
| Drainage | | 16 | – | – | – |
| Other councils – joint works/services | 2 | 26 | 30 | – | – |
| Recreation and culture | 2 | – | – | 168 | 732 |
| Roads and bridges | 2 | 2 | 4 | 3,557 | 3,442 |
| Transport for NSW contributions (regional roads, block grant) | 2 | 31 | 335 | 15 | 330 |
| Sewerage (excl. section 64 contributions) | 2 | – | – | 22 | 63 |
| Water supplies (excl. section 64 contributions) | 2 | – | – | – | (52) |
| Other contributions | 2 | 39 | 47 | – | – |
| Veolia host fee | 2 | 775 | 864 | – | – |
| ESL Subsidy | 2 | – | 225 | – | – |
| Total special purpose grants and non-developer contributions – cash | | 11,212 | 12,113 | 15,994 | 14,580 |
| Non-cash contributions | | | | | |
| Other | | – | – | – | 414 |

continued on next page ...

B2-4 Grants and contributions (continued)

| \$ '000 | Timing | Operating 2024 | Operating 2023 | Capital 2024 | Capital 2023 |
|--|--------|-------------------|-------------------|-----------------|-----------------|
| Total other contributions – non-cash | | – | – | – | 414 |
| 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 | | 2 | 591 | 448 | 2,403 | 2,593 |
| S 64 – water supply contributions | | 2 | – | – | 652 | 502 |
| S 64 – sewerage service contributions | | 2 | – | – | 807 | 1,080 |
| S 64 – stormwater contributions | | 2 | – | – | 193 | 351 |
| Other developer contributions | | 2 | 2 | 4 | – | – |
| Total developer contributions – cash | | | 593 | 452 | 4,055 | 4,526 |
| Non-cash contributions | | | | | | |
| S 7.11 – contributions towards amenities/services | | 2 | – | – | 584 | 451 |
| S 64 – water supply contributions | | 2 | – | – | 380 | 113 |
| S 64 – sewerage service contributions | | 2 | – | – | 24 | 238 |
| S 64 – stormwater contributions | | 2 | – | – | 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) | | | 3,627 | 3,467 | 10,853 | 6,820 |
| Grants and contributions recognised at a point in time (2) | | | 14,347 | 17,201 | 10,544 | 14,342 |
| Total grants and contributions | | | 17,974 | 20,668 | 21,397 | 21,162 |

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: Operating adjustment | 98 | – | – | – |
| Less: Capital adjustment | – | – | (98) | – |
| Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions | 3,274 | 759 | – | 18,785 |
| Add: Funds received and not recognised as revenue in the current year | 168 | – | 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 | 1,416 | 906 | 19,755 | 20,664 |
| Contributions | | | | |
| Unspent funds at 1 July | – | – | 23,631 | 24,841 |
| Add: Contributions adjustment | – | – | 873 | – |
| 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.

B2-4 Grants and contributions (continued)

Other grants and contributions

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 |

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 expensed | 31,749 | 28,599 |

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 | | 5,488 | 4,962 |
| Contractor costs | | 15,228 | 14,088 |
| Audit Fees | F2-1 | 152 | 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 | | 29,717 | 26,685 |

B3-3 Borrowing costs

continued on next page ...

B3-3 Borrowing costs (continued)

| \$ '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 |

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

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

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

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

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

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 |

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 | | (222) | (360) |
| Gain (or loss) on disposal | | 102 | (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) |
| Proceeds from disposal/redemptions/maturities – term deposits | | 96,500 | 90,500 |
| Less: carrying amount of term deposits sold/redeemed/matured | | (96,500) | (90,500) |
| Net gain (or loss) from disposal of assets | | (227) | (5,650) |

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 |
| Planning and development fees remained at 2023 levels but were budgeted to decrease and an increase across most fees and charges compared to 2023FY resulted in this variance. | | | | | |
| 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) (\$135), Merchandise revenues (\$150), GPAC Bar Sales (\$80), Insurance claim recoveries (\$120) and Fuel Tax Credits higher than expected (\$148). | | | | | |
| Operating grants and contributions | 10,426 | 17,974 | 7,548 | 72% | F |
| 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 (\$2,861), Pothole repair (\$3,274) and local and rural road grants (\$1,682). | | | | | |
| Capital grants and contributions | 41,172 | 21,397 | (19,775) | (48)% | U |
| This result is due to delays in the completion of a number grant funded projects including Carr Confoy Pavilion (\$4,000), Mayfield Road Bridge replacement (\$2,170), Waste Water Treatment Extension (\$10,962), South Goulburn Shared Pathway (\$2,692). | | | | | |
| Interest and investment revenue | 2,965 | 6,316 | 3,351 | 113% | F |
| 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 |
| This increase is due to the increase in investment property valuation (\$250) | | | | | |
| Expenses | | | | | |
| Employee benefits and on-costs | 32,399 | 31,749 | 650 | 2% | F |
| Materials and services | 25,836 | 29,717 | (3,881) | (15)% | U |
| Storm/flood damage costs (\$3,602), 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 |

B5-1 Material budget variations (continued)

| \$ '000 | 2024 Budget | 2024 Actual | 2024 ----- Variance ----- | |
|---------|----------------|----------------|------------------------------|--|
|---------|----------------|----------------|------------------------------|--|

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 |
|--|--------|--------|---------|-------|----------|

Variance is due to higher than anticipated depreciation costs as a result of the other structures valuation in 2023/24 and index rates required for all other assets held by Council.

| | | | | | |
|-----------------------|-----|-------|-------|-------|----------|
| Other expenses | 983 | 1,142 | (159) | (16)% | U |
|-----------------------|-----|-------|-------|-------|----------|

This is due to the inclusion of impairment of receivables (\$127) and higher than anticipated increase in ESL.

| | | | | | |
|---|---|-----|-------|---|----------|
| Net losses from disposal of assets | - | 227 | (227) | ∞ | U |
|---|---|-----|-------|---|----------|

Statement of cash flows

| | | | | | |
|---|--------|--------|----------|-------|----------|
| Cash flows from operating activities | 57,325 | 44,720 | (12,605) | (22)% | U |
|---|--------|--------|----------|-------|----------|

This variance is due to unfavourable cash outflows from operating and other expenditure as outline above

| | | | | | |
|---|----------|----------|--------|-------|----------|
| Cash flows from investing activities | (98,515) | (38,281) | 60,234 | (61)% | F |
|---|----------|----------|--------|-------|----------|

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 |
|---|-------|---------|---------|--------|----------|

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 were not taken up.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

| \$ '000 | 2024 | 2023 |
|--|---------------|---------------|
| Cash on hand and at bank | 453 | 745 |
| Cash equivalent assets | | |
| – Deposits at call | 37,199 | 32,883 |
| 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 |

C1-2 Financial investments

| \$ '000 | 2024 Current | 2024 Non-current | 2023 Current | 2023 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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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.

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

| \$ '000 | 2024 | 2023 |
|--|------------------|------------------|
| (a) Externally restricted cash, cash equivalents and investments | | |
| Total cash, cash equivalents and investments | 136,652 | 130,128 |
| Less: Externally restricted cash, cash equivalents and investments | <u>(121,590)</u> | <u>(106,938)</u> |
| Cash, cash equivalents and investments not subject to external restrictions | 15,062 | 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 | 5,374 | 8,929 |
| Specific purpose unexpended grants – water fund | 37 | – |
| Specific purpose unexpended grants – sewer fund | <u>12,486</u> | <u>12,641</u> |
| External restrictions – included in liabilities | 19,400 | 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 | 12,475 | 17,803 |
| Water supplies – incomplete works | 10,925 | 3,969 |
| Sewerage services – incomplete works | 24,874 | 24,142 |
| Domestic waste management | 3,129 | 2,871 |
| Sewer fund | 18,607 | 11,243 |
| Domestic Waste Management - Incomplete Works | <u>185</u> | <u>117</u> |
| External restrictions – other | 102,190 | 83,776 |
| Total external restrictions | 121,590 | 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.

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

| \$ '000 | 2024 | 2023 |
|--|-----------------|----------|
| (b) Internal allocations | | |
| Cash, cash equivalents and investments not subject to external restrictions | 15,062 | 23,190 |
| Less: Internally restricted cash, cash equivalents and investments | (14,818) | (19,298) |
| Unrestricted and unallocated cash, cash equivalents and investments | 244 | 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 | |
|---|--------------|-------------|--------------|-------------|
| | 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) | 139 | 87 |
| + new provisions recognised during the year | 74 | 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.

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.

C1-5 Inventories

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

C1-6 Contract assets and Contract cost assets

| \$ '000 | 2024 Current | 2024 Non-current | 2023 Current | 2023 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 | 2,236 | - | 3,034 | - |
| Construction of Transport assets | 1,971 | - | 2,935 | - |
| Construction of Open space assets | 165 | - | 828 | - |
| Total contract assets | 4,372 | - | 6,797 | - |

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) | – | 764 | – | 12,250 | (4,279) | 7,971 |
| Total infrastructure, property, plant and equipment | 2,137,571 | (614,687) | 1,522,884 | 37,008 | (551) | (30,427) | – | 1,137 | 71,550 | 2,273,617 | (672,016) | 1,601,601 |

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 15 | Buildings | |
| Heavy plant/road making equipment | 5 to 10 | Buildings: masonry | 50 to 100 |
| Other plant and equipment | 2 to 15 | Buildings: other | 10 to 50 |
| Water and sewer assets | | Stormwater assets | |
| Dams and reservoirs | 80 to 215 | Drains | 80 to 100 |
| Bores | 20 to 40 | Culverts | 50 to 80 |
| Reticulation pipes: PVC | 70 to 208 | Flood control structures | 50 to 100 |
| Reticulation pipes: other | 25 to 75 | | |
| Pumps and telemetry | 8 to 113 | Other infrastructure assets | |
| Other Instrumentations | 2 to 15 | Bulk earthworks | 200 |
| Transportation assets | | Swimming pools | 10-50 |
| Sealed roads: surface | 20 | Unsealed roads | 20 |
| Sealed roads: structure | 50 | Other open space/recreational assets | 4 - 110 |
| Unsealed roads | 20 | Other infrastructure | 20 - 106 |

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

| | | | |
|----------------------------|---------|---------------------------------|--------|
| Bridge: concrete | 100-107 | Land Improvements - Depreciable | 5 - 90 |
| 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.

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.

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 | - |

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 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 | 160 | 428 | — | — |
| Total lease liabilities | 160 | 428 | — | — |

C2-1 Council as a lessee (continued)

(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 |

(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 | 28 | 1 |
| Depreciation of right of use assets | 144 | 136 |
| | 172 | 137 |

(e) Statement of Cash Flows

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

Material accounting policy information

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.

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. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

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.

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

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 |
|---------|------|------|
|---------|------|------|

(i) Assets held as investment property

Investment property operating lease relates to 56 Clinton Street Goulburn NSW 2580 where the bottom floor is leased to NSW Property Services as the anchor tenant. The remainder of the building contains office space leased to smaller organisations, not for profit organisations and casual users (hot desks).

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 |
|---------|------|------|
|---------|------|------|

(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 |

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 | 164 | – | 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 | 7,997 | 1,500 | 9,411 | 1,800 |
| Total payables | 7,997 | 1,500 | 9,411 | 1,800 |

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 |

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 | (iii) | 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.

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 |

C3-2 Contract Liabilities (continued)

| | | |
|--|--------------|--------------|
| Total revenue recognised that was included in the contract liability balance at the beginning of the period | 4,547 | 3,699 |
|--|--------------|--------------|

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.

(a) Changes in liabilities arising from financing activities

| \$ '000 | 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 |
| Loans – secured | 35,800 | (2,283) | – | – | – | – | 33,517 |
| Lease liability (Note C2-1b) | – | (132) | 720 | – | – | – | 588 |
| Total liabilities from financing activities | 35,800 | (2,415) | 720 | – | – | – | 34,105 |

| \$ '000 | 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 |
| 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 | 110 |
| Total financing arrangements | 110 | 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 | 110 |
| Total undrawn financing arrangements | 110 | 110 |

C3-3 Borrowings (continued)

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.

C3-4 Employee benefit provisions

| \$ '000 | 2024 | 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.

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.

C3-5 Provisions

| \$ '000 | 2024 | | 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 |
| Changes to provision: | | |
| – Revised costs | 455 | 455 |
| – Revised discount rate | (5,011) | (5,011) |
| Unwinding of discount | 345 | 345 |
| Remeasurement effects ¹ | 5,253 | 5,253 |
| 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 |

(1) Remeasurement effects: Change in Inflation

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 | \$12,321 | 17 |
| Marulan Tip | \$2,670 | 15 |
| 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

C3-5 Provisions (continued)

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 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.

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 | 18,933 | 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 | 227 | – | – |
| Total expenses from continuing operations | 72,828 | 12,470 | 10,004 |
| Operating result from continuing operations | 8,314 | 1,700 | 7,196 |
| Net operating result for the year | 8,314 | 1,700 | 7,196 |
| Net operating result attributable to each council fund | 8,314 | 1,700 | 7,196 |
| Net operating result for the year before grants and contributions provided for capital purposes | (10,627) | 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 | 1,133,948 | 263,641 | 204,012 |
| Investment property | 5,750 | – | – |
| Right of use assets | 576 | – | – |
| Other | (5,441) | 2,402 | 3,039 |
| Total non-current assets | 1,136,896 | 266,043 | 207,051 |
| Total assets | 1,179,814 | 302,918 | 275,911 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | 7,260 | 709 | 28 |
| Contract liabilities | 5,706 | – | 12,486 |
| Lease liabilities | 160 | – | – |
| Borrowings | 1,402 | 631 | 257 |
| Employee benefit provision | 6,504 | 581 | 329 |
| Total current liabilities | 21,032 | 1,921 | 13,100 |
| Non-current liabilities | | | |
| Payables | 1,500 | – | – |
| Lease liabilities | 428 | – | – |
| Borrowings | 19,333 | 10,191 | 1,703 |
| Employee benefit provision | 807 | 89 | 39 |
| Provisions | 15,424 | – | – |
| Total non-current liabilities | 37,492 | 10,280 | 1,742 |
| Total liabilities | 58,524 | 12,201 | 14,842 |
| Net assets | 1,121,290 | 290,717 | 261,069 |
| EQUITY | | | |
| Accumulated surplus | 282,604 | 99,463 | 140,215 |
| Revaluation reserves | 838,686 | 191,254 | 120,854 |
| Total equity | 1,121,290 | 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 - Sewer (\$'000) | \$1,000 | \$3,150 |
| Amount originally raised - Water (\$'000) | | \$3,150 |
| Total repaid during year (principal and interest) (\$'000) | \$77 | \$513 |
| Principal outstanding at end of year (\$'000) | \$699 | \$5,156 |

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 | 37,652 | 33,628 |
| Receivables | 8,267 | 7,060 | 8,267 | 7,060 |
| Investments | | | | |
| – Debt securities at amortised cost | 99,000 | 96,500 | 99,000 | 96,500 |
| Total financial assets | 144,919 | 137,188 | 144,919 | 137,188 |
| Financial liabilities | | | | |
| Payables | 9,497 | 11,211 | 9,497 | 11,211 |
| Borrowings | 33,517 | 35,800 | 33,517 | 35,800 |
| Total financial liabilities | 43,014 | 47,011 | 43,014 | 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 it's 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 these 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.

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

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 rates and annual charges | | | Total |
|-----------------------|--|-----------|-----------|-------|
| | overdue | < 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% | 8.78% | 0.80% |
| ECL provision | – | – | – | – | 91 | 91 |
| 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 |

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

(c) Liquidity risk

Payables, lease liabilities and borrowings are 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 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 | payable in: ≤ 1 Year | 1 - 5 Years | > 5 Years | Total cash outflows | Actual carrying values |
|------------------------------------|---|------------------------------|-------------------------|----------------|---------------|------------------------|------------------------------|
| 2024 | | | | | | | |
| Payables | 0.00% | 1,584 | 6,413 | 1,200 | 300 | 9,497 | 9,497 |
| Borrowings | 4.56% | – | 3,779 | 13,952 | 26,970 | 44,701 | 33,517 |
| Total financial liabilities | | 1,584 | 10,192 | 15,152 | 27,270 | 54,198 | 43,014 |
| 2023 | | | | | | | |
| Payables | 0.00% | 1,952 | 7,459 | 1,200 | 600 | 11,211 | 11,211 |
| Borrowings | 4.55% | – | 3,877 | 14,235 | 30,456 | 48,568 | 35,800 |
| Total financial liabilities | | 1,952 | 11,336 | 15,435 | 31,056 | 59,779 | 47,011 |

E2-1 Fair value measurement

The Council measures the following asset 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 | | | | | |
|--|-------|---------------------------------------|---------------|---|------------------|------------------|------------------|
| | | Level 2 Significant observable inputs | | Level 3 Significant unobservable inputs | | Total | |
| | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Recurring fair value measurements | | | | | | | |
| Investment property C1-8 | | | | | | | |
| Investment property | | 5,750 | 5,500 | – | – | 5,750 | 5,500 |
| Total investment property | | 5,750 | 5,500 | – | – | 5,750 | 5,500 |
| Infrastructure, property, plant and equipment C1-7 | | | | | | | |
| Plant and equipment | | – | – | 11,005 | 10,488 | 11,005 | 10,488 |
| Office equipment | | – | – | 383 | 1,187 | 383 | 1,187 |
| Furniture and fittings | | – | – | 405 | 494 | 405 | 494 |
| Operational land | | 41,108 | 39,163 | – | – | 41,108 | 39,163 |
| Community land | | – | – | 35,391 | 34,034 | 35,391 | 34,034 |
| Land under roads (post 30/6/08) | | – | – | 286 | 105 | 286 | 105 |
| Land improvements – depreciable | | – | – | 1,798 | 1,764 | 1,798 | 1,764 |
| Buildings – non-specialized | | – | – | 92,813 | 88,023 | 92,813 | 88,023 |
| Other structures | | – | – | 14,327 | 12,554 | 14,327 | 12,554 |
| Roads | | – | – | 559,341 | 532,724 | 559,341 | 532,724 |
| Bridges | | – | – | 132,893 | 127,111 | 132,893 | 127,111 |
| Footpaths | | – | – | 47,723 | 44,105 | 47,723 | 44,105 |
| Stormwater drainage | | – | – | 131,772 | 126,237 | 131,772 | 126,237 |
| Water supply network | | – | – | 250,699 | 241,849 | 250,699 | 241,849 |
| Sewerage network | | – | – | 174,078 | 167,528 | 174,078 | 167,528 |
| Recreation and Open Space | | – | – | 20,478 | 19,182 | 20,478 | 19,182 |
| Swimming Pools | | – | – | 12,094 | 13,531 | 12,094 | 13,531 |
| Library books | | – | – | – | 157 | – | 157 |
| Other | | – | – | 2,954 | 1,583 | 2,954 | 1,583 |
| Tip assets | | – | – | 7,971 | 7,826 | 7,971 | 7,826 |
| Quarry assets | | – | – | 101 | 115 | 101 | 115 |
| Total infrastructure, property, plant and equipment | | 41,108 | 39,163 | 1,496,512 | 1,430,597 | 1,537,620 | 1,469,760 |

Valuation techniques

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 an external 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 2023 and was performed by an external 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

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 an external 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 an external valuer 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 an external valuer 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 an external valuer 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 and indexed annually. This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets (such as estimates of

E2-1 Fair value measurement (continued)

pattern of consumption, 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. 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. 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 |
|--|---|--|
| Infrastructure, property, plant and equipment | | |
| Community Land | Values obtained from the NSW Valuer-General | Land value, land area, level of restriction |
| Land under Roads (post 30/6/08) | Market-based direct comparison | <ul style="list-style-type: none"> Unimproved capital value (price per square metre) |
| Land Improvements - depreciable | Market-based direct comparison | Market cost of land per square metre. The market value of land varies significantly depending on location and current market conditions. |
| Buildings - Non Specialised | Cost approach | <ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value |
| Other Structures | Cost approach | <ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value |
| Roads | Cost approach | <ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value |
| Bridges | Cost approach | <ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value |
| Footpaths | Cost approach | <ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value |
| Stormwater Drainage | Cost approach | <ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value |
| Water Supply Network | Cost approach | <ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value |
| Sewerage Network | Unit rates per square metre or length | <ul style="list-style-type: none"> Asset condition Remaining useful life Residual value |
| Recreation and Open Space | Cost approach | <ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value |
| Swimming Pools | Cost approach | <ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value |
| Library Books | Cost approach | <ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value |
| Tip Assets | Cost approach | <ul style="list-style-type: none"> Discount Rate CPI |
| Quarry Assets | Cost approach | <ul style="list-style-type: none"> Discount Rate CPI |

continued on next page ...

E2-1 Fair value measurement (continued)

| | Valuation technique/s | Unobservable inputs |
|------------------------|-----------------------|--|
| Plant and Equipment | Cost approach | <ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value |
| Office Equipment | Cost approach | <ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value |
| Furniture and Fittings | Cost approach | <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 | | Community Land | |
|---|---------------------|---------|------------------|-------|------------------------|------|----------------|--------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Opening balance | 10,488 | 10,886 | 1,187 | 1,549 | 494 | 536 | 34,034 | 24,917 |
| Total gains or losses for the period | | | | | | | | |
| Other movements | | | | | | | | |
| Purchases (GBV) | 2,035 | 2,296 | – | – | – | – | – | – |
| Disposals (WDV) | (223) | (360) | – | – | – | – | – | (81) |
| Depreciation and impairment | (1,696) | (2,334) | (804) | (785) | (89) | (79) | – | – |
| Revaluation increments to Equity | – | – | – | – | – | – | 1,528 | 8,424 |
| Other movement (Tfr from WIP) | – | – | – | 423 | – | 37 | – | 81 |
| Other movement | 401 | – | – | – | – | – | (171) | 693 |
| Closing balance | 11,005 | 10,488 | 383 | 1,187 | 405 | 494 | 35,391 | 34,034 |

| \$ '000 | Land under Roads | | Land improvement | | Building non-specialised | | Other structures | |
|---|------------------|------|------------------|-------|--------------------------|---------|------------------|--------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Opening balance | 105 | 104 | 1,764 | 1,544 | 88,023 | 69,549 | 12,554 | 5,426 |
| Total gains or losses for the period | | | | | | | | |
| Other movements | | | | | | | | |
| Depreciation and impairment | – | – | (67) | (63) | (3,036) | (2,489) | (558) | (288) |
| Revaluation increments to Equity | 177 | – | 77 | 98 | 4,542 | 3,428 | 1,492 | 879 |
| Other movement (Tfr from WIP) | – | – | – | 185 | 3,229 | 17,535 | 839 | 6,537 |
| Other movement | 4 | 1 | 24 | – | 55 | – | – | – |
| Closing balance | 286 | 105 | 1,798 | 1,764 | 92,813 | 88,023 | 14,327 | 12,554 |

| \$ '000 | Roads | | Bridges | | Footpaths | | Stormwater drainage | |
|---|----------------|----------|----------------|---------|---------------|---------|---------------------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Opening balance | 532,724 | 505,810 | 127,111 | 118,912 | 44,105 | 41,627 | 126,237 | 117,054 |
| Total gains or losses for the period | | | | | | | | |
| Other movements | | | | | | | | |
| Purchases (GBV) | 520 | – | 63 | – | – | – | 360 | – |
| Disposals (WDV) | (329) | (5,960) | – | (2,701) | – | (172) | – | – |
| Depreciation and impairment | (10,220) | (10,172) | (1,299) | (1,218) | (1,233) | (1,164) | (1,758) | (1,799) |
| Revaluation increments to Equity | 26,912 | 29,481 | 6,397 | 6,807 | 2,174 | 2,441 | 6,325 | 8,920 |

E2-1 Fair value measurement (continued)

| \$ '000 | Roads | | Bridges | | Footpaths | | Stormwater drainage | |
|-------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Other movement (Tfr from WIP) | 9,284 | 9,490 | 621 | 5,311 | 2,692 | 1,308 | 464 | 1,211 |
| Other movement | 450 | 4,075 | – | – | (15) | 65 | 144 | 851 |
| Closing balance | 559,341 | 532,724 | 132,893 | 127,111 | 47,723 | 44,105 | 131,772 | 126,237 |

| \$ '000 | Water supply network | | Sewerage network | | Recreation and open space | | Swimming pools | |
|---|----------------------|----------------|------------------|----------------|---------------------------|---------------|----------------|---------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Opening balance | 241,849 | 228,031 | 167,528 | 158,052 | 19,182 | 20,303 | 13,531 | 863 |
| Total gains or losses for the period | | | | | | | | |
| Other movements | | | | | | | | |
| Purchases (GBV) | 380 | – | 24 | – | – | – | – | – |
| Disposals (WDV) | – | – | – | – | – | (130) | – | – |
| Depreciation and impairment | (4,118) | (3,596) | (2,980) | (2,734) | (1,227) | (1,310) | (394) | (78) |
| Revaluation increments to Equity | 12,075 | 17,302 | 8,347 | 11,974 | (737) | 1,382 | (1,043) | 62 |
| Other movement (Tfr from WIP) | 513 | – | 1,159 | – | 3,926 | 360 | – | 12,684 |
| Other movement | – | 112 | – | 236 | (666) | (1,423) | – | – |
| Closing balance | 250,699 | 241,849 | 174,078 | 167,528 | 20,478 | 19,182 | 12,094 | 13,531 |

| \$ '000 | Library books | | Other assets | | Tip assets | | Quarry assets | |
|---|---------------|------------|--------------|--------------|--------------|--------------|---------------|------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Opening balance | 157 | 345 | 1,583 | 586 | 7,826 | 8,445 | 115 | 128 |
| Total gains or losses for the period | | | | | | | | |
| Other movements | | | | | | | | |
| Depreciation and impairment | (157) | (187) | (158) | (188) | (619) | (619) | (14) | (14) |
| Revaluation increments to Equity | – | – | 1,513 | – | – | – | – | – |
| Other movement (Tfr from WIP) | – | – | 10 | 41 | – | – | – | – |
| Other movement | – | (1) | 6 | 1,144 | 764 | – | – | 1 |
| Closing balance | – | 157 | 2,954 | 1,583 | 7,971 | 7,826 | 101 | 115 |

| \$ '000 | Total | |
|----------------------------------|------------------|------------------|
| | 2024 | 2023 |
| Opening balance | 1,475,260 | 1,343,541 |
| Purchases (GBV) | 3,382 | 2,296 |
| Disposals (WDV) | (552) | (9,404) |
| Depreciation and impairment | (30,427) | (29,117) |
| Revaluation increments to Equity | 71,803 | 106,987 |
| Other movement (Tfr from WIP) | 22,737 | 55,203 |
| Other movement | 1,167 | 5,754 |
| Closing balance | 1,543,370 | 1,475,260 |

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same 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.

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.

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) 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 | Outstanding | | Impairment | |
|---------------------------------------|-----|-----------------|-------------|----------------------|--------------|------------|
| \$ '000 | Ref | during the year | balances | Terms and conditions | provision on | Impairment |
| | | | including | | outstanding | expense |
| | | | commitments | | balances | |
| 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

continued on next page ...

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)

F1-2 Councillor and Mayoral fees and associated expenses

| \$ '000 | 2024 | 2023 |
|--|------------|------------|
| 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 |

F2 Other relationships

F2-1 Audit fees

| \$ '000 | 2024 | 2023 |
|--|------------|------------|
| 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 of financial statements | 152 | 183 |
| Total audit fees | 152 | 183 |

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

| \$ '000 | 2024 | 2023 |
|--|----------------|---------------|
| Net operating result from Income Statement | 17,210 | 17,375 |
| Add / (less) non-cash items: | | |
| Depreciation and amortisation | 30,571 | 28,700 |
| (Gain) / loss on disposal of assets | 227 | 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 | (4,666) | 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 | (176) | 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 | 5,708 | – |
| Net cash flows from operating activities | 44,720 | 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.

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) | – | – |

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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 | (180) | (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 | 2,432 | - | |
| Open space | 403 | 139 | - | - | 3 | (600) | 182 | 127 | - | |
| Community facilities | 905 | 565 | - | - | 61 | (83) | 864 | 2,312 | - | |
| Other | 32 | 7 | - | - | 1 | - | - | 40 | - | |
| Total | 2,374 | 1,009 | - | - | 129 | (755) | 2,154 | 4,911 | - | |

S7.12 Levies – under a plan

CONTRIBUTION PLAN - S94A Levies

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

G3-2 Developer contributions by plan (continued)

| | | | | | | | | | |
|-------|-------|----|---|---|---|------|---------|-----|---|
| Total | 1,162 | 70 | - | - | 4 | (84) | (1,005) | 147 | - |
|-------|-------|----|---|---|---|------|---------|-----|---|

| \$ '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 2024 | Indicator 2024 | Indicators 2023 2022 | | Benchmark |
|--|-----------------|-------------------|------------------------------|--------|-----------|
| 1. Operating performance ratio | | | | | |
| Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2} | (4,083) | (4.49)% | 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 | 25,750 | 2.53x | 3.10x | 2.69x | > 1.50x |
| Current liabilities less specific purpose liabilities | 10,172 | | | | |
| 4. Debt service cover ratio | | | | | |
| Operating result before capital excluding interest and depreciation/impairment/amortisation ¹ | 28,384 | 6.58x | 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} | (16.99)% | (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 | 2.53x | 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 | 5.29x | 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.

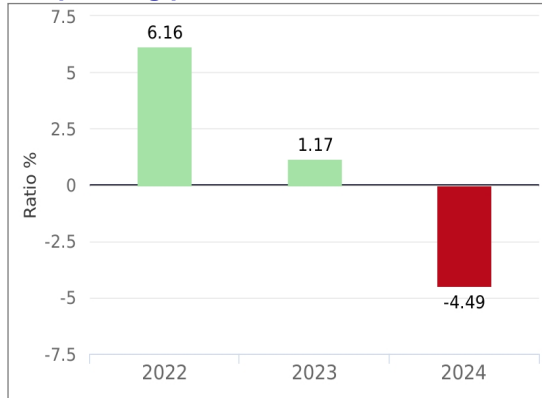
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

End of the audited financial statements

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 (4.49)%

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.

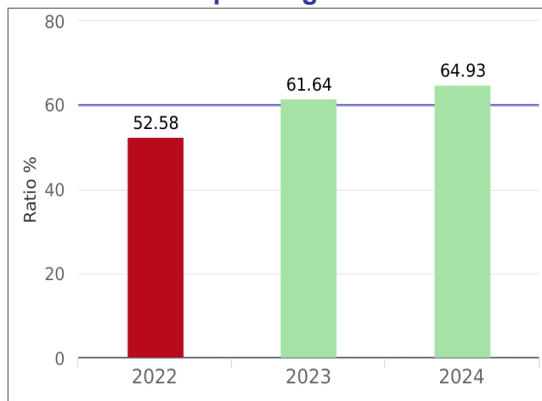
Benchmark: — > 0.00%

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.

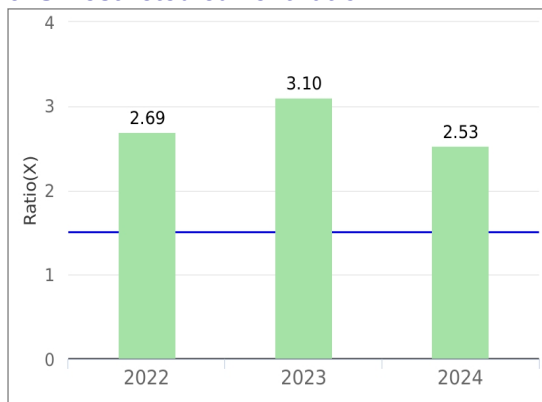
Benchmark: — > 60.00%

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 2.53x

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

Benchmark: — > 1.50x

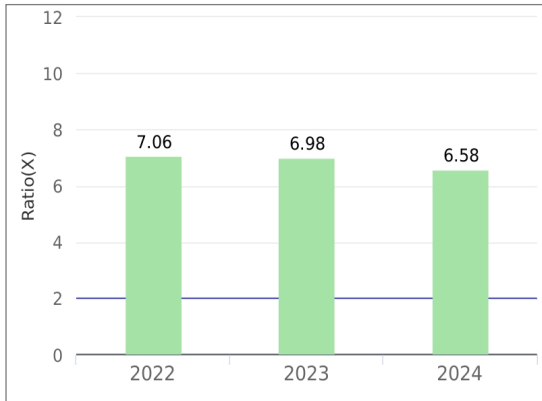
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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 6.58x

This ratio remains at a healthy level.

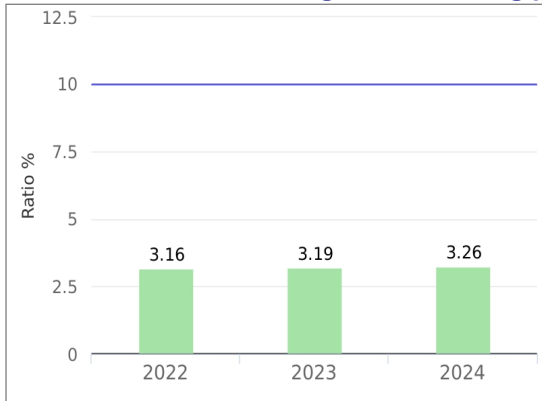
Benchmark: — > 2.00x

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

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.

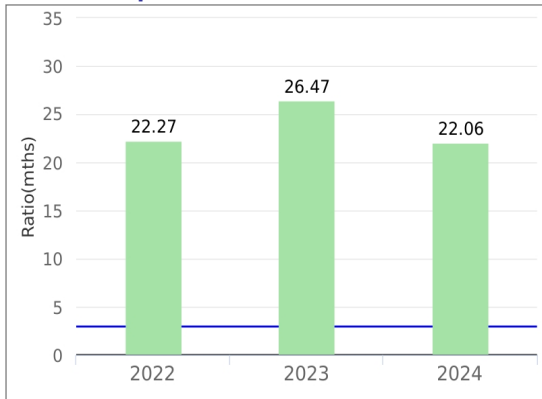
Benchmark: — < 10.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

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

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

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



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Goulburn Mulwaree Council

To the Councillors of Goulburn Mulwaree Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

- 'Understanding Council's Financial Statements' section,
- Note H Additional Council Disclosures (unaudited), and
- Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

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

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

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

A handwritten signature in black ink that reads "Nicky Rajani". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Nicky Rajani
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY



Ms Nina Dillon
 Mayor
 Goulburn Mulwaree Council
 Locked Bag 22
 GOULBURN NSW 2500

Contact: Nicky Rajani
 Phone no: 02 9275 7292
 Our ref: R008-2124742775-7958

31 October 2024

Dear Mayor

Report on the Conduct of the Audit
for the year ended 30 June 2024
Goulburn Mulwaree Council

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

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

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

INCOME STATEMENT

Operating result

| | 2024 | 2023* | Variance |
|--|-------------|--------------|-----------------|
| | \$m | \$m | % |
| Rates and annual charges revenue | 42.9 | 41.2 | ↑ 4.1 |
| Grants and contributions revenue | 39.4 | 41.8 | ↓ 5.7 |
| Operating result from continuing operations | 17.2 | 17.4 | ↓ 1.1 |
| Net operating result before capital grants and contributions | (4.2) | (3.8) | ↑ 10.5 |

Rates and annual charges revenue (\$42.9 million) increased by \$1.7 million (4.1 per cent) in 2023–24 due to rate peg increase of 3.7 per cent.

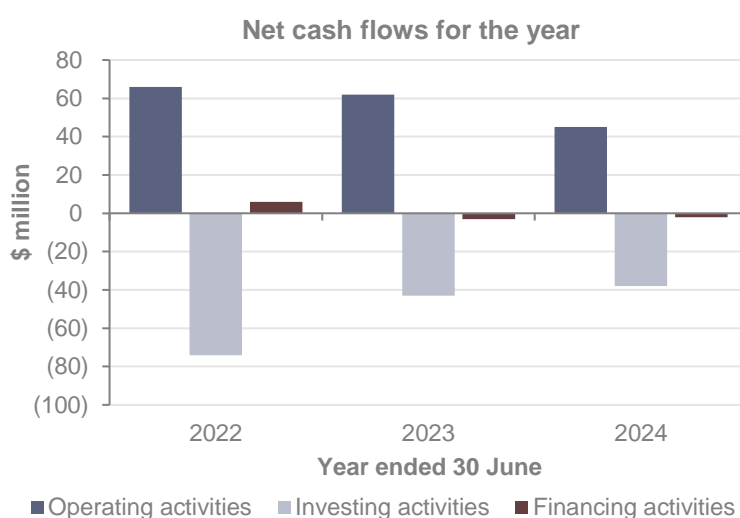
Grants and contributions revenue (\$39.4 million) decreased by \$2.4 million (5.7 per cent) in 2023–24 primarily due to receiving 85 per cent of the financial assistance grants for 2024-25 in advance compared to a higher proportion in FY22-23, which accounted for a decrease of \$1.9 million.

Council’s operating result from continuing operations (\$17.2 million including depreciation, amortisation and impairment expense of \$30.6 million) was marginally lower (\$0.2 million) than the 2022–23 result.

The net operating result before capital grants and contributions (\$4.2 million) was marginally lower (\$0.4 million) than the 2022–23 result.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of the Council during the year. Cash balances decreased by \$4.1 million to \$37.7 million at the close of the year. The decrease in cash is mainly due to less grants and contributions received in 2023-24.



FINANCIAL POSITION

Cash and investments

| Cash and investments | 2024 | 2023 | Commentary |
|--|--------------|--------------|--|
| | \$m | \$m | |
| Total cash, cash equivalents and investments | 136.7 | 130.1 | Externally restricted balances comprise mainly of developer contributions, water and sewer funds. |
| Restricted and allocated cash, cash equivalents and investments: | | | Internal allocations are determined by Council policies or decisions, which are subject to change. |
| • External restrictions | 121.6 | 106.9 | |
| • Internal allocations | 14.8 | 19.3 | |

Debt

At 30 June 2024, Council had:

- \$33.5 million in secured loans (\$35.8 million in 2022-23)
- \$0.1 million in credit card facility with Nil used.

PERFORMANCE

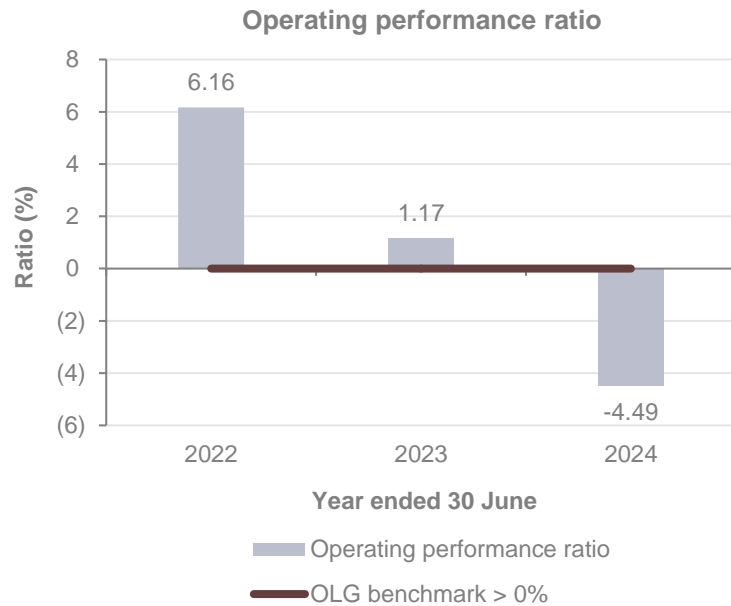
Performance measures

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

Operating performance ratio

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

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



Own source operating revenue ratio

Council met the benchmark for the current reporting period.

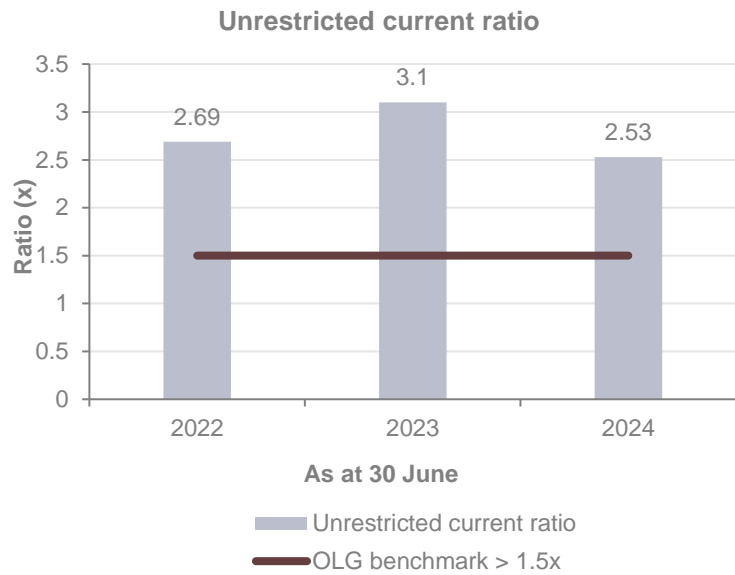
The 'own source operating revenue ratio' measures Council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

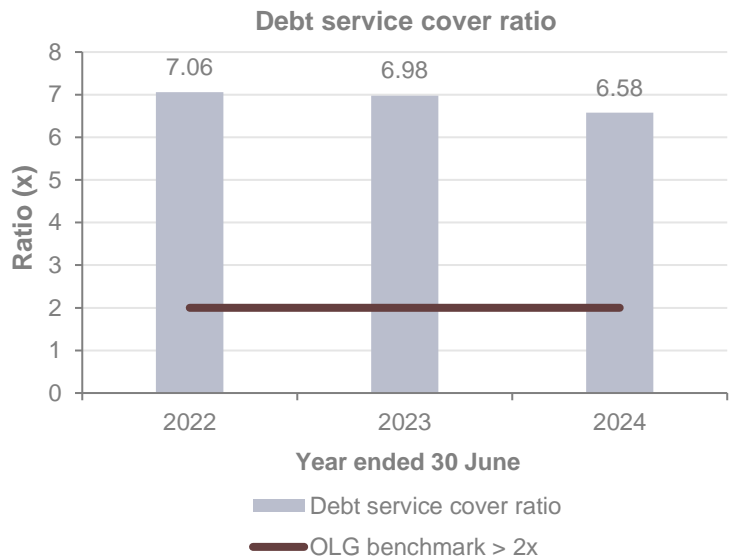
The 'unrestricted current ratio' is specific to local government and represents Council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

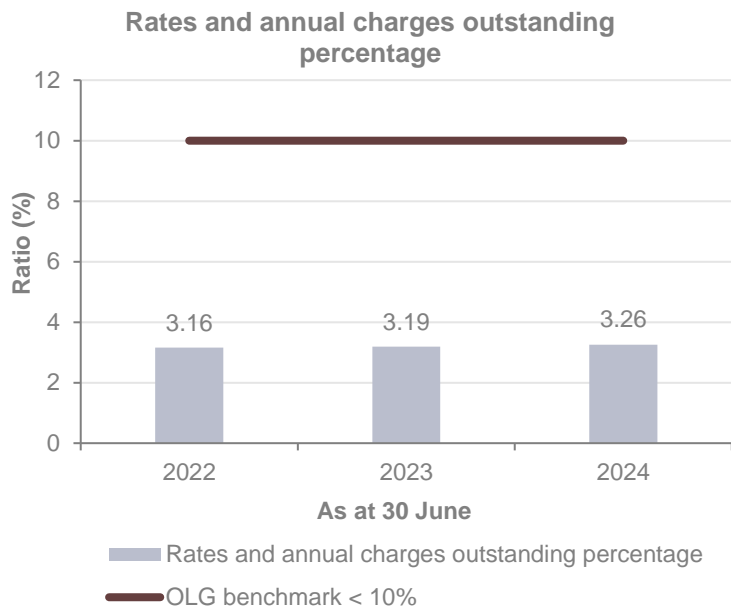
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council exceeded the benchmark for the current reporting period.

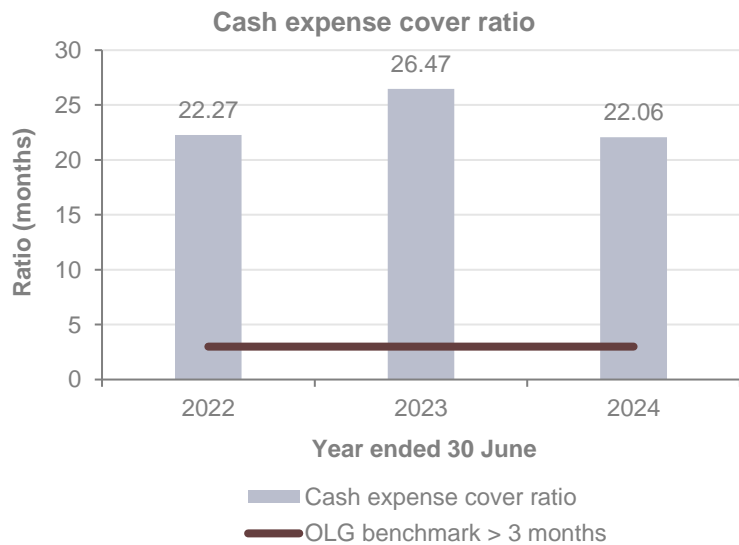
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment

Council spent \$37.0 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on Capital Work in Progress.

OTHER MATTERS

Legislative compliance

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

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

A handwritten signature in black ink that reads "Nicky Rajani". The signature is written in a cursive style and is underlined with a single horizontal line.

Nicky Rajani
Director, Financial Audit

Delegate of the Auditor-General for New South Wales