

# Inner West Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2024



# Inner West Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

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# Inner West Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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### Overview

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

2-14 Fisher Street  
Petersham NSW 2049

Council's guiding principles are detailed in Chapter 3 of the Local Government Act 1993 (NSW) and includes:

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

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

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

# Inner West Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Understanding Council's Financial Statements

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#### 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 (OLG).

#### 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.

# Inner West Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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#### 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.



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Darcy Byrne  
Mayor  
22 October 2024



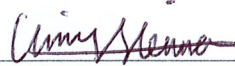
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Mat Howard  
Deputy Mayor  
22 October 2024



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Peter Gainsford  
General Manager  
22 October 2024



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Chris Sleiman  
Responsible Accounting Officer  
22 October 2024



## Inner West Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

<b>\$ '000</b>	Notes	<b>2024</b>	<i>Restated</i> <b>2023</b>
<b>Net operating result for the year – from Income Statement</b>		<b>12,342</b>	22,537
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<b>116,587</b>	328,827
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>116,587</b>	328,827
<b>Total other comprehensive income for the year</b>		<b>116,587</b>	328,827
<b>Total comprehensive income for the year attributable to Council</b>		<b>128,929</b>	351,364

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

## Inner West Council

## Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	Restated 2023	Restated 1 July 2022
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	C1-1	27,510	75,413	75,586
Investments	C1-2	92,750	104,500	154,200
Receivables	C1-4	48,043	43,197	38,401
Inventories	C1-5	206	216	198
Contract assets and contract cost assets		–	–	219
Prepayments		3,109	3,153	2,838
<b>Total current assets</b>		<b>171,618</b>	<b>226,479</b>	<b>271,442</b>
<b>Non-current assets</b>				
Investments	C1-2	139,578	120,506	124,457
Infrastructure, property, plant and equipment (IPPE)	C1-6	2,939,445	2,788,826	2,432,629
Investment property	C1-7	71,291	54,878	–
Intangible assets	C1-8	5,593	6,173	6,945
Right of use assets	C2-1	278	229	836
<b>Total non-current assets</b>		<b>3,156,185</b>	<b>2,970,612</b>	<b>2,564,867</b>
<b>Total assets</b>		<b>3,327,803</b>	<b>3,197,091</b>	<b>2,836,309</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	C3-1	55,708	49,994	44,128
Contract liabilities	C3-2	31,624	35,770	29,009
Lease liabilities	C2-1	116	82	187
Borrowings	C3-3	2,047	2,447	2,600
Employee benefit provisions	C3-4	33,619	31,891	29,850
<b>Total current liabilities</b>		<b>123,114</b>	<b>120,184</b>	<b>105,774</b>
<b>Non-current liabilities</b>				
Contract liabilities	C3-2	–	778	1,972
Lease liabilities	C2-1	164	159	661
Borrowings	C3-3	30,740	32,788	35,234
Employee benefit provisions	C3-4	3,117	1,443	2,293
<b>Total non-current liabilities</b>		<b>34,021</b>	<b>35,168</b>	<b>40,160</b>
<b>Total liabilities</b>		<b>157,135</b>	<b>155,352</b>	<b>145,934</b>
<b>Net assets</b>		<b>3,170,668</b>	<b>3,041,739</b>	<b>2,690,375</b>
<b>EQUITY</b>				
Accumulated surplus		2,428,850	2,416,508	2,393,971
IPPE revaluation reserve		741,818	625,231	296,404
<b>Total equity</b>		<b>3,170,668</b>	<b>3,041,739</b>	<b>2,690,375</b>

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

## Inner West Council

### Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
\$ '000							
					Restated	Restated	Restated
<b>Opening balance at 1 July</b>		<b>2,416,508</b>	<b>625,231</b>	<b>3,041,739</b>	2,382,614	296,404	2,679,018
Correction of prior period errors	F4-1	–	–	–	11,357	–	11,357
<b>Opening balance at 1 July</b>		<b>2,416,508</b>	<b>625,231</b>	<b>3,041,739</b>	<b>2,393,971</b>	<b>296,404</b>	<b>2,690,375</b>
<b>Net operating result for the year</b>		<b>12,342</b>	<b>–</b>	<b>12,342</b>	22,721	–	22,721
Correction of prior period errors	F4-1	–	–	–	(184)	–	(184)
<b>Restated net operating result for the period</b>		<b>12,342</b>	<b>–</b>	<b>12,342</b>	<b>22,537</b>	<b>–</b>	<b>22,537</b>
<b>Other comprehensive income</b>							
Restated gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	<b>116,587</b>	<b>116,587</b>	–	328,827	328,827
<b>Other comprehensive income</b>		<b>–</b>	<b>116,587</b>	<b>116,587</b>	<b>–</b>	<b>328,827</b>	<b>328,827</b>
<b>Total other comprehensive income</b>		<b>12,342</b>	<b>116,587</b>	<b>128,929</b>	<b>22,537</b>	<b>328,827</b>	<b>351,364</b>
<b>Closing balance at 30 June</b>		<b>2,428,850</b>	<b>741,818</b>	<b>3,170,668</b>	<b>2,416,508</b>	<b>625,231</b>	<b>3,041,739</b>

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

## Inner West Council

## Statement of Cash Flows

for the year ended 30 June 2024

<i>Original unaudited budget 2024</i>	<i>\$ '000</i>	Notes	<i>Actual 2024</i>	<i>Actual 2023</i>
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
172,988	Rates and annual charges		<b>177,341</b>	163,614
55,344	User charges and fees		<b>63,266</b>	63,310
5,500	Interest received		<b>13,914</b>	8,301
47,666	Grants and contributions		<b>32,606</b>	45,968
–	Bonds, deposits and retentions received		<b>4,986</b>	4,958
27,316	Other		<b>46,795</b>	31,321
<b>Payments:</b>				
(138,351)	Payments to employees		<b>(136,204)</b>	(124,448)
(84,045)	Payments for materials and services		<b>(124,934)</b>	(116,622)
(792)	Borrowing costs		<b>(797)</b>	(874)
(15,236)	Other		<b>(18,744)</b>	(7,161)
70,390	<b>Net cash flows from operating activities</b>	F1-1	<b>58,229</b>	68,367
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
258,564	Sale of investments		<b>161,041</b>	292,700
1,645	Proceeds from sale of IPPE		<b>2,555</b>	2,820
<b>Payments:</b>				
(240,193)	Purchase of investments		<b>(165,684)</b>	(238,949)
–	Acquisition of term deposits		<b>(2,250)</b>	–
(111,163)	Purchase of investment property		<b>(21,291)</b>	(54,878)
–	Payments for IPPE		<b>(77,583)</b>	(67,415)
–	Purchase of intangible assets		<b>(350)</b>	(140)
(91,147)	<b>Net cash flows from investing activities</b>		<b>(103,562)</b>	(65,862)
<b>Cash flows from financing activities</b>				
<b>Payments:</b>				
(2,447)	Repayment of borrowings		<b>(2,448)</b>	(2,599)
–	Principal component of lease payments		<b>(122)</b>	(79)
(2,447)	<b>Cash flows from financing activities</b>		<b>(2,570)</b>	(2,678)
<b>(23,204)</b>	<b>Net change in cash and cash equivalents</b>		<b>(47,903)</b>	(173)
123,028	Cash and cash equivalents at beginning of year		<b>75,413</b>	75,586
<b>99,824</b>	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>27,510</b>	75,413

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

# Inner West 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 22/10/2024. 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 (NSW)* 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.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific unaudited budgetary amounts (which are clearly marked) have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note B5-1 – Material Budget Variations

#### **Historical cost convention**

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

#### **Significant accounting estimates and judgements**

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

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) fair values of infrastructure, property, plant and equipment – refer Notes C1-6 and D2-1.
- (ii) employee benefit provisions – refer Note C3-4.
- (iii) fair values of investment properties – refer note C1-7

#### **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 NSW Council.

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

- General purpose operations

## A1-1 Basis of preparation (continued)

### The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, a separate and distinct Trust Fund is maintained to account for all money and other assets received by the Council in Trust which must be applied only for the purposes of, or in accordance with the trusts relating to those monies. Trust monies and other assets subject to Council's control have been included in these reports.

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

### Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

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

### Volunteer services

Council is supported by volunteer services in its community support programs. All volunteer services are not material and therefore have not been recognised in the income statement.

### New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (i.e. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2024 reporting period. Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

These standards include:

Pronouncement	<b>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</b> <b>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</b>
Nature of change in accounting policy	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.
Effective date	Annual reporting period beginning on or after 1 January 2024; i.e council's financial statements for the year ended 30 June 2025.
Expected impact on council financial statements	Little impact expected but Councils will consider the appropriate classification of liabilities as current or non-current.
Pronouncement	<b>AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</b>

## A1-1 Basis of preparation (continued)

<p>Nature of change in accounting policy</p>	<p>This Standard amends AASB 16 to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale. AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments made by this Standard ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.</p>
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## A1-1 Basis of preparation (continued)

Effective date	Annual reporting periods beginning on or after 1 January 2024, i.e., councils' financial statements for the year ended 30 June 2025.
Expected impact on council financial statements	Unlikely to be significant impact for councils, however requirements will be reviewed if councils are entering into sale and lease back arrangements.
Pronouncement	<b>AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.</b>
Nature of change in accounting policy	This Standard amends AASB 13, including adding authoritative implementation guidance and providing related illustrative examples, for application by not-for-profit public sector entities. In particular, this standard provides guidance on: (a) highest and best use (b) financially feasible uses (c) use of assumptions (d) nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence when using the cost approach.
Effective date	Annual reporting periods beginning on or after 1 January 2024; i.e., councils' financial statements for the year ended 30 June 2025.
Expected impact on council financial statements	There is not expected to be significant impact on the Councils' reported financial position, however Councils will review their fair value methodology to ensure that it is in accordance with the guidance included in AASB 2022-10
Pronouncement	<b>AASB2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. AASB2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128. AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</b>
Nature of change in accounting policy	The amendments address an acknowledged inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB2015-10 has delayed the effective date of this standard. AASB 2017-5 defers the effective date of AASB 2014-10 to 1 January 2022 AASB 2021-7 defers the effective date of AASB 2014-10 to 1 January 2025
Effective date	Annual reporting periods beginning on or after 1 January 2025; i.e., councils' financial statements for the year ended 30 June 2026.
Expected impact on council financial statements	No impact as this will only impact on councils with associates or joint ventures where there has been a sale or contribution of assets between the entity and its investor.

## A1-1 Basis of preparation (continued)

The following pronouncements are issued but not yet effective and are not expected to have relevance to councils but have been included for completeness:

Pronouncement	Nature of change in accounting policy	Effective date
AASB 17 Insurance Contracts and associated amendments	Changes to accounting for insurance contracts	Annual reporting periods beginning on or after 1 January 2026 for public sector entities
AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements	Requires additional disclosures about an entity's supplier finance arrangements.	Annual reporting periods beginning on or after 1 January 2024
AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability	Requires consistency in determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.	Annual reporting periods beginning on or after 1 January 2025

### 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 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** Equivalent standard for JO's is **AASB 2021-6 Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards**.

The most significant change introduced by these standards is to remove the requirement to disclose significant accounting policies and instead require disclosure of material accounting policy information. Council has disclosed material accounting policy information instead of significant accounting policies.
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards**

Due to the nature of the changes, the adoption of this standard is unlikely to have any impact on Councils.

## 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.

	<i>Income</i>		<i>Expenses</i>		<i>Operating result</i>		<i>Grants and contributions</i>		<i>Carrying amount of assets</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
<i>\$ '000</i>				<i>Restated</i>		<i>Restated</i>				<i>Restated</i>
<b>Functions or activities</b>										
General Manager	2,807	1,003	11,724	13,160	(8,917)	(12,157)	–	–	–	–
Community	21,240	20,267	45,483	44,443	(24,243)	(24,176)	2,052	1,843	867	358
Corporate	168,490	154,276	62,921	50,478	105,569	103,798	9,080	6,743	708,520	1,234,969
Infrastructure	69,842	82,663	124,884	111,594	(55,042)	(28,931)	12,142	31,960	1,746,913	1,587,059
Planning	60,533	40,033	65,558	56,030	(5,025)	(15,997)	12,465	2,491	869,258	366,563
Other	–	–	–	–	–	–	–	–	2,245	8,142
<b>Total functions and activities</b>	<b>322,912</b>	<b>298,242</b>	<b>310,570</b>	<b>275,705</b>	<b>12,342</b>	<b>22,537</b>	<b>35,739</b>	<b>43,037</b>	<b>3,327,803</b>	<b>3,197,091</b>

## B1-2 Components of functions or activities

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

### General Manager

- Legal Services
- People and Culture
- Strategic and Corporate Communications

### Community

- Early Learning
- Community and Wellbeing
- Corporate Strategy and Engagement
- Events
- Libraries and History
- Living Arts
- Social and Cultural Planning

### Corporate

- Customer Service
- Finance
- Governance and Risk
- Information and Communication Technology
- Procurement and Contracts
- Property and Strategic Investments
- Service Transformation
- Community Centres
- Community Venues

### Infrastructure

- Capital Works
- Civil Maintenance
- Engineering Services
- Facilities and Management
- Fleet
- Parks and Streetscapes Operations
- Resource Recovery Operations
- Traffic and Transport Planning
- Urban Forest

### Planning

- Aquatic Services
- Building Certification
- Development Assessment
- Economic Development
- Environmental Health and Building Regulation
- Parking and Ranger Services
- Parks Planning and Recreation
- Resource Recovery Planning
- Strategic Planning
- Urban Ecology
- Urban Sustainability

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	95,220	91,539
Business	38,596	37,519
Less: pensioner rebates (mandatory)	(1,550)	(1,619)
<b>Rates levied to ratepayers</b>	<b>132,266</b>	<b>127,439</b>
Pensioner rate subsidies received	845	887
<b>Total ordinary rates</b>	<b>133,111</b>	<b>128,326</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	41,260	38,863
Stormwater management services	1,797	1,785
Section 611 charges	117	122
Less: pensioner rebates (Council policy)	(2,827)	(2,803)
<b>Total annual charges</b>	<b>40,347</b>	<b>37,967</b>
<b>Total rates and annual charges</b>	<b>173,458</b>	<b>166,293</b>

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

#### Material accounting policy information

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

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

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

## B2-2 User charges and fees

\$ '000	2024	2023
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>		
Domestic waste management services	244	243
Waste management services (non-domestic)	577	461
<b>Total specific user charges</b>	<b>821</b>	<b>704</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>		
Building services – other	873	1,287
Private works – section 67	8,626	5,370
Regulatory/ statutory fees	914	844
Section 10.7 certificates (EP&A Act)	579	595
Town planning	4,380	4,095
Regulatory – compliance	1,939	2,037
<b>Total fees and charges – statutory/regulatory</b>	<b>17,311</b>	<b>14,228</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>		
Child care	19,005	17,482
Community centres	684	729
Leisure centre	9,108	7,609
Park rents	1,413	1,195
Parking fees	3,856	3,147
Hoarding fees	739	991
Pool (admissions)	11,488	9,739
Other	91	50
<b>Total fees and charges – other</b>	<b>46,384</b>	<b>40,942</b>
<b>Total other user charges and fees</b>	<b>63,695</b>	<b>55,170</b>
<b>Total user charges and fees</b>	<b>64,516</b>	<b>55,874</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised over time	30,209	27,015
User charges and fees recognised at a point in time	34,307	28,859
<b>Total user charges and fees</b>	<b>64,516</b>	<b>55,874</b>

### 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. There is no material obligation for Council in relation to refunds or returns.

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

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

## B2-3 Other revenues

\$ '000	2024	2023
Fines – parking	16,530	11,023
Bus shelter income	1,285	1,118
Fines – other	2,687	1,059
Legal fees recovery – other	3,260	772
Ex gratia rates	170	336
Credit card transaction fee	114	107
Recycling income (non-domestic)	18	52
Diesel rebate	33	39
Insurance and tax recoveries	–	749
Other	1,286	1,288
<b>Total other revenue</b>	<b>25,383</b>	<b>16,543</b>

### Timing of revenue recognition for other revenue

Other revenue recognised over time	–	–
Other revenue recognised at a point in time	25,383	16,543
<b>Total other revenue</b>	<b>25,383</b>	<b>16,543</b>

### 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	<i>Operating</i> 2024	<i>Operating</i> 2023	<i>Capital</i> 2024	<i>Capital</i> 2023
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>Financial Assistance Grant</b>				
Relating to current year	52	2,677	–	–
Prepayment received in advance for subsequent year	5,509	5,456	–	–
<b>Amount recognised as income during a year</b>	<b>5,561</b>	<b>8,133</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Child care	1,047	833	–	–
Community services	180	162	–	–
Greenway	–	–	–	3,640
Environmental programs	725	774	–	–
Floodplain management	–	80	–	–
Library	579	626	–	–
LIRS subsidy	29	51	–	–
Local Roads and Community Infrastructure Program	–	–	–	5,896
Recreation and culture	17	20	135	1,973
Street lighting	676	670	–	–
Transport (other roads and bridges funding)	1,136	1,114	478	1,631
Transport (roads to recovery)	–	–	857	857
Urban Amenity Improvement Program	–	–	3,320	2,140
Other specific grants	702	1,354	1,076	2,881
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>5,091</b>	<b>5,684</b>	<b>5,866</b>	<b>19,018</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>5,091</b>	<b>5,684</b>	<b>5,866</b>	<b>19,018</b>
<b>Total grants and non-developer contributions</b>	<b>10,652</b>	<b>13,817</b>	<b>5,866</b>	<b>19,018</b>
<b>Comprising:</b>				
– Commonwealth funding	5,843	8,323	856	1,714
– State funding	4,524	5,492	4,596	13,701
– Other funding	285	2	414	3,603
	<b>10,652</b>	<b>13,817</b>	<b>5,866</b>	<b>19,018</b>

## B2-4 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	<b>Operating 2024</b>	<b>Operating 2023</b>	<b>Capital 2024</b>	<b>Capital 2023</b>
<b>Developer contributions:</b>					
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.4 – contributions using planning agreements		12	11	1,282	1,828
S 7.11 – contributions towards amenities/services		–	–	17,927	8,363
<b>Total developer contributions – cash</b>		<b>12</b>	<b>11</b>	<b>19,209</b>	<b>10,191</b>
<b>Total developer contributions</b>		<b>12</b>	<b>11</b>	<b>19,209</b>	<b>10,191</b>
<b>Total grants and contributions</b>		<b>10,664</b>	<b>13,828</b>	<b>25,075</b>	<b>29,209</b>
<b>Timing of revenue recognition for grants and contributions</b>					
Grants and contributions recognised over time		–	48	–	2,241
Grants and contributions recognised at a point in time		10,664	13,780	25,075	26,968
<b>Total grants and contributions</b>		<b>10,664</b>	<b>13,828</b>	<b>25,075</b>	<b>29,209</b>

### 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	<b>Operating 2024</b>	<b>Operating 2023</b>	<b>Capital 2024</b>	<b>Capital 2023</b>
Unspent funds at 1 July	3,590	4,124	5,963	6,486
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	930	1,118	509	5,157
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(1,355)	(1,652)	(5,721)	(5,680)
<b>Unspent funds at 30 June</b>	<b>3,165</b>	<b>3,590</b>	<b>751</b>	<b>5,963</b>

### Material accounting policy information

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include the provisioning of public artworks on non-Council owned property. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

#### Capital grants

## B2-4 Grants and contributions (continued)

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

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

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

### **Developer contributions**

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

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

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

### **Other grants and contributions**

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

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

## B2-5 Interest and investment income

\$ '000	2024	2023
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	1,245	801
– Cash and investments	10,808	8,269
– Other	2,326	1,896
<b>Total interest and investment income</b>	<b>14,379</b>	<b>10,966</b>

### Material accounting policy information

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

## B2-6 Other income

\$ '000	Notes	2024	2023
<b>Rental income</b>			
<b>Investment properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		5,342	1,380
<b>Total Investment properties</b>		<b>5,342</b>	<b>1,380</b>
<b>Other lease income</b>			
Leaseback fees - council vehicles		618	587
<b>Other Council Properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		3,092	3,462
Lease income relating to variable lease payments not dependent on an index or a rate		–	–
<b>Total other lease income</b>		<b>3,710</b>	<b>4,049</b>
<b>Total rental income</b>	C2-2	<b>9,052</b>	<b>5,429</b>
<b>Fair value increment on investments</b>			
Fair value increment/ (decrement) on investments (other)		385	100
<b>Total Fair value increment/ (decrement) on investments</b>		<b>385</b>	<b>100</b>
<b>Total other income</b>		<b>9,437</b>	<b>5,529</b>

## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
Salaries and wages	<b>109,227</b>	99,938
Employee termination costs	<b>511</b>	745
Employee leave entitlements (ELE)	<b>13,758</b>	12,133
Superannuation	<b>12,973</b>	11,531
Workers' compensation insurance	<b>5,262</b>	3,211
Fringe benefit tax (FBT)	<b>880</b>	766
Other	<b>1,297</b>	1,314
<b>Total employee costs</b>	<b>143,908</b>	<b>129,638</b>
Less: capitalised costs	<b>(5,345)</b>	(4,776)
<b>Total employee costs expensed</b>	<b>138,563</b>	<b>124,862</b>
Number of 'full-time equivalent' employees (FTE) at year end	<b>1,081</b>	1,019

#### **Material accounting policy information**

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

#### *Retirement benefit obligations*

Council provides retirement, disability, and death benefits to eligible employees. It offers both defined benefit plans and defined contribution plans, making contributions 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, when 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 D3-1 for more information.

## B3-2 Materials and services

\$ '000	Notes	2024	2023
Cost of sales		392	363
Raw materials and consumables		8,319	8,148
Agency Staff		12,183	9,589
Consultants		3,501	4,322
Contractors		40,634	35,819
Infringement notice contract costs		2,232	1,551
Legal Fees		3,307	4,279
IT Expenses		6,460	5,932
Insurance		3,789	3,013
Street lighting		1,683	1,261
Electricity		3,372	3,683
Subscriptions and publications		1,045	883
Telephone and communications		579	579
Postage, Printing and stationery		1,289	1,232
Vehicle Costs		2,720	2,193
Bank charges		862	789
Audit Fees	E2-1	722	555
Councillor and Mayoral fees and associated expenses	E1-2	629	628
Water rates		1,147	1,042
Tipping fees		12,227	10,101
Gas		700	660
Other expenses		3,282	2,060
Expenses from short-term leases		270	153
Expenses from leases of low value assets		1,219	1,115
<b>Total materials and services</b>		<b>112,563</b>	<b>99,950</b>

### Material accounting policy information

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

## B3-3 Borrowing costs

\$ '000	2024	2023
<b>(i) Interest bearing liability costs</b>		
Interest on leases	10	6
Interest on loans	773	853
<b>Total interest bearing liability costs</b>	<b>783</b>	<b>859</b>
<b>Total interest bearing liability costs expensed</b>	<b>783</b>	<b>859</b>

### Material accounting policy information

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

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

\$ '000	Notes	2024	2023 <i>Restated</i>
<b>Depreciation and amortisation</b>			
Infrastructure, property, plant and equipment	C1-6	<b>34,806</b>	32,365
Right of use assets	C2-1	<b>112</b>	79
Intangible assets	C1-8	<b>930</b>	912
<b>Total depreciation and amortisation costs</b>		<b>35,848</b>	<b>33,356</b>

### 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. Useful lives are included in Note C1-7 for IPPE assets, Note C1-9 for intangible assets and Note C2-1 for right of use assets.

#### 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).

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	C1-4	<b>153</b>	325
Donations, contributions and assistance to other organisations (Section 356)		<b>1,100</b>	1,157
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES and RFS levies)		<b>5,777</b>	4,773
– Waste levy		<b>4,759</b>	5,563
<b>Total other expenses</b>		<b>11,789</b>	<b>11,818</b>

### Material accounting policy information

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

Impairment expenses are recognised when identified.

## B4 Gains or losses

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

\$ '000	Notes	2024	2023
<b>Gain (or loss) on disposal of infrastructure, property, plant and equipment</b>			
	C1-6		
Proceeds from disposal		2,555	2,820
Less: carrying amount of infrastructure, property, plant and equipment		<u>(8,745)</u>	<u>(7,680)</u>
<b>Gain (or loss) on disposal</b>		<u><b>(6,190)</b></u>	<u><b>(4,860)</b></u>
<b>Gain (or loss) on disposal of investments</b>			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		<u>44</u>	<u>–</u>
<b>Gain (or loss) on disposal</b>		<u><b>44</b></u>	<u><b>–</b></u>

#### Material accounting policy information

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

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 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 -----	
<b>Revenues</b>				
<b>Rates and annual charges</b>	172,988	173,458	470	0% <b>F</b>
<b>User charges and fees</b>	55,344	64,516	9,172	17% <b>F</b>
Increase in restoration fees due to higher than anticipated works for the financial year, offset by increase in materials and services costs. Other increases include higher utilisation of aquatic facilities offset by increase in costs and higher parking fees returning to Pre-COVID level.				
<b>Other revenues</b>	27,316	25,383	(1,933)	(7)% <b>U</b>
Includes budget under 'Other Income' for lease rental income. Remaining variances above budget due to infringements income returning to Pre-COVID levels and one off legal settlements relating to the WestConnex.				
<b>Operating grants and contributions</b>	9,844	10,664	820	8% <b>F</b>
<b>Capital grants and contributions</b>	37,822	25,075	(12,747)	(34)% <b>U</b>
Timing in spending project expenditure for the Greenway resulted in lower grants received in the financial year. This will be received in the 2024-25 financial year. Lower grants received offset by higher than expected developer contributions received during the financial year.				
<b>Interest and investment revenue</b>	5,500	14,379	8,879	161% <b>F</b>
At the end of the 2022-23 financial year, Council was able to reinvest funds into higher earning term deposits and floating rate notes. This allowed Council to receive higher returns on investments. Investments maturing during the financial year were reinvested in higher earning investments allowing for greater returns.				
<b>Other income</b>	-	9,437	9,437	∞ <b>F</b>
Budget included under 'Other Revenue'.				
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	138,351	138,563	(212)	0% <b>U</b>
<b>Materials and services</b>	84,045	112,563	(28,518)	(34)% <b>U</b>
Overspend in agency costs to backfill vacant budgeted positions. Remaining variances relate to reactive maintenance costs on Council Aquatic facilities to ensure facilities are maintained at a high level, high tree maintenance costs due to an increase in Customer Request Management and higher tipping costs as a result of establishing Food Organics and Garden Organics in October 2023 offset by savings in section 88 levy under 'Other Expenses'.				
<b>Borrowing costs</b>	792	783	9	1% <b>F</b>
<b>Depreciation, amortisation and impairment of non-financial assets</b>	33,839	35,848	(2,009)	(6)% <b>U</b>
<b>Other expenses</b>	15,236	11,789	3,447	23% <b>F</b>
<b>Net losses from disposal of assets</b>	920	6,146	(5,226)	(568)% <b>U</b>

continued on next page ...

## B5-1 Material budget variations (continued)

\$ '000	<b>2024 Budget</b>	<b>2024 Actual</b>	<b>2024 ----- Variance -----</b>	
Disposal of components of assets from capital projects completed in prior years, specifically building components.				
<b>Fair value decrement on investment property</b>	-	4,878	(4,878)	∞ <b>U</b>
Revaluation of investment property at Liverpool.				
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	70,390	58,229	(12,161)	(17)% <b>U</b>
Net reduction due to the timing of receiving capital grants for GreenWay.				
<b>Cash flows from investing activities</b>	(91,147)	(103,562)	(12,415)	14% <b>U</b>
Lower sale of investments as compared to purchase of investments during the financial year.				
<b>Cash flows from financing activities</b>	(2,447)	(2,570)	(123)	5% <b>U</b>

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2024	2023
<b>Cash assets</b>		
Cash on hand and at bank	27,510	75,413
<b>Total cash and cash equivalents</b>	<b>27,510</b>	<b>75,413</b>

#### Material accounting policy information

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

#### C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Financial assets at fair value through the profit and loss</b>				
Mortgage backed securities	–	1,128	–	1,022
Other long term financial assets (Civic Risk)	–	3,200	–	2,984
<b>Total</b>	<b>–</b>	<b>4,328</b>	<b>–</b>	<b>4,006</b>
<b>Debt securities at amortised cost</b>				
Term deposits	86,750	23,000	104,500	3,000
NCD's, FRN's (with maturities > 3 months)	6,000	88,850	–	102,200
Fixed bonds (ADIs)	–	23,400	–	11,300
<b>Total</b>	<b>92,750</b>	<b>135,250</b>	<b>104,500</b>	<b>116,500</b>
<b>Total financial investments</b>	<b>92,750</b>	<b>139,578</b>	<b>104,500</b>	<b>120,506</b>

#### Material accounting policy information

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

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

#### Financial assets

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

#### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

#### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## C1-2 Financial investments (continued)

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Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits, floating rate notes, fixed rate notes 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.

### **Financial assets through profit or loss**

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

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

Council's financial assets measured at fair value through profit or loss comprise investments in Mortgage-Backed Securities and an investment in Civic Risk Mutual in the Statement of Financial Position.

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>259,838</b>	300,419
Less: Externally restricted cash, cash equivalents and investments	<u>(110,047)</u>	<u>(115,026)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>149,791</b>	185,393
<b>External restrictions</b>		
Developer contributions – general	72,655	63,886
Specific purpose unexpended grants (recognised as revenue) – general fund	3,916	9,553
Stormwater management	4,623	3,336
Special Rate Variation Income	15,664	13,331
Mainstreet levy	95	240
3.5% levy reserve	1,121	1,121
Domestic waste management	11,973	23,559
<b>Total external restrictions</b>	<b>110,047</b>	115,026

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

\$ '000	2024	2023
(b) Internal allocations		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>149,791</b>	185,393
Less: Internally restricted cash, cash equivalents and investments	<u>(142,392)</u>	<u>(163,076)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>7,399</b>	22,317
<b>Internal allocations</b>		
At 30 June, Council has internally allocated funds to the following:		
Employees leave entitlement	15,638	14,315
Deposits, retentions and bonds	32,977	28,306
Investment Property Reserve	5,863	24,928
Infrastructure Renewal Reserve	19,446	19,446
Depreciation Contra Reserve	68,468	76,081
<b>Total internal allocations</b>	<b>142,392</b>	163,076

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

<b>\$ '000</b>	<b>2024</b> <b>Current</b>	<b>2024</b> <b>Non-current</b>	<b>2023</b> <b>Current</b>	<b>2023</b> <b>Non-current</b>
Rates and annual charges	12,634	–	14,251	–
Interest and extra charges	1,992	–	1,677	–
User charges and fees	18,534	–	19,619	–
Accrued revenues				
– Interest on investments	2,095	–	1,937	–
– Other income accruals	1,649	–	443	–
Fines	9,776	–	6,580	–
Net GST receivable	2,201	–	2,236	–
Other receivables	610	–	246	–
<b>Total</b>	<b>49,491</b>	<b>–</b>	<b>46,989</b>	<b>–</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(316)	–	(356)	–
Interest and extra charges	(50)	–	(42)	–
User charges and fees	(144)	–	(2,251)	–
Fines	(938)	–	(1,143)	–
<b>Total provision for impairment – receivables</b>	<b>(1,448)</b>	<b>–</b>	<b>(3,792)</b>	<b>–</b>
<b>Total net receivables</b>	<b>48,043</b>	<b>–</b>	<b>43,197</b>	<b>–</b>

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 9)	3,789	3,487
– Provisions recognised/(reduced) during the year	(2,341)	302
<b>Balance at the end of the year</b>	<b>1,448</b>	<b>3,789</b>

## C1-4 Receivables (continued)

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### 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 the 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.

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

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 (i.e. these charges are secured against the property). 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.

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.

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.

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

## C1-5 Inventories

<b>\$ '000</b>	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
<b>(i) Inventories at cost</b>				
Stores, materials and trading stock	206	–	216	–
<b>Total inventories at cost</b>	<b>206</b>	<b>–</b>	<b>216</b>	<b>–</b>
<b>Total inventories</b>	<b>206</b>	<b>–</b>	<b>216</b>	<b>–</b>

### Material accounting policy information

#### Raw materials and stores, work in progress and finished goods

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

## C1-6 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 Restated	Accumulated depreciation and impairment Restated	Net carrying amount Restated	Additions/transfers renewals <sup>1</sup>	Additions/transfers new assets	Carrying value of disposals	Depreciation expense	WIP additions	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	96,414	–	96,414	(23,782)	(50,353)	–	–	77,563	–	–	–	99,838	–	99,838
Plant and equipment	31,052	(20,553)	10,499	–	9,078	(934)	(2,353)	–	–	–	–	36,849	(20,559)	16,290
Domestic waste vehicles	3,953	(1,616)	2,337	–	–	(220)	(380)	–	–	–	–	3,330	(1,594)	1,736
Office equipment	4,486	(3,633)	853	–	191	(26)	(271)	–	–	–	–	4,237	(3,490)	747
Furniture and fittings	2,167	(1,928)	239	–	120	–	(111)	–	–	(15)	–	2,287	(2,039)	248
<b>Land:</b>														
- Crown Land	132,487	–	132,487	–	–	–	–	–	–	(6,363)	–	126,124	–	126,124
- Operational land	499,186	–	499,186	–	–	–	–	–	–	–	–	499,186	–	499,186
- Community land	225,840	–	225,840	–	1,365	–	–	–	–	(10,320)	–	216,886	–	216,886
Land improvements – non-depreciable	4,286	–	4,286	120	2	–	–	–	(290)	(3,562)	–	559	–	559
Land improvements – depreciable	133,314	(42,040)	91,274	654	15,682	(856)	(4,555)	–	89	–	40,726	193,802	(50,791)	143,011
Car parks – non-depreciable	17,714	–	17,714	–	–	–	–	–	–	–	605	18,320	–	18,320
Car parks – depreciable	14,850	(3,797)	11,053	64	59	–	(363)	–	–	–	1,608	16,916	(4,496)	12,420
<b>Infrastructure:</b>														
- Buildings	422,039	(111,328)	310,711	7,548	2,014	(4,382)	(8,222)	–	–	–	24,614	459,737	(127,455)	332,282
- Buildings and Aquatic Centres surrounding assets	12,168	–	12,168	–	–	–	(553)	–	–	–	929	19,922	(7,379)	12,543
- Aquatic Centres	109,557	(17,982)	91,575	–	–	–	(2,170)	–	–	–	7,152	118,322	(21,765)	96,557
- Roads	359,477	(125,836)	233,641	5,410	3,058	(911)	(6,899)	–	–	–	13,540	384,401	(136,554)	247,847
- Bridges	26,843	(10,281)	16,562	303	1,353	(50)	(341)	–	–	–	4,331	33,322	(11,164)	22,158
- Footpaths	251,612	(94,882)	156,730	6,541	2,271	(947)	(3,734)	–	–	–	8,043	271,640	(102,735)	168,905
- Kerb and gutter	213,648	(81,380)	132,268	1,903	533	(257)	(1,421)	–	–	–	7,981	228,654	(87,647)	141,007
- Other road assets	30,251	(5,365)	24,886	360	8,327	(33)	(1,242)	–	290	–	6,518	47,024	(7,917)	39,107
- Bulk earthworks (non-depreciable)	561,300	–	561,300	–	–	–	–	–	–	–	–	561,300	–	561,300
- Sea walls	40,700	(14,887)	25,813	–	–	–	(414)	–	–	–	22,375	73,934	(26,161)	47,773
- Wharves	13,226	(4,615)	8,611	–	–	–	(142)	–	–	–	1,215	14,431	(4,745)	9,686
- Stormwater drainage	182,766	(60,387)	122,379	879	6,300	(131)	(1,636)	–	(89)	(2,790)	–	190,150	(65,235)	124,915
<b>Total infrastructure, property, plant and equipment</b>	<b>3,389,336</b>	<b>(600,510)</b>	<b>2,788,826</b>	<b>–</b>	<b>–</b>	<b>(8,747)</b>	<b>(34,807)</b>	<b>77,563</b>	<b>–</b>	<b>(23,050)</b>	<b>139,637</b>	<b>3,621,171</b>	<b>(681,726)</b>	<b>2,939,445</b>

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

## C1-6 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 <sup>3</sup>	Accumulated depreciation and impairment <sub>3</sub>	Net carrying amount	Additions/transfers renewals <sub>1,2</sub>	Additions/transfers new assets	Carrying value of disposals	Depreciation expense	WIP additions	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount <sup>3</sup>	Accumulated depreciation and impairment <sub>3</sub>	Net carrying amount
		Restated										Restated	
\$ '000													
<b>Restated Capital work in progress</b>	75,304	–	75,304	(38,215)	(8,593)	–	–	68,482	(564)	–	96,414	–	96,414
Plant and equipment	29,342	(19,899)	9,443	–	4,043	(670)	(2,317)	–	–	–	31,052	(20,553)	10,499
Office equipment	4,246	(3,373)	873	–	241	–	(261)	–	–	–	4,486	(3,633)	853
Furniture and fittings	2,167	(1,813)	354	–	–	–	(115)	–	–	–	2,167	(1,928)	239
Domestic waste vehicles	5,244	(1,699)	3,545	–	–	(256)	(388)	–	(565)	–	3,953	(1,616)	2,337
<b>Land:</b>													
– Operational land	394,950	–	394,950	–	–	–	–	–	(936)	105,172	499,186	–	499,186
– Community land	152,560	–	152,560	–	–	–	–	–	11,633	61,647	225,840	–	225,840
– Crown land	105,130	–	105,130	–	–	–	–	–	(10,697)	38,054	132,487	–	132,487
Land improvements – non-depreciable	4,286	–	4,286	–	–	–	–	–	–	–	4,286	–	4,286
Land improvements – depreciable	130,586	(40,877)	89,709	9,131	1,227	(1,330)	(3,694)	–	(3,769)	–	133,314	(42,040)	91,274
Car parks – non-depreciable	17,714	–	17,714	–	–	–	–	–	–	–	17,714	–	17,714
Car parks – depreciable	10,786	(3,634)	7,152	6	7	–	(359)	–	4,246	–	14,850	(3,797)	11,053
<b>Infrastructure:</b>													
– Buildings	378,047	(114,881)	263,166	3,417	1,012	–	(7,947)	–	(148)	51,211	422,039	(111,328)	310,711
– Roads	426,804	(202,293)	224,511	9,490	–	(522)	(6,631)	–	(2,913)	9,706	359,477	(125,836)	233,641
– <b>Bridges</b> <sup>3</sup>	26,843	(10,004)	16,839	–	–	–	(289)	–	13	–	26,843	(10,281)	16,562
– Footpaths	229,390	(88,494)	140,896	5,470	1,684	(704)	(3,258)	–	(34)	12,676	251,612	(94,882)	156,730
– Other road assets (including bulk earthworks)	35,520	(6,498)	29,022	1,840	33	(3,521)	(1,154)	–	(1,334)	–	30,251	(5,365)	24,886
– Bulk earthworks (non-depreciable)	525,843	–	525,843	55	–	–	–	–	–	35,402	561,300	–	561,300
– Stormwater drainage	179,340	(59,269)	120,071	3,961	–	(251)	(1,439)	–	37	–	182,766	(60,387)	122,379
– Aquatic Centres	102,112	(17,192)	84,920	3,482	109	–	(2,440)	–	269	5,235	109,557	(17,982)	91,575
– Kerb and gutter	224,359	(91,860)	132,499	1,363	237	(427)	(1,404)	–	–	–	213,648	(81,380)	132,268
– Sea walls	38,211	(13,126)	25,085	–	–	–	(395)	–	1,123	–	40,700	(14,887)	25,813
– <b>Wharves</b> <sup>3</sup>	13,240	(4,483)	8,757	–	–	–	(136)	–	(9)	–	13,226	(4,615)	8,611
– Buildings and Aquatic Centres surrounding assets	–	–	–	–	–	–	(137)	–	2,582	9,724	12,168	–	12,168
<b>Total infrastructure, property, plant and equipment</b>	<b>3,112,024</b>	<b>(679,395)</b>	<b>2,432,629</b>	<b>–</b>	<b>–</b>	<b>(7,681)</b>	<b>(32,364)</b>	<b>68,482</b>	<b>(1,066)</b>	<b>328,827</b>	<b>3,389,336</b>	<b>(600,510)</b>	<b>2,788,826</b>

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

(2) Council had performed a valuation of some of its infrastructure assets in the financial year 2022/23. At 30 June 2023, Council's Statement of Financial Position included \$3 million in work-in-progress related to Aquatic Centres that were carried at cost. The incorrect inclusion of the \$3 million WIP balance within revalued assets, while also being carried as WIP at cost, led to an overstatement of the IPPE and assets revaluation reserve. Council restated the IPPE and revaluation reserve balances by \$3 million at the end of the year 2022/23 in the Statement of Financial Position. In addition, the 2022/23 gain on revaluation of infrastructure, property, plant and equipment within the Statement of Comprehensive Income was restated to \$329 million from \$332 million.

(3) Opening balances at 01/07/2022 and annual movement for Bridges and Wharves classes restated for 2022/23; refer Note F4-1 correction of errors.

## C1-6 Infrastructure, property, plant and equipment (continued)

### Material accounting policy information

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

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

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

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

#### Useful lives of IPPE

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

<b>Plant and equipment</b>	Years	<b>Property Assets</b>	Years
Office equipment	5 to 10	Buildings	10 to 150
Office furniture	4 to 20	Aquatic Centres	10 to 120
Plant and Fleet	3 to 10		
Domestic Waste Vehicles	7 to 10	<b>Play Spaces and Sporting Fields</b>	Years
		Land Improvements Parks (Depreciable)	5 to 200
<b>Transport Assets</b>	Years	Seawalls	100 to 120
Roads	25 to 100	Wharves	10 to 100
Road Formation/Bulk Earthworks	Not depreciable		
Bridges	20 to 100		
Footpaths	30 to 80		
Kerb and Gutter	85 to 200		
Traffic Devices	20 to 80		
Other Road assets	10 to 100		
Car Parks (Non Depreciable)	Not Depreciable		
Car Parks (Depreciable)	10 to 100		
Stormwater Drainage	20 - 150		
Building Land Improvements	5 - 100		

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

#### Revaluation model

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

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

#### 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.

## C1-6 Infrastructure, property, plant and equipment (continued)

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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.

## C1-7 Investment properties

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### Owned investment property

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>At fair value</b>		
Opening balance at 1 July	54,878	–
Acquisitions	21,291	54,500
Capitalised subsequent expenditure	–	378
Net gain/(loss) from fair value adjustments	(4,878)	–
<b>Closing balance at 30 June</b>	<b>71,291</b>	<b>54,878</b>

### 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.

For the additional disclosures refer to the C2-2 Council as a Lessor and D2-1 Fair Value Measurement

## C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
<b>Software</b>		
<b>Opening values at 1 July</b>		
Gross book value	9,279	7,902
Accumulated amortisation	(3,821)	(2,909)
Software work in progress (WIP) balance	403	1,952
<b>Net book value – opening balance</b>	<b>5,861</b>	<b>6,945</b>
<b>Movements for the year</b>		
Other movements	662	140
Amortisation charges	(930)	(912)
<b>Closing values at 30 June</b>		
Gross book value	9,941	9,279
Accumulated amortisation	(4,751)	(3,821)
Software work in progress (WIP) balance	403	715
<b>Total software – net book value</b>	<b>5,593</b>	<b>6,173</b>
<b>Total intangible assets – net book value</b>	<b>5,593</b>	<b>6,173</b>

### Material accounting policy information

#### IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

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

## C2 Leasing activities

### C2-1 Council as a lessee

Council leases a diverse range of equipment, including IT, Office, and Sports equipment. Information relating to the leases in place and associated balances and transactions is provided below.

#### Office, IT and Sport equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 1 and 5 years with no renewal option and the payments are fixed.

#### (a) Right of use assets

<b>\$ '000</b>	<b><i>Plant &amp; Equipment</i></b>	<b><i>Buildings</i></b>	<b><i>Office, IT and Sport Equipment</i></b>	<b><i>Total</i></b>
<b>2024</b>				
Opening balance at 1 July	–	66	163	229
Additions to right-of-use assets	–	3	158	161
Depreciation charge	–	(23)	(89)	(112)
Other movement	–	–	–	–
<b>Balance at 30 June</b>	<b>–</b>	<b>46</b>	<b>232</b>	<b>278</b>
<b>2023</b>				
Opening balance at 1 July	316	318	202	836
Additions to right-of-use assets	–	88	18	106
Depreciation charge	–	(22)	(57)	(79)
Other movement	(316)	(318)	–	(634)
<b>Balance at 30 June</b>	<b>–</b>	<b>66</b>	<b>163</b>	<b>229</b>

## C2-1 Council as a lessee (continued)

### (b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	116	164	82	159
<b>Total lease liabilities</b>	<b>116</b>	<b>164</b>	<b>82</b>	<b>159</b>

### (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	<i>Total per Statement of Financial Position</i>
<b>2024</b>					
Cash flows	116	164	–	280	280
2023					
Cash flows	82	159	–	241	241

### (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	10	6
Depreciation of right of use assets	112	79
Expenses relating to short-term leases	270	153
Expenses relating to leases of low-value assets	1,219	1,115
	<b>1,611</b>	<b>1,353</b>

### (e) Statement of Cash Flows

Total cash outflow for leases	(120)	(83)
	<b>(120)</b>	<b>(83)</b>

### Material accounting policy information

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

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

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

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

## C2-1 Council as a lessee (continued)

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

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

### Exceptions to lease accounting

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

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; 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 IPP&E (refer note c1-7) in the Statement of Financial Position.

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

\$ '000	2024	2023
<b>(i) Assets held as investment property</b>		
Lease income relating to variable lease payments not dependent on an index or a rate		
Direct operating expenses from property that generated rental income		
Direct operating expenses from property that generated rental income	(988)	(74)
Lease income (excluding variable lease payments not dependent on an index or rate)	5,342	1,380
<b>Total income relating to operating leases for investment property assets</b>	<b>4,354</b>	<b>1,306</b>
<b>(ii) Assets held as property, plant and equipment</b>		
Lease income (excluding variable lease payments not dependent on an index or rate)	3,092	3,462
Leaseback fees - council vehicles	618	587
<b>Total income relating to operating leases for Council assets</b>	<b>3,710</b>	<b>4,049</b>
<b>(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:</b>		
Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:		
< 1 year	1,912	1,147
1–2 years	1,217	730
<b>Total undiscounted lease payments to be received</b>	<b>3,129</b>	<b>1,877</b>

### Material accounting policy information

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

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

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

## C2-2 Council as a lessor (continued)

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

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Prepaid rates	2,306	–	–	–
Goods and services – operating expenditure	5,751	–	7,615	–
Accrued expenses:				
– Borrowings	258	–	272	–
– Salaries and wages	–	–	910	–
– Other expenditure accruals	11,717	–	11,189	–
Security bonds, deposits and retentions	32,887	–	27,901	–
Other	2,789	–	2,107	–
<b>Total payables</b>	<b>55,708</b>	<b>–</b>	<b>49,994</b>	<b>–</b>

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

\$ '000	2023	
	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	28,945	24,536
<b>Total payables</b>	<b>28,945</b>	<b>24,536</b>

#### Material accounting policy information

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

#### Payables

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

### C3-2 Contract Liabilities

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
<b>Grants and contributions received in advance:</b>				
Unexpended capital grants (to construct Council controlled assets) <sup>(i)</sup>	20,079	–	23,399	–
<b>Total grants received in advance</b>	<b>20,079</b>	<b>–</b>	<b>23,399</b>	<b>–</b>
Income in Advance	11,545	–	12,371	778
<b>Total user fees and charges received in advance</b>	<b>11,545</b>	<b>–</b>	<b>12,371</b>	<b>778</b>
<b>Total contract liabilities</b>	<b>31,624</b>	<b>–</b>	<b>35,770</b>	<b>778</b>

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

#### Material accounting policy information

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

## C3-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	2,047	30,740	2,447	32,788
<b>Total borrowings</b>	<b>2,047</b>	<b>30,740</b>	<b>2,447</b>	<b>32,788</b>

(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 D1-1.

### (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	Remeasurement of Lease Liability	Closing balance
Loans – secured	35,235	(2,448)	-	-	-	-	32,787
Lease liability (Note C2-1b)	241	39	-	-	-	-	280
<b>Total liabilities from financing activities</b>	<b>35,476</b>	<b>(2,409)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,067</b>

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Remeasurement of Lease Liability	Closing balance
Loans – secured	37,834	(2,599)	-	-	-	-	35,235
Lease liability (Note C2-1b)	848	(607)	-	-	-	-	241
<b>Total liabilities from financing activities</b>	<b>38,682</b>	<b>(3,206)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,476</b>

### (b) Financing arrangements

\$ '000	2024	2023
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#### Total facilities

Total financing facilities available to Council at the reporting date are:

Bank overdraft facilities <sup>1</sup>	1,000	1,000
Credit cards/purchase cards	274	274
<b>Total financing arrangements</b>	<b>1,274</b>	<b>1,274</b>

#### Drawn facilities

Financing facilities drawn down at the reporting date are:

#### Undrawn facilities

Undrawn financing facilities available to Council at the reporting date are:

– Bank overdraft facilities	1,000	1,000
– Credit cards/purchase cards	274	274
<b>Total undrawn financing arrangements</b>	<b>1,274</b>	<b>1,274</b>

### Additional financing arrangements information

#### Breaches and defaults

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

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

### C3-3 Borrowings (continued)

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#### **Material accounting policy information**

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

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

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

## C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	10,082	–	9,799	–
Sick leave	224	–	213	–
Long service leave	19,815	2,885	18,959	1,355
Other leave	538	–	537	–
Employee Leave Entitlements on-costs	2,960	232	2,383	88
<b>Total employee benefit provisions</b>	<b>33,619</b>	<b>3,117</b>	<b>31,891</b>	<b>1,443</b>

### 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	22,071	22,530
	<b>22,071</b>	<b>22,530</b>

### Material accounting policy information

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

### Short-term obligations

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

### Other long-term employee benefit obligations

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

### On-costs

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

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

## D Risks and accounting uncertainties

### D1-1 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.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

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.

<b>\$ '000</b>	<b>Carrying value 2024</b>	<b>Carrying value 2023</b>	<b>Fair value 2024</b>	<b>Fair value 2023</b>
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	27,510	75,413	27,510	75,413
Receivables	48,043	43,197	45,798	43,199
Investments				
– Debt securities at amortised cost	228,000	221,000	228,000	221,000
<b>Fair value through profit and loss</b>				
Investments				
– Held for trading	4,328	4,006	4,328	3,921
<b>Total financial assets</b>	<b>307,881</b>	<b>343,616</b>	<b>305,636</b>	<b>343,533</b>
<b>Financial liabilities</b>				
Payables	55,708	49,994	55,708	49,994
Loans/advances	32,787	35,235	32,787	35,235
<b>Total financial liabilities</b>	<b>88,495</b>	<b>85,229</b>	<b>88,495</b>	<b>85,229</b>

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 held-to-maturity investments – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) 'at fair value through profit and loss' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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.

## D1-1 Risks relating to financial instruments held (continued)

- 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.

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

### (a) Market risk – interest rate and price risk

\$ '000	2024	2023
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.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	127	1,276
Impact of a 10% movement in price of investments		
– Equity / Income Statement	7,565	5,867

### (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.

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

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

Council makes suitable provision for expected credit loss 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 secure a charge over the land relating to the debts – 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 the payment of debt.

\$ '000	<i>Not yet overdue</i>	<i>overdue rates and annual charges</i>		<i>Total</i>
		<i>&lt; 5 years</i>	<i>≥ 5 years</i>	
<b>2024</b>				
Gross carrying amount	–	12,634	–	12,634
2023				
Gross carrying amount	–	12,204	2,047	14,251

## D1-1 Risks relating to financial instruments held (continued)

### 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	<i>Not yet overdue</i>	<i>Overdue debts</i>				<i>Total</i>
		<i>0 - 30 days</i>	<i>31 - 60 days</i>	<i>61 - 90 days</i>	<i>&gt; 91 days</i>	
<b>2024</b>						
Gross carrying amount	11,712	10,392	608	7,600	6,545	36,857
Expected loss rate (%)	0.00%	5.28%	0.49%	0.50%	8.27%	3.07%
ECL provision	–	549	3	38	541	1,131
<b>2023</b>						
Gross carrying amount	8,899	13,185	835	850	8,969	32,738
Expected loss rate (%)	0.00%	7.10%	0.84%	3.18%	27.60%	10.52%
ECL provision	–	936	7	27	2,475	3,445

## D1-1 Risks relating to financial instruments held (continued)

### (c) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	<i>Weighted average interest rate</i>	<i>Subject to no maturity</i>	<i>payable in:</i>			<i>Total cash outflows</i>	<i>Actual carrying values</i>
			<i>≤ 1 Year</i>	<i>1 - 5 Years</i>	<i>&gt; 5 Years</i>		
<b>2024</b>							
Payables	0.00%	32,887	–	–	–	32,887	55,708
Borrowings	2.38%	–	2,047	9,504	21,236	32,787	32,787
<b>Total financial liabilities</b>		<b>32,887</b>	<b>2,047</b>	<b>9,504</b>	<b>21,236</b>	<b>65,674</b>	<b>88,495</b>
<b>2023</b>							
Payables	0.00%	27,901	–	–	–	27,901	49,994
Borrowings	2.44%	–	2,447	7,623	25,165	35,235	35,235
<b>Total financial liabilities</b>		<b>27,901</b>	<b>2,447</b>	<b>7,623</b>	<b>25,165</b>	<b>63,136</b>	<b>85,229</b>

## D2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investments
- 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).

D2-1 Fair value measurement (continued)

\$ '000	Notes	Fair value measurement hierarchy							
		Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023 <i>Restated</i>		2024
<b>Recurring fair value measurements</b>									
<b>Financial assets</b>									
Financial investments	C1-2								
At fair value through profit or loss		-	-	1,128	1,022	3,200	2,984	4,328	4,006
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>1,128</b>	<b>1,022</b>	<b>3,200</b>	<b>2,984</b>	<b>4,328</b>	<b>4,006</b>
<b>Investment property</b>									
Investment Property	C1-7	-	-	71,291	-	-	54,666	71,291	54,666
<b>Infrastructure, property, plant and equipment</b>									
Crown Land	C1-6	-	-	-	-	138,851	132,487	138,851	132,487
Operational land		-	-	499,186	499,186	-	-	499,186	499,186
Community land		-	-	-	-	204,159	225,840	204,159	225,840
Land improvements – non-depreciable		-	-	-	-	559	4,286	559	4,286
Land improvements – depreciable		-	-	-	-	143,018	91,274	143,018	91,274
Car parks – non-depreciable		-	-	-	-	18,320	17,714	18,320	17,714
Car parks – depreciable		-	-	-	-	12,420	11,053	12,420	11,053
Buildings		-	-	-	-	332,282	310,711	332,282	310,711
Buildings and Aquatic Centres surrounding assets		-	-	-	-	12,543	12,168	12,543	12,168
Aquatic Centres		-	-	-	-	96,557	91,575	96,557	91,575
Roads		-	-	-	-	247,847	233,641	247,847	233,641
Bridges		-	-	-	-	22,158	16,562	22,158	16,562
Footpaths		-	-	-	-	168,905	156,730	168,905	156,730
Kerb and Gutter		-	-	-	-	141,007	132,268	141,007	132,268
Other road assets		-	-	-	-	39,107	24,886	39,107	24,886
Bulk earthworks (non-depreciable)		-	-	-	-	561,300	561,300	561,300	561,300
Sea walls		-	-	-	-	47,773	25,813	47,773	25,813
Wharves		-	-	-	-	9,686	8,611	9,686	8,611
Stormwater drainage		-	-	-	-	124,915	122,379	124,915	122,379
<b>Total infrastructure, property, plant and equipment</b>		<b>-</b>	<b>-</b>	<b>499,186</b>	<b>499,186</b>	<b>2,321,407</b>	<b>2,179,298</b>	<b>2,820,593</b>	<b>2,678,484</b>

## D2-1 Fair value measurement (continued)

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### Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (i.e. 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 acquired a commercial office building in January 2023 and another one in July 2023.

The January 2023 acquisition has been revalued as at 30 June 2024 by an Independent Valuer. The basis of the valuation is Market Value prepared in accordance with both AASB 13 (Fair Value) and AASB 140 (Investment Property) through comparison with sales and rental evidence.

Independent valuation advice was obtained prior to July 2023 acquisition which determined the purchase price. Due to the acquisition being in the same financial year and the absence of significant changes in the leasing and sales prices of comparable properties it is considered the value of the property remains unchanged as at 30 June 2024.

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### Infrastructure, property, plant and equipment (IPPE)

#### Buildings, Aquatic Centres and surrounding assets

As of March 31, 2023, Knowledge Asset Management Pty Ltd conducted a valuation of the Buildings assets, including Aquatic Centres and surrounding assets owned by the council.

The valuation process involved a physical inspection and measurement of the assets. This approach aimed to maximize the use of observable inputs, which are readily available and can be directly observed in the market, while minimising the use of unobservable inputs.

Based on the nature of the valuation inputs used, the assets were classified as having been valued using Level 3 valuation inputs. Level 3 inputs typically involve significant unobservable inputs, requiring judgment and estimation to determine the fair value.

It is mentioned that there have been no changes to the valuation process during the reporting period, indicating consistency in the approach and methodology employed for valuing the council's buildings

Based on the Fair Value assessment conducted by Insight Valuations, the council has carried out an indexation valuation for the Buildings, Aquatic Centres and surrounding assets as at 30 June 2024.

#### Community & Crown Land

Valuation of all Council's Community Land and Council managed land were based on the land values provided by the Valuer-General as at 1 July 2023. As these rates were not considered to be observable market evidence they have been classified as Level 3.

#### Operational Land

The valuation of Council's operational land was undertaken as at 31 March 2023 by Knowledge Asset Management Pty Ltd.

Operational has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to

- The land's description and/or dimensions;
- Planning and other constraints on development; and
- The potential for alternative use.

There has been no change to the valuation process during the reporting period.

#### Transport Assets

Council undertook the valuation of the transport assets (roads, footpaths, kerbs and gutters and other road assets) as at 30 June 2022. The valuation was conducted by the Infrastructure Management Group Pty Ltd.

## D2-1 Fair value measurement (continued)

All infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and considering a range of factors.

While the unit rates are based on quantitative dimensional units such as square meters or lineal meters and can be supported from market evidence (level 2) other inputs (such as estimates of useful lives, remaining life profiles and asset conditions) required extensive professional judgment which impacts significantly on the final determination of the assets fair value.

Based on the Fair Value assessment conducted by Insight Valuations, the council has carried out an indexation valuation for the Roads, Footpath, Kerb & Gutter, Car Parks, Traffic Devices, and Other Road Assets asset classes as of 30 June 2024. This adjustment aims to align the asset costs with the changes in construction costs. All assets valued at fair value are being used for their highest and best use.

### Stormwater Drainage

Council has conducted a comprehensive revaluation of stormwater drainage assets as of 30 June 2024, utilising Level 3 valuation inputs through a cost approach. The condition assessment was carried out internally, while the financial valuation was conducted by external consultants, Knowledge Asset Management Pty Ltd.

### Parks, Seawalls, Wharves

Council has conducted a comprehensive revaluation of Parks, Seawalls and Wharves assets as of 30 June 2024, utilising Level 3 valuation inputs through a cost approach. The condition assessment was carried out by external consultant Knowledge Asset Management Pty Ltd, financial valuation was conducted by external consultant insight.

There has been no change to the valuation process during the reporting period.

### Fair value measurements using significant unobservable inputs (level 3)

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

\$ '000	Level 2 Operational land		Level 3 Remaining assets		Total	
	2024	2023	2024	2023 Restated	2024	2023 Restated
<b>Opening balance</b>	<b>499,186</b>	394,950	<b>2,193,226</b>	1,962,375	<b>2,692,412</b>	2,357,325
<b>Total gains or losses for the period</b>						
Recognised in other comprehensive income – revaluation surplus	–	105,172	<b>116,614</b>	223,654	<b>116,614</b>	328,826
<b>Other movements</b>						
Transfers from/(to) another asset class	–	(936)	–	434	–	(502)
Purchases (GBV)	–	–	<b>74,135</b>	46,808	<b>74,135</b>	46,808
Disposals (WDV)	–	–	<b>(8,747)</b>	(7,681)	<b>(8,747)</b>	(7,681)
Depreciation and impairment	–	–	<b>(34,807)</b>	(32,364)	<b>(34,807)</b>	(32,364)
<b>Closing balance</b>	<b>499,186</b>	499,186	<b>2,340,421</b>	2,193,226	<b>2,839,607</b>	2,692,412

### Highest and best use

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

## D3-1 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 standard employer contributions and additional lump sum contributions to the fund.

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

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

\* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year 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 of \$20.0 million per annum for 1 January 2022 to 30 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 the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

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

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

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

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

The amount of employer contributions to the defined benefit section of the Scheme and recognised as an expense for the year ending 30 June 2024 was \$523,541.

Council's expected contribution to the plan for the next annual reporting period is \$541,217.76.

## D3-1 Contingencies (continued)

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

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

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

The 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

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 the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review 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. The contingent liability is not quantifiable.

### (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. The contingent liability is not quantifiable.

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

### (iv) Other guarantees

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

## 2. Other liabilities

### (i) Third party claims

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

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

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

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

## D3-1 Contingencies (continued)

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

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

### **ASSETS NOT RECOGNISED**

#### **(i) Land under roads**

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/2008.

## E People and relationships

### E1 Related party disclosures

#### E1-1 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.

- Mayor (1)
- Councillors (14)
- General Manager (1)
- Directors (4)

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

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Compensation:</b>		
Short-term benefits	2,103	1,992
Post-employment benefits	197	154
Termination benefits	–	362
<b>Total</b>	<b>2,300</b>	<b>2,508</b>

#### E1-2 Councillor and Mayoral fees and associated expenses

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Councillor expenses – mayoral fee (incl deputy mayor)	111	101
Councillors' fees	501	508
Other Councillors' expenses (including Mayor)	17	19
<b>Total</b>	<b>629</b>	<b>628</b>

## E2 Other relationships

### E2-1 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		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	276	303
<b>Remuneration for audit and other assurance services</b>	<b>276</b>	<b>303</b>
<b>Total Auditor-General remuneration</b>	<b>276</b>	<b>303</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Internal Audit Services	446	252
<b>Remuneration for audit and other assurance services</b>	<b>446</b>	<b>252</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>446</b>	<b>252</b>
<b>Total audit fees</b>	<b>722</b>	<b>555</b>

## F Other matters

### F1-1 Statement of Cash Flows information

#### (a) Reconciliation of Operating Result

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>12,342</b>	22,537
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	35,848	33,356
(Gain) / loss on disposal of assets	6,146	4,860
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(385)	(100)
– Investment property	4,878	–
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(2,502)	(5,101)
Increase / (decrease) in provision for impairment of receivables	(2,344)	305
(Increase) / decrease of inventories	10	(18)
(Increase) / decrease of other current assets	44	(315)
(Increase) / decrease of contract asset	–	219
Increase / (decrease) in payables	(1,864)	(3,374)
Increase / (decrease) in accrued interest payable	(14)	(15)
Increase / (decrease) in other accrued expenses payable	(382)	4,938
Increase / (decrease) in other liabilities	7,974	4,317
Increase / (decrease) in contract liabilities	(4,924)	5,567
Increase / (decrease) in employee benefit provision	3,402	1,191
<b>Net cash flows from operating activities</b>	<b>58,229</b>	<b>68,367</b>

#### (b) Non-cash investing and financing activities

Other Contributions	–	–
<b>Total non-cash investing and financing activities</b>	<b>–</b>	<b>–</b>

## F2-1 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:		
<b>Property, plant and equipment</b>		
Buildings	958	1,247
Plant and equipment	4,722	3,737
Infrastructure	45,611	52,199
ICT	349	83
Parks	13,015	2,965
Other	522	–
<b>Total commitments</b>	<b>65,177</b>	<b>60,231</b>

## F3-1 Events occurring after the reporting date

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

## F4 Changes from prior year statements

### F4-1 Correction of errors

Council performed a revaluation of some of its infrastructure assets in the financial year 2022/23. As at 30 June 2023 Council's Statement of Financial Position included \$3 million in work-in-progress related to Aquatic Centres that were carried at cost. The incorrect inclusion of the \$3 million WIP balance within revalued assets, while also being carried as WIP at cost, led to an overstatement of the IPPE and assets revaluation reserve. Council has restated the IPPE and revaluation reserve balances by \$3 million at the end of the year 2022/23 in the Statement of Financial Position.

In addition, the 2022/23 gain on revaluation of infrastructure, property, plant and equipment within the Statement of Comprehensive Income was restated to \$329 million from \$332 million.

During the current financial year a major asset condition survey was carried out in various asset classes in accordance with statutory requirements and Council's Asset Audit and Revaluation Schedule document. As a result of this survey the following assets were not found to be in Council's current asset register. These errors have been adjusted against the accumulated surplus to correct the error.

The balances are presented as of 30 June 2024:

Bridges \$6,685,000  
Wharves \$4,304,000

The errors identified above have been corrected by restating the balances at the beginning of the earliest period (1 July 2022) and taking the adjustments through to accumulated surplus at that date. Comparatives have been changed to reflect the correction of errors. The impact on each line item is shown in the tables below.

## F4-1 Correction of errors (continued)

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

## Statement of Financial Position

<i>\$ '000</i>	<i>Original Balance 1 July, 2022</i>	<i>Impact Increase/ (decrease)</i>	<i>Restated Balance 1 July, 2022</i>
Infrastructure, property, plant and equipment	2,421,272	11,357	2,432,629
<b>Total non-current assets</b>	<b>2,553,510</b>	<b>11,357</b>	<b>2,564,867</b>
<b>Total assets</b>	<b>2,824,952</b>	<b>11,357</b>	<b>2,836,309</b>
<b>Net assets</b>	<b>2,679,018</b>	<b>11,357</b>	<b>2,690,375</b>
Accumulated Surplus	2,382,614	11,357	2,393,971
Revaluation Reserve	296,404	–	296,404
<b>Total equity</b>	<b>2,679,018</b>	<b>11,357</b>	<b>2,690,375</b>

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

## Statement of Financial Position

<i>\$ '000</i>	<i>Original Balance 30 June, 2023</i>	<i>Impact Increase/ (decrease)</i>	<i>Restated Balance 30 June, 2023</i>
Infrastructure, property, plant and equipment	2,780,684	8,142	2,788,826
<b>Total non-current assets</b>	<b>2,962,470</b>	<b>8,142</b>	<b>2,970,612</b>
<b>Total assets</b>	<b>3,188,949</b>	<b>8,142</b>	<b>3,197,091</b>
<b>Net assets</b>	<b>3,033,597</b>	<b>8,142</b>	<b>3,041,739</b>
Accumulated Surplus	2,405,335	11,173	2,416,508
Revaluation reserve	628,262	(3,031)	625,231
<b>Total equity</b>	<b>3,033,597</b>	<b>8,142</b>	<b>3,041,739</b>

## Income Statement

<i>\$ '000</i>	<i>Original Balance 30 June, 2023</i>	<i>Impact Increase/ (decrease)</i>	<i>Restated Balance 30 June, 2023</i>
Depreciation, amortisation and impairment of non-financial assets	33,172	184	33,356
<b>Total expenses from continuing operations</b>	<b>275,521</b>	<b>184</b>	<b>275,705</b>
<b>Net operating result for the year</b>	<b>22,721</b>	<b>(184)</b>	<b>22,537</b>

## Statement of Comprehensive Income

<i>\$ '000</i>	<i>Original Balance 30 June, 2023</i>	<i>Impact Increase/ (decrease)</i>	<i>Restated Balance 30 June, 2023</i>
<b>Net operating result for the year</b>	<b>22,721</b>	<b>(184)</b>	<b>22,537</b>

## F4-1 Correction of errors (continued)

<b>\$ '000</b>	<b>Original Balance 30 June, 2023</b>	<b>Impact Increase/ (decrease)</b>	<b>Restated Balance 30 June, 2023</b>
Gain (loss) on revaluation of infrastructure, property, plant and equipment	331,858	(3,031)	328,827
<b>Other comprehensive income</b>	<b>331,858</b>	<b>(3,031)</b>	<b>328,827</b>
<b>Total comprehensive income for the year</b>	<b>354,579</b>	<b>(3,215)</b>	<b>351,364</b>

## F5 Statement of developer contributions as at 30 June 2024

### F5-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Drainage	1	135	–	–	2	–	–	138	–
Roads	923	69	–	–	33	–	–	1,025	–
Traffic facilities	1,981	121	–	–	70	(96)	–	2,076	–
Parking	93	37	–	–	4	–	–	134	–
Open space	26,475	10,059	–	–	1,027	(6,521)	–	31,040	–
Community facilities	4,830	1,073	–	–	170	(1,995)	–	4,078	–
Open space and recreation	4,278	619	–	–	147	(2,026)	–	3,018	–
Community services and facilities	1,424	99	–	–	48	–	–	1,571	–
Transport and access	4,622	380	–	–	155	(401)	–	4,756	–
Administration	(161)	177	–	–	7	(190)	–	(167)	–
Plan preparation	654	94	–	–	25	(613)	–	160	–
Levy	445	1,423	–	–	64	–	–	1,932	–
<b>S7.11 contributions – under a plan</b>	<b>45,565</b>	<b>14,286</b>	<b>–</b>	<b>–</b>	<b>1,752</b>	<b>(11,842)</b>	<b>–</b>	<b>49,761</b>	<b>–</b>
<b>S7.12 levies – under a plan</b>	<b>8,216</b>	<b>1,282</b>	<b>–</b>	<b>–</b>	<b>264</b>	<b>(656)</b>	<b>–</b>	<b>9,106</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>53,781</b>	<b>15,568</b>	<b>–</b>	<b>–</b>	<b>2,016</b>	<b>(12,498)</b>	<b>–</b>	<b>58,867</b>	<b>–</b>
S7.4 planning agreements	10,105	3,638	–	–	320	(275)	–	13,788	–
<b>Total contributions</b>	<b>63,886</b>	<b>19,206</b>	<b>–</b>	<b>–</b>	<b>2,336</b>	<b>(12,773)</b>	<b>–</b>	<b>72,655</b>	<b>–</b>

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.

## F5-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
<b>CONTRIBUTION PLAN NUMBER 1 - Open Space and Recreation (former Leichhardt)</b>										
Effective 18 January 2005	4,278	619	-	-	147	(2,026)	-	3,018	-	
<b>Total</b>	<b>4,278</b>	<b>619</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>(2,026)</b>	<b>-</b>	<b>3,018</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 2 - Community Services and Facilities (former Leichhardt)</b>										
Effective 23 August 2005	1,424	99	-	-	48	-	-	1,571	-	
<b>Total</b>	<b>1,424</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>1,571</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 3 - Transport and Access (former Leichhardt)</b>										
Effective 3 November 1999	4,616	9	-	-	150	(401)	-	4,374	-	
<b>Total</b>	<b>4,616</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>(401)</b>	<b>-</b>	<b>4,374</b>	<b>-</b>	
<b>2004 S94 Developer Contributions Plan (former Marrickville)</b>										
Roads	159	-	-	-	5	-	-	164	-	
Open space	871	-	-	-	28	-	-	899	-	
<b>Total</b>	<b>1,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>1,063</b>	<b>-</b>	
<b>2014 S94 Developer Contributions Plan (former Marrickville)</b>										
Traffic facilities	1,007	11	-	-	33	(96)	-	955	-	
Open space	16,636	7,320	-	-	561	(3,501)	-	21,016	-	
Community facilities	3,214	772	-	-	106	(1,995)	-	2,097	-	
Administration	(165)	150	-	-	5	-	-	(10)	-	
<b>Total</b>	<b>20,692</b>	<b>8,253</b>	<b>-</b>	<b>-</b>	<b>705</b>	<b>(5,592)</b>	<b>-</b>	<b>24,058</b>	<b>-</b>	
<b>S94 CONTRIBUTION PLAN (former Ashfield)</b>										
Roads	764	69	-	-	28	-	-	861	-	
Traffic facilities	974	110	-	-	37	-	-	1,121	-	
Parking	93	37	-	-	4	-	-	134	-	
Open space	8,756	1,503	-	-	366	(2,846)	-	7,779	-	
Community facilities	1,588	88	-	-	55	-	-	1,731	-	
Plan preparation	654	94	-	-	25	(613)	-	160	-	
<b>Total</b>	<b>12,829</b>	<b>1,901</b>	<b>-</b>	<b>-</b>	<b>515</b>	<b>(3,459)</b>	<b>-</b>	<b>11,786</b>	<b>-</b>	
<b>Contribution Plan Inner West Council</b>										
IWC Drainage	1	135	-	-	2	-	-	138	-	
IWC Open space	212	1,236	-	-	72	(174)	-	1,346	-	
IWC Community facilities	28	213	-	-	9	-	-	250	-	
IWC Plan administration	4	27	-	-	2	(190)	-	(157)	-	
IWC Transport	6	371	-	-	5	-	-	382	-	
Levy	445	1,423	-	-	64	-	-	1,932	-	
<b>Total</b>	<b>696</b>	<b>3,405</b>	<b>-</b>	<b>-</b>	<b>154</b>	<b>(364)</b>	<b>-</b>	<b>3,891</b>	<b>-</b>	

continued on next page ...

## F5-2 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 borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
<b>S7.12 Levies – under a plan</b>										
<b>CONTRIBUTION PLAN (former Marrickville)</b>										
s94A Levies	3,718	467	–	–	119	(656)	–	3,648	–	
<b>Total</b>	<b>3,718</b>	<b>467</b>	<b>–</b>	<b>–</b>	<b>119</b>	<b>(656)</b>	<b>–</b>	<b>3,648</b>	<b>–</b>	
<b>CONTRIBUTION PLAN (former Ashfield)</b>										
S94A	2,644	399	–	–	86	–	–	3,129	–	
<b>Total</b>	<b>2,644</b>	<b>399</b>	<b>–</b>	<b>–</b>	<b>86</b>	<b>–</b>	<b>–</b>	<b>3,129</b>	<b>–</b>	
<b>CONTRIBUTIONS PLAN (former Leichhardt)</b>										
S7.12	1,854	416	–	–	59	–	–	2,329	–	
<b>Total</b>	<b>1,854</b>	<b>416</b>	<b>–</b>	<b>–</b>	<b>59</b>	<b>–</b>	<b>–</b>	<b>2,329</b>	<b>–</b>	

## F6 Statement of performance measures

### F6-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023	Indicators 2022	Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(1,941)</b>	<b>(0.65)%</b>	(0.59)%	(3.25)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>297,452</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>286,788</b>	<b>88.92%</b>	85.56%	82.81%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>322,527</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>171,618</b>	<b>2.38x</b>	3.10x	3.85x	> 1.50x
Current liabilities less specific purpose liabilities	<b>72,098</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>34,690</b>	<b>10.35x</b>	9.22x	6.47x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>3,353</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>14,260</b>	<b>7.50%</b>	8.57%	7.91%	< 5.00%
Rates and annual charges collectable	<b>190,233</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>137,260</b>	<b>5.82</b>	8.72	12.13	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>23,604</b>	<b>months</b>	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

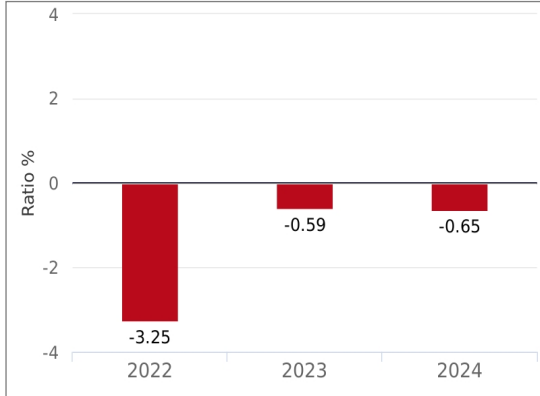
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

**End of the audited financial statements**

## G Additional Council disclosures (unaudited)

### G1-1 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 (0.65)%

The ratio is on par with the last financial year and close to the OLG benchmark, slightly off due to additional maintenance costs associated with Aquatic Facilities to ensure they are maintained at a high level.

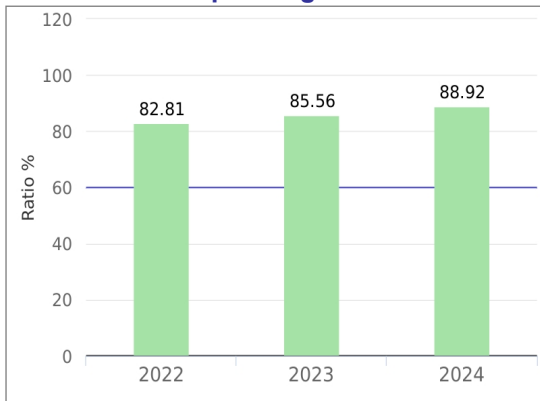
Benchmark: — > 0.00%

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 88.92%

The ratio has improved compared to previous year and continues to maintain a stable position above the OLG benchmark.

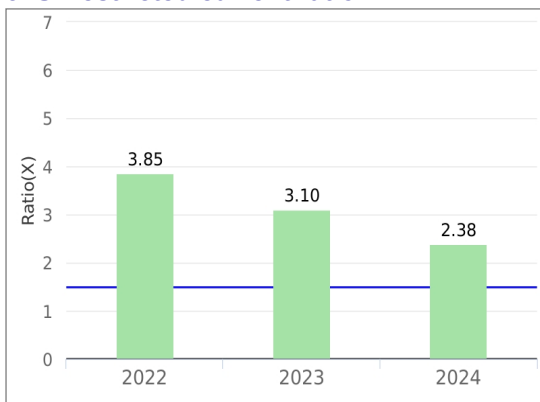
Benchmark: — > 60.00%

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 2.38x

After considering both internal and external restrictions, Council still has the capacity to fulfil its obligations. The unrestricted current ratio consistently remains higher than the benchmark.

Benchmark: — > 1.50x

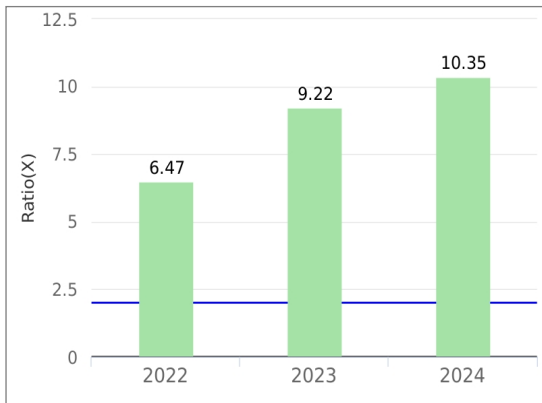
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## G1-1 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 10.35x

The ratio remains significantly above the benchmark and demonstrates Council's ability to service its debts.

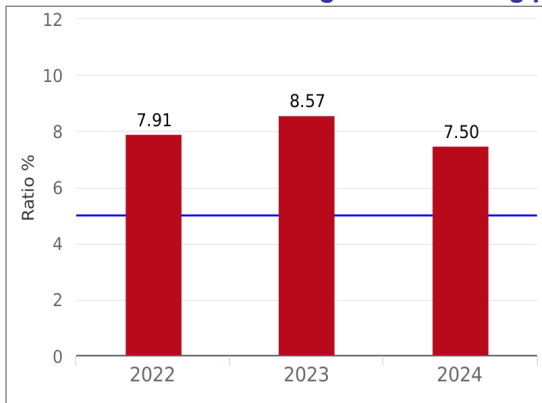
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 5. Rates and annual charges outstanding percentage



**Purpose of rates and annual charges outstanding percentage**

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

**Commentary on 2023/24 result**

2023/24 ratio 7.50%

The ratio improved from the prior year but is above the OLG benchmark. This will progressively improve as Council continues debt recovery.

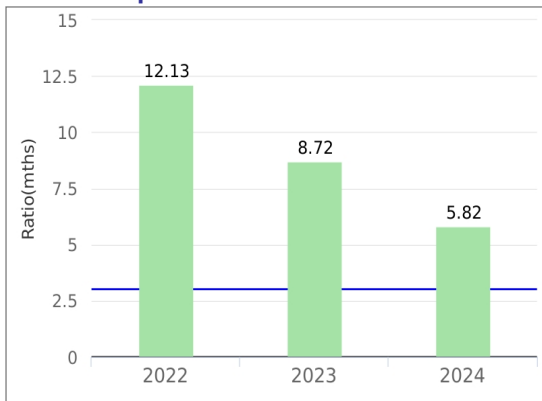
Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 6. Cash expense cover ratio



**Purpose of cash expense cover ratio**

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

**Commentary on 2023/24 result**

2023/24 ratio 5.82 months

The ratio remains comfortably higher than the OLG benchmark. The decrease is due to using the cash to purchase an investment property in the financial year 2023/24.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Inner West Council

To the Councillors of Inner West Council

### Opinion

I have audited the accompanying financial statements of Inner West 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 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 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](http://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.



Manuel Moncada

Director, Financial Audit  
Delegate of the Auditor-General for New South Wales

25 October 2024  
SYDNEY



Mr Darcy Byrne  
Mayor  
Inner West Council  
2-14 Fisher Street  
PETERSHAM NSW 2049

Contact: Manuel Moncada  
Phone no: 02 9275 7333  
Our ref: [R008-2124742775-7668](#)

25 October 2024

Dear Mayor

## Report on the Conduct of the Audit for the year ended 30 June 2024 Inner West Council

I have audited the general purpose financial statements (GPFS) of the Inner West 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	173.5	166.3	4.3
Grants and contributions revenue	35.7	43.0	17.0
Operating result from continuing operations	12.3	22.5	45.2
Net operating result before capital grants and contributions	(12.7)	(6.7)	90.8

\* The 2023 comparatives have been restated to correct a prior period error. Note F4-1 of the financial statements provides details of the prior period error.

Council's operating result from continuing operations of \$12.3 million including depreciation, amortisation and impairment expense of \$35.8 million was \$10.2 million lower than the 2022–23 result.

The net operating result before capital grants and contributions (-\$12.7 million) was \$6.1 million lower than the 2022–23 result.

Rates and annual charges revenue (\$173.5 million) increased by \$7.2 million (4.3 per cent) in 2023–24 largely due to rate peg increase of 3.7 per cent.

Grants and contributions revenue (\$35.7 million) decreased by \$7.3 million (-17.0 per cent) in 2023–24 due to nil revenue recognised for works on Local Roads and Community Infrastructure Program projects compared to \$5.9 million in the prior year.

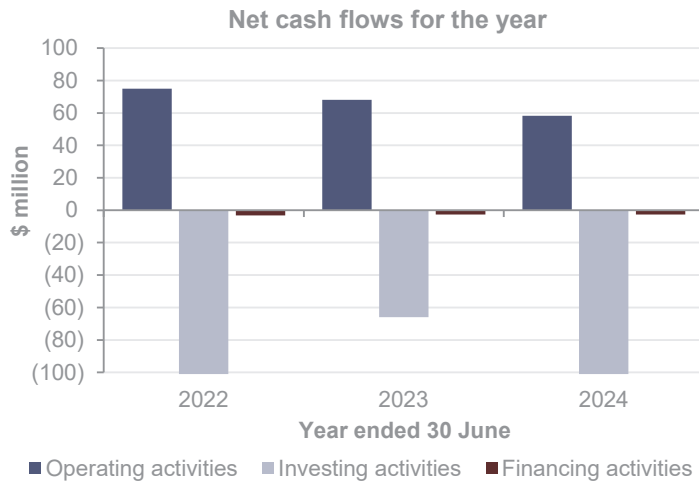
Compared to 2022-23, expenditure in the current year increased by \$34.9 million to \$310.6 million, primarily due to a \$13.7 million increase in employee benefits and on-costs, and a \$12.6 million increase in materials and services.

## STATEMENT OF CASH FLOWS

Cash flows from operating activities decreased by \$10.1 million compared to 2022–23, primarily due to higher payments to employees, and for materials and services. This was partially offset by increased rates and annual charges and interest received.

Cash outflows from investing activities increased primarily due to reduced sale of investments during the year.

Cash flows from financing activities did not change significantly compared to 2022–23.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>259.8</b>	<b>300.4</b>	External restrictions include developer contributions, unspent specific purpose grants, stormwater management charges and unspent levies.
Restricted and allocated cash, cash equivalents and investments:			Balances are internally allocated due to Council policy or decisions for forward plans including the works program.
• External restrictions	110.0	115.0	
• Internal allocations	142.4	163.1	

### Debt

At 30 June 2024, Council had \$32.8 million in secured loans (\$35.2 million in 2022-23).

# PERFORMANCE

## Performance measures

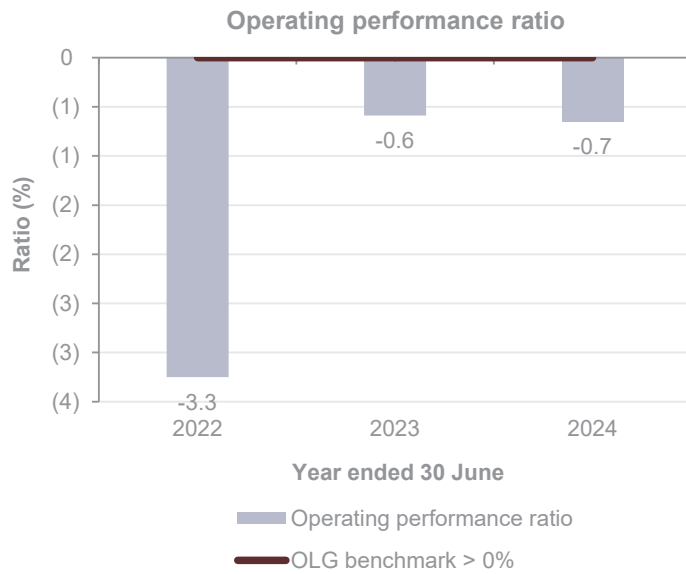
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

### Operating performance ratio

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

The 2023 ratio was restated to correct a prior period error.

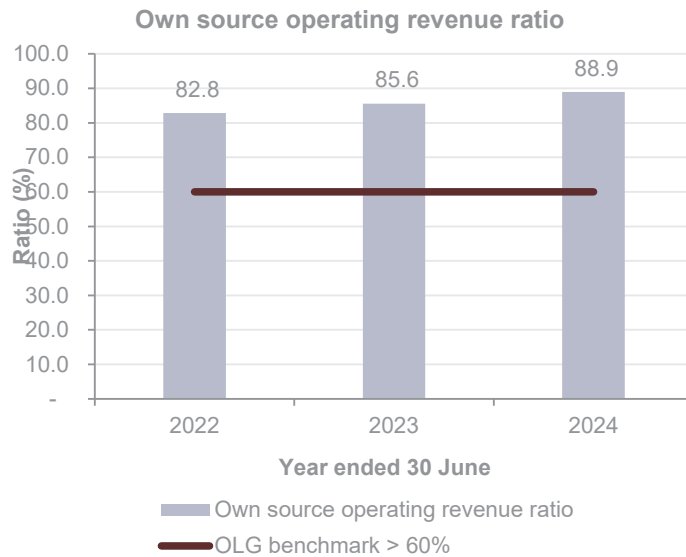
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



### Own source operating revenue ratio

Council continues to exceed the benchmark for the current reporting period.

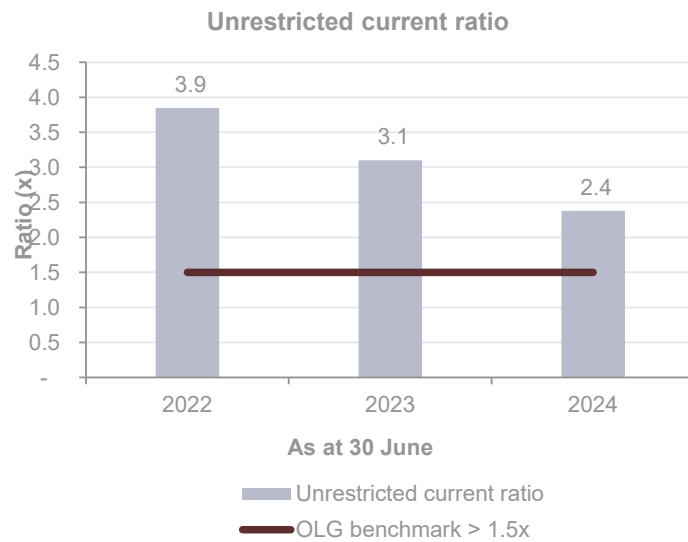
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



### Unrestricted current ratio

Council met the benchmark for the current reporting period.

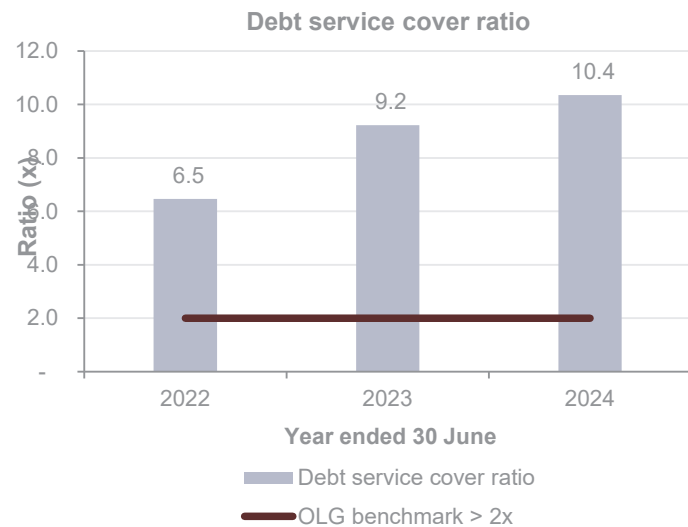
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Debt service cover ratio

Council met the benchmark for the current reporting period.

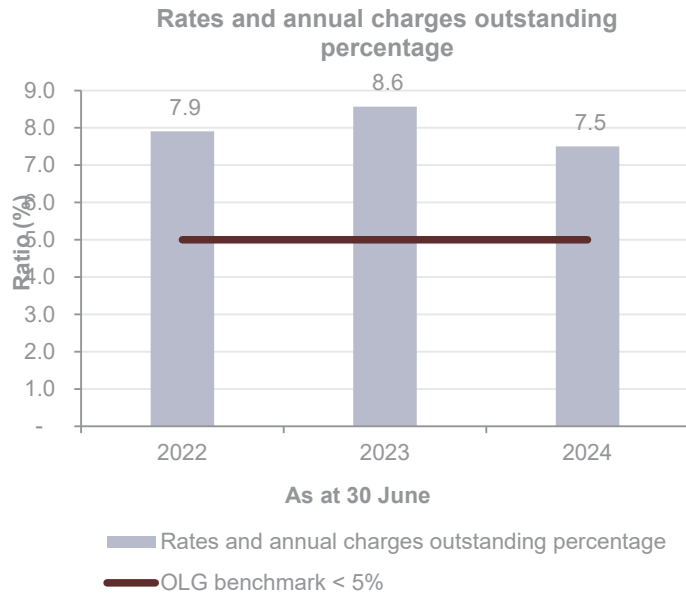
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



### Rates and annual charges outstanding percentage

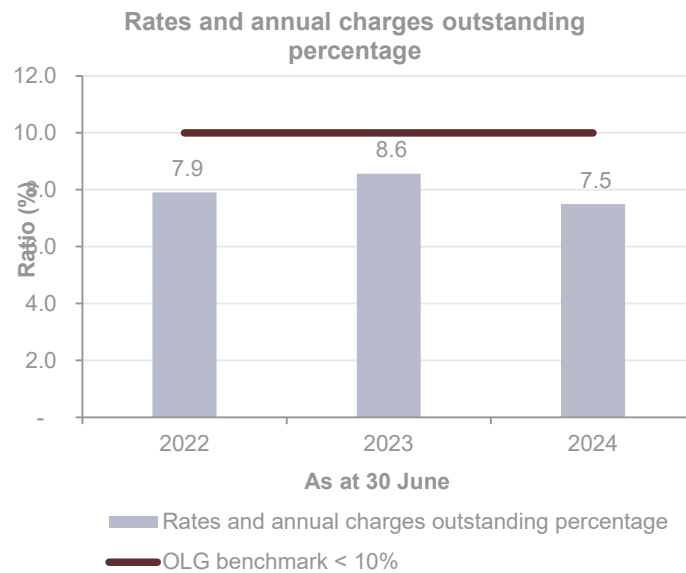
Council did not meet the benchmark for the current reporting period.

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 5 per cent for metropolitan councils.



Council met the benchmark for the current reporting period.

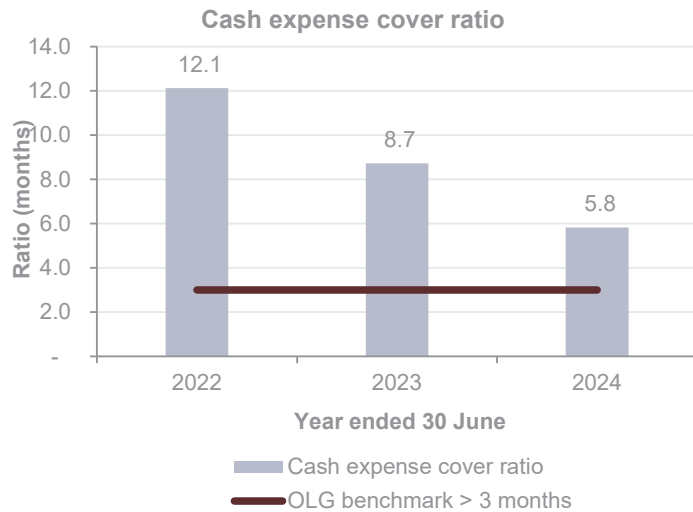
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



## Cash expense cover ratio

Council met the benchmark for the current reporting period.

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



## Infrastructure, property, plant and equipment renewals

Council renewed \$23.8 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on buildings, roads, footpaths and kerb and gutter assets. A further \$50.4 million was spent on new assets.

## OTHER MATTERS

### Legislative compliance

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

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

Manuel Moncada  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Peter Gainsford, General Manager  
Ilona Meyer, Chair of Audit, Risk and Improvement Committee  
Michael Cassel, Secretary of the Department of Planning and Environment

# Inner West Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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Inner West Council

Special Schedules

for the year ended 30 June 2024

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**Special Schedules:**

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## Inner West Council

### Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	128,943	134,176
Plus or minus adjustments <sup>2</sup>	b	332	(62)
<b>Notional general income</b>	c = a + b	<b>129,275</b>	<b>134,114</b>
<b>Permissible income calculation</b>			
Percentage increase	d	3.70%	4.90%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	4,783	6,572
<b>Sub-total</b>	g = (c + e + f)	<b>134,058</b>	<b>140,686</b>
Plus (or minus) last year's carry forward total	h	112	(3)
Less valuation objections claimed in the previous year	i	-	(6)
<b>Sub-total</b>	j = (h + i)	<b>112</b>	<b>(9)</b>
<b>Total permissible income</b>	k = g + j	<b>134,170</b>	<b>140,677</b>
Less notional general income yield	l	134,176	140,730
<b>Catch-up or (excess) result</b>	m = k - l	<b>(6)</b>	<b>(53)</b>
Plus income lost due to valuation objections claimed <sup>4</sup>	n	6	53
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>-</b>	<b>-</b>

#### Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Inner West Council

To the Councillors of Inner West Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Inner West Council (the Council) for the year ending 30 June 2025.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (LG Code) and is in accordance with the books and records of the Council.

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

### Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

## Other Information

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

My opinion on the Schedule 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 general purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule 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 Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, 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 Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is 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 Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.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
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Manuel Moncada

Director, Financial Audit  
Delegate of the Auditor-General for New South Wales

25 October 2024  
SYDNEY

# Inner West Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost				Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard <sup>1</sup>	to bring assets agreed level of service set by Council <sup>2</sup>	2023/24 Required maintenance <sup>3</sup>	2023/24 Actual maintenance <sup>4</sup>			1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000							
<b>Buildings</b>	Buildings	9,555	9,555	9,596	10,486	332,285	459,739	34.1%	27.4%	29.2%	8.2%	1.1%
	<b>Sub-total</b>	<b>9,555</b>	<b>9,555</b>	<b>9,596</b>	<b>10,486</b>	<b>332,282</b>	<b>459,739</b>	<b>34.1%</b>	<b>27.4%</b>	<b>29.2%</b>	<b>8.2%</b>	<b>1.1%</b>
<b>Roads</b>	Traffic Devices	108	108	–	–	38,066	48,954	28.1%	57.4%	13.4%	0.9%	0.2%
	Roads	7,673	7,673	17,294	18,764	209,781	335,446	15.4%	42.4%	31.0%	10.4%	0.8%
	Bridges	243	243	–	–	22,158	33,322	14.6%	71.1%	11.0%	2.9%	0.4%
	Kerb and gutter	263	263	–	–	141,007	228,654	2.1%	14.6%	82.7%	0.6%	0.0%
	Car parks - Depreciable	196	196	–	–	12,420	16,916	32.6%	39.8%	22.7%	4.1%	0.8%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Car parks - Non-Depreciable	–	–	–	–	18,320	18,320	100.0%	0.0%	0.0%	0.0%	0.0%
	Footpaths	4,145	4,145	2,406	6,649	168,905	271,640	12.9%	23.9%	55.2%	7.6%	0.4%
	Other road assets	63	63	–	–	39,108	47,024	65.7%	28.0%	5.5%	0.8%	0.0%
	Bulk earthworks	–	–	–	–	561,300	561,300	100.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-total</b>	<b>12,691</b>	<b>12,691</b>	<b>19,700</b>	<b>25,413</b>	<b>1,211,065</b>	<b>1,561,576</b>	<b>46.5%</b>	<b>20.0%</b>	<b>29.4%</b>	<b>3.8%</b>	<b>0.3%</b>	
<b>Stormwater drainage</b>	Stormwater drainage	3,584	3,584	1,774	1,464	124,914	190,150	14.4%	48.2%	28.9%	7.5%	1.0%
	<b>Sub-total</b>	<b>3,584</b>	<b>3,584</b>	<b>1,774</b>	<b>1,464</b>	<b>124,915</b>	<b>190,150</b>	<b>14.4%</b>	<b>48.2%</b>	<b>28.9%</b>	<b>7.5%</b>	<b>1.0%</b>
<b>Open space / recreational assets</b>	Aquatic Centres	181	181	2,969	4,347	96,557	118,322	48.0%	45.4%	5.9%	0.5%	0.2%
	<b>Sub-total</b>	<b>181</b>	<b>181</b>	<b>2,969</b>	<b>4,347</b>	<b>96,557</b>	<b>118,322</b>	<b>48.0%</b>	<b>45.4%</b>	<b>5.9%</b>	<b>0.5%</b>	<b>0.2%</b>
<b>Other infrastructure assets</b>	Seawalls	749	749	6	1	47,773	73,934	1.8%	62.2%	30.2%	5.8%	0.0%
	Wharves	319	319	30	44	9,685	14,431	0.5%	43.9%	48.4%	4.9%	2.3%
	Building & Aquatics Land Improvements Depreciable	282	282	–	–	12,544	19,922	11.9%	44.1%	39.1%	3.5%	1.4%
	Land Improvements - Depreciable	1,975	1,975	15,457	17,961	143,011	193,802	20.7%	43.8%	30.9%	4.0%	0.6%
	Land Improvements - Non Depreciable	–	–	–	–	559	559	100.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>3,325</b>	<b>3,325</b>	<b>15,493</b>	<b>18,006</b>	<b>213,572</b>	<b>302,648</b>	<b>14.7%</b>	<b>48.2%</b>	<b>32.0%</b>	<b>4.4%</b>	<b>0.7%</b>
<b>Total – all assets</b>		<b>29,336</b>	<b>29,336</b>	<b>49,532</b>	<b>59,716</b>	<b>1,978,391</b>	<b>2,632,435</b>	<b>38.4%</b>	<b>27.7%</b>	<b>28.6%</b>	<b>4.8%</b>	<b>0.5%</b>

(1) "Satisfactory Standard" refers to the estimated cost for the renewal of Condition 4 and 5 assets i.e., the replacement value of Condition 4 and 5 assets to Condition 3.

## Inner West Council

### Report on infrastructure assets as at 30 June 2024 (continued)

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- (2) As there are no agreed levels of service set by Inner West Council, the "Agreed Level" refers to the estimated cost for the renewal of individual asset categories as either condition 4 & 5 determined by the criticality of the asset category to condition 3. This figure will be refined as future agreed service levels are formulated by Council in consultation with the community
- (3) "Required Maintenance" for Roads and Stormwater Drainage is the amount identified for maintenance including related operational costs in Council's budget. For Other Infrastructure Assets it is the amount identified for maintenance including related operational costs plus a minor adjustment to the Required Maintenance.
- (4) "Actual Maintenance" is the amount of maintenance and related operational expenditure spent in the current year to maintain Council's assets.

#### Infrastructure asset condition assessment 'key'

1	<b>Excellent/very good</b>	No work required (normal maintenance)
2	<b>Good</b>	Only minor maintenance work required
3	<b>Satisfactory</b>	Maintenance work required
4	<b>Poor</b>	Renewal required
5	<b>Very poor</b>	Urgent renewal/upgrading required

## Inner West Council

## Report on infrastructure assets as at 30 June 2024

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	<i>Amounts</i> 2024	<i>Indicator</i> 2024	<i>Indicators</i> 2023      2022		<i>Benchmark</i>
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>23,783</b>	<b>75.04%</b>	120.43%	32.51%	> 100.00%
Depreciation, amortisation and impairment	<b>31,692</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>29,336</b>	<b>1.48%</b>	1.46%	1.40%	< 2.00%
Net carrying amount of infrastructure assets	<b>1,978,393</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>59,716</b>	<b>120.56%</b>	110.55%	100.71%	> 100.00%
Required asset maintenance	<b>49,532</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>29,336</b>	<b>1.11%</b>	1.06%	0.89%	
Gross replacement cost	<b>2,632,435</b>				

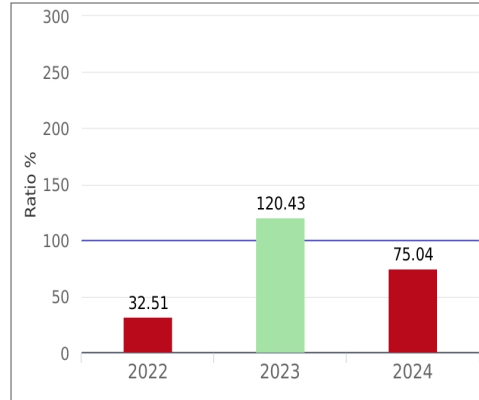
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

# Inner West Council

## Report on infrastructure assets as at 30 June 2024

### Buildings and infrastructure renewals ratio



**Buildings and infrastructure renewals ratio**

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

**Commentary on result**

23/24 ratio 75.04%

Increased budget funding for road and footpath renewal programs continued in 2023-24. Prioritising the capital works backlog from prior years, lead to 2023-24 renewal ratio decrease, averaging 76% over 3 years. Processing deadlines resulted in completed renewal projects worth \$14.8M for Transport, Parks & Buildings in FY24 not being capitalised. When capitalised in FY25, the renewals ratio is expected to exceed the 100% benchmark.

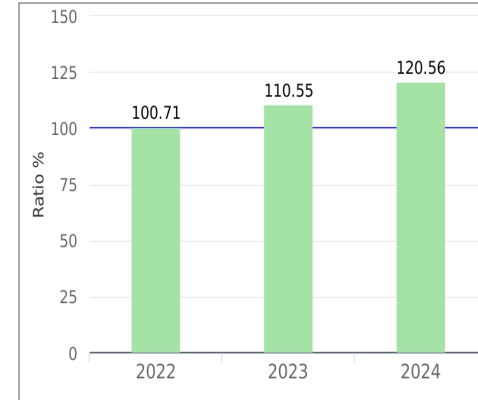
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### Asset maintenance ratio



**Asset maintenance ratio**

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

**Commentary on result**

23/24 ratio 120.56%

The maintenance budget continues to show upward trend which is also significantly lower than the actual maintenance expenditure during the same financial periods. The total variation between FY23 & FY24 is an increase of \$10.2M with \$6.4M alone spent on infrastructure maintenance with the remainder spent on tree planting & maintenance, Utility restorations, traffic signal amendments matched by grant funding, Streetlight replacement and asset condition audits.

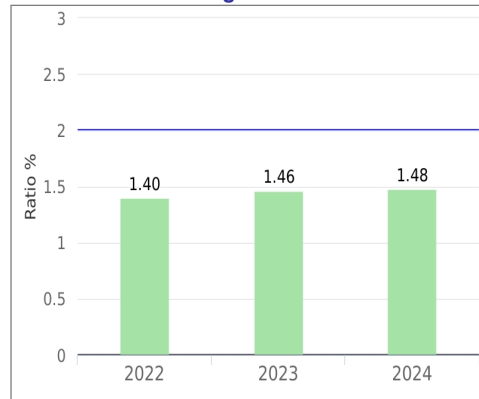
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### Infrastructure backlog ratio



**Infrastructure backlog ratio**

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

**Commentary on result**

23/24 ratio 1.48%

The overall total infrastructure backlog rose from \$25.29M in 2022/23 to \$29.34M in 2023/24, driven by 2024 condition audits for Parks, Seawalls & Marine Structures, and Bridges, which significantly increased asset values for Parks and Bridges. This included comprehensive revaluations for these assets, a desktop revaluation for Stormwater Drainage assets, and indexation of several other classes as recommended in the FY24 Fair Valuation review.

Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### Cost to bring assets to agreed service level



**Cost to bring assets to agreed service level**

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

**Commentary on result**

23/24 ratio 1.11%

Agreed service levels with the community are to be established. The percentage increased slightly by 0.05% from FY23 due to the increased backlog & Gross Replacement Cost of \$3.74M & \$250M, respectively, corrections to Unit Rates and Useful Life, Parks audit, Seawalls, Marine Structures & Bridges, comprehensive revaluations, and indexation. The backlog should decrease once the outstanding FY24 and FY25 capitalisations are processed.