

# Murray River Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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General Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
<b>Statement by Councillors and Management</b>	<b>3</b>
<b>Primary Financial Statements:</b>	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
<b>Contents for the notes to the Financial Statements</b>	<b>9</b>
<b>Independent Auditor's Reports:</b>	
On the Financial Statements (Sect 417 [2])	85
On the Financial Statements (Sect 417 [3])	88

Overview

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

52 Perricoota Road  
Moama NSW 2731

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

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

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

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

# Murray River Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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

The attached General Purpose Financial Statements have been prepared in accordance with:


- the *Local Government Act 1993* (NSW) and the regulations made there under,
- 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 12 November 2024.



Cr John Harvie  
Mayor  
12 November 2024



Neil Gorey (Nov 12, 2024 17:31 GMT+11)

Cr Neil Gorey  
Councillor

12 November 2024



Mrs Sarah Ryan  
Acting Chief Executive Officer  
12 November 2024



Mr Stephen Fernando  
Responsible Accounting Officer  
12 November 2024

## Murray River Council

### Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
<b>Income from continuing operations</b>				
21,045	Rates and annual charges	B2-1	<b>21,553</b>	19,096
7,769	User charges and fees	B2-2	<b>12,940</b>	9,097
1,963	Other revenue	B2-3	<b>1,361</b>	1,567
20,675	Grants and contributions provided for operating purposes	B2-4	<b>20,156</b>	21,270
13,695	Grants and contributions provided for capital purposes	B2-4	<b>54,203</b>	33,698
1,797	Interest and investment income	B2-5	<b>3,025</b>	1,599
257	Other income	B2-6	<b>601</b>	287
4,183	Net gain from the disposal of assets	B4-1	<b>—</b>	—
<b>71,384</b>	<b>Total income from continuing operations</b>		<b>113,839</b>	86,614
<b>Expenses from continuing operations</b>				
19,907	Employee benefits and on-costs	B3-1	<b>21,180</b>	19,288
21,656	Materials and services	B3-2	<b>20,392</b>	22,817
120	Borrowing costs	B3-3	<b>348</b>	382
24,449	Depreciation, amortisation and impairment of non-financial assets	B3-4	<b>20,884</b>	23,245
1,243	Other expenses	B3-5	<b>1,100</b>	1,061
—	Net loss from the disposal of assets	B4-1	<b>9,203</b>	4,800
<b>67,375</b>	<b>Total expenses from continuing operations</b>		<b>73,107</b>	71,593
<b>4,009</b>	<b>Operating result from continuing operations</b>		<b>40,732</b>	15,021
<b>4,009</b>	<b>Net operating result for the year attributable to Council</b>		<b>40,732</b>	15,021
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>				
<b>(9,686)</b>			<b>(13,471)</b>	(18,677)

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

## Murray River Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>Net operating result for the year – from Income Statement</b>		<b>40,732</b>	15,021
<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>72,816</b>	40,890
Other movements Revaluation Intangible Assets	C1-7	<b>(36)</b>	1,062
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>72,780</b>	41,952
<b>Total other comprehensive income for the year</b>		<b>72,780</b>	41,952
<b>Total comprehensive income for the year attributable to Council</b>		<b>113,512</b>	56,973

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

## Murray River Council

### Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	14,862	7,266
Investments	C1-2	43,205	49,944
Receivables	C1-4	14,995	12,549
Inventories	C1-5	497	520
Current assets classified as held for sale		3,103	–
Other	C1-8	1,544	254
<b>Total current assets</b>		<b>78,206</b>	<b>70,533</b>
<b>Non-current assets</b>			
Investments	C1-2	2	2
Receivables	C1-4	26	483
Inventories	C1-5	–	315
Infrastructure, property, plant and equipment (IPPE)	C1-6	1,089,887	980,865
Intangible assets	C1-7	12,089	10,402
<b>Total non-current assets</b>		<b>1,102,004</b>	<b>992,067</b>
<b>Total assets</b>		<b>1,180,210</b>	<b>1,062,600</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	10,168	7,140
Contract liabilities	C3-2	3,697	5,269
Lease liabilities	C2-1	180	184
Borrowings	C3-3	267	476
Employee benefit provisions	C3-4	4,249	3,686
Provisions	C3-5	–	102
<b>Total current liabilities</b>		<b>18,561</b>	<b>16,857</b>
<b>Non-current liabilities</b>			
Lease liabilities	C2-1	188	354
Borrowings	C3-3	1,422	2,173
Employee benefit provisions	C3-4	372	512
Provisions	C3-5	10,027	6,612
<b>Total non-current liabilities</b>		<b>12,009</b>	<b>9,651</b>
<b>Total liabilities</b>		<b>30,570</b>	<b>26,508</b>
<b>Net assets</b>		<b>1,149,640</b>	<b>1,036,092</b>
<b>EQUITY</b>			
Accumulated surplus		786,468	745,736
IPPE revaluation reserve		363,172	290,356
<b>Council equity interest</b>		<b>1,149,640</b>	<b>1,036,092</b>
<b>Total equity</b>		<b>1,149,640</b>	<b>1,036,092</b>

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

## Murray River Council

## Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		745,736	290,356	1,036,092	730,715	248,404	979,119
Net operating result for the year		40,732	–	40,732	15,021	–	15,021
<b>Other comprehensive income</b>							
– Gain/(loss) on revaluation of IPP&E	C1-6	–	72,816	72,816	–	40,890	40,890
– Other movements (Revaluation Intangible Assets)	C1-7	–	–	–	–	1,062	1,062
<b>Total comprehensive income</b>		<b>40,732</b>	<b>72,816</b>	<b>113,548</b>	<b>15,021</b>	<b>41,952</b>	<b>56,973</b>
<b>Closing balance at 30 June</b>		<b>786,468</b>	<b>363,172</b>	<b>1,149,640</b>	<b>745,736</b>	<b>290,356</b>	<b>1,036,092</b>

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

## Murray River Council

## Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
20,967	Rates and annual charges		21,251	19,023
7,769	User charges and fees		11,862	9,191
1,797	Interest received		2,496	1,288
34,370	Grants and contributions		41,212	41,140
–	Bonds, deposits and retentions received		665	208
1,963	Other		6,394	8,193
<b>Payments:</b>				
(19,907)	Payments to employees		(20,836)	(19,880)
(21,599)	Payments for materials and services		(23,795)	(25,823)
(120)	Borrowing costs		(338)	(369)
(1,243)	Other		1,348	109
23,997	<b>Net cash flows from operating activities</b>	G1-1	40,259	33,080
<b>Cash flows used in investing activities</b>				
<b>Receipts:</b>				
–	Sale of investments		35,624	54,704
–	Redemption of term deposits		6,739	–
–	Sale of real estate assets		662	843
6,525	Proceeds from sale of IPPE		1,471	427
–	Deferred debtors receipts		597	339
<b>Payments:</b>				
–	Purchase of investments		(35,624)	(54,704)
–	Acquisition of term deposits		–	(4,004)
(33,985)	Payments for IPPE		(37,313)	(19,349)
–	Purchase of real estate assets		(115)	14
–	Purchase of intangible assets		(3,563)	(5,665)
(27,460)	<b>Net cash flows used in investing activities</b>		(31,522)	(27,395)
<b>Cash flows used in financing activities</b>				
<b>Receipts:</b>				
1,500	Proceeds from borrowings		–	–
<b>Payments:</b>				
(597)	Repayment of borrowings		(971)	(616)
–	Principal component of lease payments		(170)	(204)
903	<b>Net cash flows used in financing activities</b>		(1,141)	(820)
(2,560)	<b>Net change in cash and cash equivalents</b>		7,596	4,865
6,110	Cash and cash equivalents at beginning of year		7,266	2,401
3,550	<b>Cash and cash equivalents at end of year</b>	C1-1	14,862	7,266
42,624	plus: Investments on hand at end of year	C1-2	43,207	49,946
46,174	<b>Total cash, cash equivalents and investments</b>		58,069	57,212

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

# Murray River Council

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

---

<b>A About Council and these financial statements</b>	<b>11</b>
A1-1 Basis of preparation	11
<b>B Financial Performance</b>	<b>13</b>
<b>B1 Functions or activities</b>	<b>13</b>
B1-1 Functions or activities – income, expenses and assets	13
B1-2 Components of functions or activities	14
<b>B2 Sources of income</b>	<b>16</b>
B2-1 Rates and annual charges	16
B2-2 User charges and fees	17
B2-3 Other revenue	18
B2-4 Grants and contributions	19
B2-5 Interest and investment income	23
B2-6 Other income	23
<b>B3 Costs of providing services</b>	<b>24</b>
B3-1 Employee benefits and on-costs	24
B3-2 Materials and services	25
B3-3 Borrowing costs	26
B3-4 Depreciation, amortisation and impairment of non-financial assets	27
B3-5 Other expenses	28
<b>B4 Gains or losses</b>	<b>29</b>
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	29
<b>B5 Performance against budget</b>	<b>30</b>
B5-1 Material budget variations	30
<b>C Financial position</b>	<b>32</b>
<b>C1 Assets we manage</b>	<b>32</b>
C1-1 Cash and cash equivalents	32
C1-2 Financial investments	33
C1-3 Restricted and allocated cash, cash equivalents and investments	34
C1-4 Receivables	36
C1-5 Inventories	38
C1-6 Infrastructure, property, plant and equipment	39
C1-7 Intangible assets	43
C1-8 Other	44
<b>C2 Leasing activities</b>	<b>45</b>
C2-1 Council as a lessee	45
C2-2 Council as a lessor	47
<b>C3 Liabilities of Council</b>	<b>48</b>
C3-1 Payables	48
C3-2 Contract Liabilities	48
C3-3 Borrowings	49
C3-4 Employee benefit provisions	50
C3-5 Provisions	51

# Murray River Council

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

---

<b>C4 Reserves</b>	<b>52</b>
C4-1 Nature and purpose of reserves	52
<b>D Council structure</b>	<b>53</b>
<b>D1 Results by fund</b>	<b>53</b>
D1-1 Income Statement by fund	53
D1-2 Statement of Financial Position by fund	54
<b>D2 Interests in other entities</b>	<b>55</b>
D2-1 Subsidiaries	55
<b>E Risks and accounting uncertainties</b>	<b>58</b>
E1-1 Risks relating to financial instruments held	58
E2-1 Fair value measurement	61
E3-1 Contingencies	71
<b>F People and relationships</b>	<b>74</b>
<b>F1 Related party disclosures</b>	<b>74</b>
F1-1 Key management personnel (KMP)	74
F1-2 Councillor and Mayoral fees and associated expenses	75
<b>F2 Other relationships</b>	<b>75</b>
F2-1 Audit fees	75
<b>G Other matters</b>	<b>76</b>
G1-1 Statement of Cash Flows information	76
G2-1 Commitments	77
G3-1 Events occurring after the reporting date	77
<b>G4 Statement of developer contributions</b>	<b>78</b>
G4-1 Summary of developer contributions	78
G4-2 Developer contributions by plan	78
G4-3 Contributions not under plans	79
G4-4 S64 contributions	79
<b>G5 Statement of performance measures</b>	<b>80</b>
G5-1 Statement of performance measures – consolidated results	80
G5-2 Statement of performance measures by fund	81
<b>H Additional Council disclosures (unaudited)</b>	<b>83</b>
H1-1 Statement of performance measures – consolidated results (graphs)	83

## A About Council and these financial statements

### A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 12 November 2024. Council has the power to amend and reissue these financial statements.

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

Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

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

Council is a not for-profit entity.

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

#### **Historical cost convention**

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

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

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

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) estimated tip and gravel pit remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4.

#### **Significant judgements in applying the Council's accounting policies**

- (i) Impairment of receivables - refer to Note C1-4
- (ii) Leases model for AASB15 / AASB16 - refer to Note C2-1.

### **Monies and other assets received by Council**

#### **The Consolidated Fund**

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

This Consolidated Fund has been included in the financial statements of Murray River Council.

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

- General purpose operations
- Water service
- Sewerage service
- Waste service
- Moama Recreation Reserve S355 Management Committee
- Moama Lions Units S355 Management Committee
- Mathoura Retirement Village S355 Management Committee.

## A1-1 Basis of preparation (continued)

All other operations of S355 Management Committees of the Council are immaterial and have not been disclosed as part of the consolidated fund.

### The Trust Fund

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

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

The following Trust monies and other assets properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements:

- Payments received from unknown entities
- Land Sale and Acquisition funds required to be paid into Trust.

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

### Volunteer services

Council does not have a material dependence on volunteer services. Volunteers are mainly engaged via Section 355 committees. These services are not recognised as they are considered non-material in value.

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

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

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

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

### New accounting standards adopted during the year

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

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

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

*“Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.”*

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

### Impact of NSW Floods

Council was impacted by floods in October through to December 2022. Council is currently actively engaged in restoration and reconstruction of infrastructure and assets damaged during the floods.

A thorough review of the assets and infrastructure with potential damage was conducted in FY23 resulting in estimated costs for restoration and reconstruction activities to be \$7,483,985.

In the prior year we had expended \$1,158,012, in the current year \$2,080,775 has been expended, and \$4,245,198 remains outstanding as of 30 June 2024.

The restoration works will continue into the 2024/25 financial year.

## 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.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Functions or activities</b>										
Governance	9	4	1,959	1,458	(1,950)	(1,454)	–	–	–	–
Administration	1,222	1,005	12,762	10,871	(11,540)	(9,866)	402	211	44,572	67,352
Public order and safety	801	411	1,888	4,882	(1,087)	(4,471)	808	371	5,031	4,534
Health	30	39	180	74	(150)	(35)	–	–	1,107	1,015
Environment	11,133	10,866	7,683	6,442	3,450	4,424	3,641	4,945	39,366	61,789
Community Services and Education	4,643	1,606	2,308	2,337	2,335	(731)	4,186	2,057	19,134	14,887
Housing and Community amenities	681	540	1,627	1,383	(946)	(843)	42	40	8,430	17,351
Water supplies	11,182	7,832	5,946	4,318	5,236	3,514	3,488	4,126	92,981	71,615
Sewerage services	6,846	6,252	2,966	2,328	3,880	3,924	2,002	3,079	82,118	55,362
Recreation and culture	1,952	1,741	5,100	5,644	(3,148)	(3,903)	1,810	3,367	99,796	72,678
Mining, manufacturing and construction	692	1,033	1,521	1,827	(829)	(794)	36	304	2,458	1,905
Transport and communication	49,350	27,862	26,370	27,861	22,980	1	47,115	22,109	765,923	678,294
Economic affairs	1,659	1,990	2,797	2,168	(1,138)	(178)	867	1,383	19,294	15,818
General purpose income	23,639	25,433	–	–	23,639	25,433	9,962	12,976	–	–
<b>Total functions and activities</b>	<b>113,839</b>	<b>86,614</b>	<b>73,107</b>	<b>71,593</b>	<b>40,732</b>	<b>15,021</b>	<b>74,359</b>	<b>54,968</b>	<b>1,180,210</b>	<b>1,062,600</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:

### Governance

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policymaking committees, public disclosure (e.g. GIPA), and legislative compliance.

### Administration

Includes corporate support and other support services, engineering works, business intelligence and any Council policy compliance.

### Public order and safety

Includes Council's fire and emergency services levy, fire protection, emergency services, beach control, enforcement of regulations and animal control.

### Health

Includes immunisation, food control, health centres etc.

### Environment

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage and stormwater management.

### Community Services and Education

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation – as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services; children's services, including family day care; child care; and other family and children services.

### Housing and Community amenities

Includes public cemeteries; public conveniences; street lighting; town planning; other community amenities, including housing development and accommodation for families and children, aged persons, disabled persons, migrants and Indigenous persons.

### Water supplies

Includes the provision and distribution of water to the towns within the boundary of the Council.

### Sewerage services

Treatment of wastewater to the towns within the boundaries of the Council.

### Recreation and culture

Includes public libraries; museums; art galleries; community centres and halls, including public halls and performing arts venues; sporting grounds and venues; swimming pools; parks; gardens; lakes; and other sporting, recreational and cultural services.

### Mining, manufacturing and construction

Includes building control, quarries and pits, mineral resources, and abattoirs.

### Transport and communication

Urban local, urban regional, includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

### Economic affairs

Includes camping areas and caravan parks; tourism and area promotion; industrial development promotion; real estate development, management of Section 355 Committees and other business undertakings.

## B1-2 Components of functions or activities (continued)

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### **General purpose income**

Includes rates and annual charges; non capital general purpose grants; interest on investments and interest on overdue rates and charges.

## B2 Sources of income

### B2-1 Rates and annual charges

	2024 \$ '000	2023 \$ '000
<b>Ordinary rates</b>		
Residential	5,674	5,355
Farmland	5,713	5,496
Business	991	892
Less: pensioner rebates (mandatory)	(292)	(195)
<b>Rates levied to ratepayers</b>	<b>12,086</b>	<b>11,548</b>
Pensioner rate subsidies received	160	106
<b>Total ordinary rates</b>	<b>12,246</b>	<b>11,654</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	2,244	2,164
Stormwater management services	171	137
Water supply services	3,291	2,291
Sewerage services	3,523	2,811
Waste management services (non-domestic)	165	162
Less: pensioner rebates (mandatory)	(192)	(271)
<b>Annual charges levied</b>	<b>9,202</b>	<b>7,294</b>
Pensioner annual charges subsidies received:		
– Water	53	51
– Sewerage	51	48
– Domestic waste management	1	49
<b>Total annual charges</b>	<b>9,307</b>	<b>7,442</b>
<b>Total rates and annual charges</b>	<b>21,553</b>	<b>19,096</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 that are not subsidised by the NSW Government.

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

## B2-2 User charges and fees

	Timing	2024 \$ '000	2023 \$ '000
<b>User charges</b>			
Domestic waste management services	1	1,069	848
Water supply services	1	3,313	1,273
Sewerage services	1	384	303
Waste management services (non-domestic)	1	3,509	2,204
Other	1	138	—
<b>Total user charges</b>		<b>8,413</b>	<b>4,628</b>
<b>Fees</b>			
<b>(i) Fees – statutory and regulatory functions (per s608)</b>			
Building regulation	2	419	409
Inspection services	2	—	11
Sub-division fees	2	167	297
Private works – section 67	2	59	223
Section 10.7 certificates (EP&A Act)	2	67	50
Section 603 certificates	2	55	40
Tapping fees	2	90	73
Town planning	2	646	440
Other	2	22	9
Health control	2	13	10
Animal control	2	21	39
<b>Total fees – statutory/regulatory</b>		<b>1,559</b>	<b>1,601</b>
<b>(ii) Fees – other (incl. general user charges (per s608))</b>			
Aged care	2	403	195
Caravan park	2	74	55
Cemeteries	2	149	112
Leaseback fees – Council vehicles	2	102	133
Library and art gallery	2	1	2
Park rents	2	4	48
Transport for NSW works (state roads not controlled by Council)	2	2,116	2,250
Public halls	2	12	4
Recreational grounds / swimming pools / libraries	2	42	—
Special meter reading	2	23	22
Other	2	42	47
<b>Total fees – other</b>		<b>2,968</b>	<b>2,868</b>
<b>Total other fees</b>		<b>4,527</b>	<b>4,469</b>
<b>Total fees</b>		<b>12,940</b>	<b>9,097</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		8,413	4,628
User charges and fees recognised at a point in time (2)		4,527	4,469
<b>Total user charges and fees</b>		<b>12,940</b>	<b>9,097</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 or in some cases such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership. Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

## B2-3 Other revenue

	Timing	2024 \$ '000	2023 \$ '000
Aboriginal communities program	2	100	110
Commissions and agency fees	2	302	303
Diesel rebate		1	–
Energy Certificates	2	–	43
Fines	2	12	17
Insurance claims / rebates	2	78	197
Legal fees recovery – rates and charges (extra charges)	2	87	61
OLG Rebate	2	–	16
Sponsorship Funding	2	158	49
Ticket Sales	2	211	417
Traineeship Subsidy	2	–	3
Water meter rents / sundry income	2	118	71
Water temporary licence sales		79	–
Other	2	215	280
<b>Total other revenue</b>		<b>1,361</b>	<b>1,567</b>
<b>Timing of revenue recognition for other revenue</b>			
Other revenue recognised at a point in time (2)		1,361	1,567
<b>Total other revenue</b>		<b>1,361</b>	<b>1,567</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

		Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
	Timing				
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	2	366	1,726	–	–
Financial assistance – local roads component	2	174	856	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	2	6,135	6,727	–	–
Financial assistance – local roads component	2	3,288	3,667	–	–
<b>Amount recognised as income during current year</b>		<b>9,963</b>	<b>12,976</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
<b>Previously specific grants:</b>					
Aged care	2	1,207	1,029	–	–
Bushfire and emergency services	2	190	314	560	–
Economic development	2	790	513	3,520	1,746
Heritage and cultural	2	–	20	–	–
Library – per capita	2	103	97	–	–
LIRS subsidy	2	–	6	–	–
Noxious weeds	2	148	148	–	–
NSW rural fire services		58	57	–	–
Recreation and culture	2	–	41	149	143
Storm/flood damage	2	961	–	2,763	2,000
Planning	2	40	40	–	–
Energy fuel rebate scheme	2	170	163	–	–
Waste management	2	55	64	–	–
River access	2	–	–	6	156
Street lighting	2	51	55	–	–
Youth services	2	34	35	–	–
Stronger communities fund	2	–	60	1,074	1,379
Transport (roads to recovery)	2	2,445	1,218	–	–
Transport (other roads and bridges funding)	2	736	1,254	3,255	2,210
Other specific grants	2	22	79	–	–
<b>Previously contributions:</b>					
Roads and bridges	2	–	–	8,899	9,202
Transport for NSW contributions (Block grant Regional, Urban and Rural roads)	2	2,932	2,916	126	679
Sewerage (excl. section 64 contributions)		–	–	78	–
Water supplies (excl. section 64 contributions)	2	–	–	14	12
Other contributions	2	46	27	–	–
S355 committees	2	33	–	(576)	–
Transport (road safety officer)	2	88	69	–	–
Waste management	2	84	89	–	–
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>10,193</b>	<b>8,294</b>	<b>19,868</b>	<b>17,527</b>
<b>Non-cash contributions</b>					
Roads and bridges		–	–	21,928	–
<b>Total other contributions – non-cash</b>		<b>–</b>	<b>–</b>	<b>21,928</b>	<b>–</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>10,193</b>	<b>8,294</b>	<b>41,796</b>	<b>17,527</b>

## B2-4 Grants and contributions (continued)

		Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
	Timing				

## Total grants and non-developer contributions

<b>20,156</b>	<b>21,270</b>	<b>41,796</b>	<b>17,527</b>
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## Comprising:

– Commonwealth funding		13,369	15,035	45	–
– State funding		6,711	6,127	20,385	17,527
– Other funding		76	108	21,366	–
		<b>20,156</b>	<b>21,270</b>	<b>41,796</b>	<b>17,527</b>

## Developer contributions

			Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
	Notes	Timing				

Developer contributions:  
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):

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## Cash contributions

S 7.11 – contributions towards amenities/services		2	–	–	1,016	1,339
S 64 – water supply contributions		2	–	–	982	788
S 64 – sewerage service contributions		2	–	–	427	420
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>2,425</b>	<b>2,547</b>

## Non-cash contributions

S 7.11 – contributions towards amenities/services			–	–	3,092	–
S 64 – water supply contributions			–	–	2,492	–
S 64 – sewerage service contributions			–	–	1,497	–
S 64 – stormwater contributions			–	–	2,901	–
Other developer/other contributions		2	–	–	–	13,624
<b>Total developer contributions non-cash</b>			<b>–</b>	<b>–</b>	<b>9,982</b>	<b>13,624</b>

## Total developer contributions

<b>–</b>	<b>–</b>	<b>12,407</b>	<b>16,171</b>
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## Total grants and contributions

<b>20,156</b>	<b>21,270</b>	<b>54,203</b>	<b>33,698</b>
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## Timing of revenue recognition for grants and contributions

Grants and contributions recognised at a point in time (2)

<b>20,156</b>	<b>21,270</b>	<b>54,203</b>	<b>33,698</b>
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## Total grants and contributions

<b>20,156</b>	<b>21,270</b>	<b>54,203</b>	<b>33,698</b>
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## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

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

	<b>Operating 2024 \$ '000</b>	<b>Operating 2023 \$ '000</b>	<b>Capital 2024 \$ '000</b>	<b>Capital 2023 \$ '000</b>
<b>Unspent grants</b>				
Unspent funds at 1 July	<b>7,497</b>	714	<b>5,594</b>	4,993
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	<b>2,157</b>	7,110	–	526
<b>Add:</b> Funds received and not recognised as revenue in the current year	<b>57</b>	–	<b>1,089</b>	2,888
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	<b>(1,082)</b>	(269)	<b>(187)</b>	–
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	<b>(181)</b>	(58)	<b>(2,515)</b>	(2,813)
<b>Unspent funds at 30 June</b>	<b>8,448</b>	<b>7,497</b>	<b>3,981</b>	<b>5,594</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 milestones within AASB 15 grants. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

#### Capital grants

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

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

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

## B2-4 Grants and contributions (continued)

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### **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

	2024 \$ '000	2023 \$ '000
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	259	124
– Cash and investments	2,768	1,461
– Deferred debtors	(2)	14
<b>Total interest and investment income</b>	<b>3,025</b>	<b>1,599</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	153	229
General Council cash and investments	1,119	550
<b>Restricted investments/funds – external:</b>		
Developer contributions		
– Section 7.11	104	91
– Section 64	90	11
Water fund operations	513	274
Sewerage fund operations	817	444
Domestic waste management operations	229	–
<b>Total interest and investment income</b>	<b>3,025</b>	<b>1,599</b>

## B2-6 Other income

	Notes	2024 \$ '000	2023 \$ '000
<b>Rental income</b>			
<b>Other lease income</b>			
Caravan parks		338	59
Room/Facility Hire		127	119
Other (vacant land, council owned staff housing, retirement units)		136	109
<b>Total other lease income</b>		<b>601</b>	<b>287</b>
<b>Total rental income</b>	C2-2	<b>601</b>	<b>287</b>
<b>Total other income</b>		<b>601</b>	<b>287</b>

## B3 Costs of providing services

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

	2024 \$ '000	2023 \$ '000
Salaries and wages	16,483	15,658
Employee termination costs	473	312
Employee leave entitlements (ELE)	2,597	1,373
Superannuation	1,907	1,758
Superannuation – defined benefit plans	–	53
Workers' compensation insurance	1,326	1,061
Fringe benefit tax (FBT)	138	211
Payroll tax	(1)	83
Protective clothing	59	71
Other	55	28
<b>Total employee costs</b>	<b>23,037</b>	<b>20,608</b>
Less: capitalised costs	(1,857)	(1,320)
<b>Total employee costs expensed</b>	<b>21,180</b>	<b>19,288</b>
Number of 'full-time equivalent' employees (FTE) at year end	186	189

#### Material accounting policy information

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

## B3-2 Materials and services

	Notes	2024 \$ '000	2023 \$ '000
Raw materials and consumables		3,082	6,962
Contractor costs		2,132	2,409
– Planning Consultants		484	389
– Waste, Transfer Station & Recycling Collections Contractors		2,864	2,445
– IT Software Licences		503	438
– IT Cloud Contract and Managed Services		1,336	979
– Road & Bridges Contractors		2,068	1,745
– Water Supply Contractors		134	88
– Wastewater Contractors		128	181
– Aged & Community Service Contractors		–	–
– Building Service & Maintenance Contractors		1,254	1,613
– Plant Fleet Contractors		25	74
– Swimming Pool Contractors		288	182
– Floodplain Management Contractors		120	–
– Asset Management Contractors		96	213
– Organisational Service Consultants		612	228
Audit Fees	F2-1	100	145
<b>Previously other expenses:</b>			
Councillor and Mayoral fees and associated expenses	F1-2	337	265
Advertising		426	427
Bank charges		21	81
Electricity and heating		1,195	1,003
Insurance		1,156	1,054
Postage/freight		74	88
Printing and stationery		69	82
Street lighting		155	150
Subscriptions and publications		425	379
Telephone and communications		192	222
Valuation fees		114	109
Travel expenses		76	83
Training costs (other than salaries and wages)		265	195
Other expenses		37	18
Vehicle registrations		187	171
<b>Legal expenses:</b>			
– Legal expenses: planning and development		55	23
– Legal expenses: debt recovery		64	61
– Legal expenses: other		102	103
<b>Leases expense:</b>			
Expenses from short-term leases		180	184
Other		36	28
<b>Total materials and services</b>		<b>20,392</b>	<b>22,817</b>
<b>Total materials and services</b>		<b>20,392</b>	<b>22,817</b>

### B3-3 Borrowing costs

	Notes	2024 \$ '000	2023 \$ '000
<b>(i) Interest bearing liability costs</b>			
Interest on loans		41	72
<b>Total interest bearing liability costs</b>		<b>41</b>	<b>72</b>
<b>Total interest bearing liability costs expensed</b>		<b>41</b>	<b>72</b>
<b>(ii) Other borrowing costs</b>			
Fair value adjustments on recognition of advances and deferred debtors			
– Remediation liabilities	C3-5	296	297
Interest applicable on interest free (and favourable) loans to Council		11	13
<b>Total other borrowing costs</b>		<b>307</b>	<b>310</b>
<b>Total borrowing costs expensed</b>		<b>348</b>	<b>382</b>

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

	Notes	2024 \$ '000	2023 \$ '000
<b>Depreciation and amortisation</b>			
Plant and equipment		2,927	2,522
Office equipment		477	461
Furniture and fittings		44	39
Property, plant and equipment – leased		330	171
Land improvements (depreciable)		1	6
<b>Infrastructure:</b>	C1-6		
– Buildings – non-specialised		435	396
– Buildings – specialised		704	950
– Other structures		1,618	1,626
– Roads		7,911	11,103
– Bridges		1,313	1,201
– Footpaths		215	198
– Stormwater drainage		776	667
– Water supply network		1,559	1,396
– Sewerage network		1,049	1,186
– Swimming pools		86	81
<b>Other assets:</b>			
– Library books		56	51
– Other		55	55
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C1-6	962	893
– Quarry assets	C1-6	82	74
Intangible assets	C1-7	284	169
<b>Total gross depreciation and amortisation costs</b>		<b>20,884</b>	<b>23,245</b>
<b>Total depreciation and amortisation costs</b>		<b>20,884</b>	<b>23,245</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>20,884</b>	<b>23,245</b>

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

### Material accounting policy information

#### Depreciation and amortisation

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

#### Impairment of non-financial assets

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

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

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

	Notes	2024 \$ '000	2023 \$ '000
<b>Impairment of receivables</b>			
User charges and fees		53	2
<b>Total impairment of receivables</b>	C1-4	<b>53</b>	<b>2</b>
<b>Other</b>			
Contributions/levies to other levels of government		98	127
– Emergency services levy (includes FRNSW, SES, and RFS levies)		104	54
– NSW rural fire service levy		635	653
Donations, contributions and assistance to other organisations (Section 356)		210	225
<b>Total other</b>		<b>1,047</b>	<b>1,059</b>
<b>Total other expenses</b>		<b>1,100</b>	<b>1,061</b>

## B4 Gains or losses

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

	Notes	2024 \$ '000	2023 \$ '000
<b>Gain on disposal of plant and equipment</b>	C1-6		
Proceeds from disposal – plant and equipment		1,178	427
Less: carrying amount of plant and equipment assets sold/written off		(816)	(190)
<b>Gain on disposal</b>		<b>362</b>	<b>237</b>
<b>Loss on disposal of infrastructure</b>	C1-6		
Less: carrying amount of infrastructure assets sold/written off		(8,498)	(5,517)
<b>Loss on disposal</b>		<b>(8,498)</b>	<b>(5,517)</b>
<b>Gain on disposal of real estate assets held for sale</b>	C1-5		
Proceeds from disposal – real estate assets		662	843
Less: carrying amount of real estate assets sold/written off		(430)	(363)
<b>Gain on disposal</b>		<b>232</b>	<b>480</b>
<b>Loss on disposal of intangible assets</b>	C1-7		
Less: carrying amount of intangible assets sold/written off		(1,592)	–
<b>Loss on disposal</b>		<b>(1,592)</b>	<b>–</b>
<b>Other - Provisions</b>			
Proceeds from disposal – Gain on Provisions		293	–
<b>Gain on disposal</b>		<b>293</b>	<b>–</b>
<b>Net Loss from disposal of assets</b>		<b>(9,203)</b>	<b>(4,800)</b>

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 25 June 2024 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>	<b>21,045</b>	<b>21,553</b>	<b>508</b>	<b>2% F</b>
<b>User charges and fees</b>	<b>7,769</b>	<b>12,940</b>	<b>5,171</b>	<b>67% F</b>
Significant uplift in chargeable works on state highways of \$1.6m, largely due to impacts of adverse weather events in prior years. Uplift in waste revenue of \$2m due to ongoing flood repair works and commercial construction waste with higher construction, also leading to a \$186k uplift in Building & Planning fees. \$1m uplift in water charges, as budget based on FY23 where water consumption was low due to wet environmental conditions, whilst FY24 experienced prolonged dry periods. Uplift in contributions to Community Services of \$616k, due to both an ageing population and return to "normal" operating levels post covid, where contributions were trending lower over the last 4 years.				
<b>Other revenue</b>	<b>1,963</b>	<b>1,361</b>	<b>(602)</b>	<b>(31)% U</b>
Lower than anticipated Moama Lights Ticket Sales (\$316k), Automated Depot Shed forecast revenue of \$675k in FY24, however did not open until FY25. Partially offset by unbudgeted temporary water allocation sales, recoverable water private works and commissions from providing agency services totalling \$303k.				
<b>Operating grants and contributions</b>	<b>20,675</b>	<b>20,156</b>	<b>(519)</b>	<b>(3)% U</b>
<b>Capital grants and contributions</b>	<b>13,695</b>	<b>54,203</b>	<b>40,508</b>	<b>296% F</b>
Unbudgeted Regional Emergency Road Repair Fund \$4m announced mid 2024, natural disaster funding \$2.8m, \$1.9m Moama Pre-School Additional Funding. \$20.4m in gifted assets not accounted for via budget (inc. \$10.5m in bridges from the state), as well as carry ons from projects in FY23. Partially offset by timing in receipt of funds for Fixing Country Roads 6 program to be received in FY25 instead (\$1.3m), and other unsuccessful grant programs discontinued.				
<b>Interest and investment revenue</b>	<b>1,797</b>	<b>3,025</b>	<b>1,228</b>	<b>68% F</b>
Rise in official interest rates from budget preparation date leading to corresponding increase in investment revenue, as well as additional capital grant funding increasing investment balance.				
<b>Net gains from disposal of assets</b>	<b>4,183</b>	<b>–</b>	<b>(4,183)</b>	<b>(100)% U</b>
Anticipated sale of land which result in a gain budgeted for in FY24, however now not expected until FY25 or FY26.				
<b>Other income</b>	<b>257</b>	<b>601</b>	<b>344</b>	<b>134% F</b>
As a result of rent review increases & cessation of covid & flood rent relief provisions, particularly relating to caravan parks & market value rental assessments.				

**B5-1 Material budget variations (continued)**

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	<b>19,907</b>	<b>21,180</b>	<b>(1,273)</b>	<b>(6)% U</b>
<b>Materials and services</b>	<b>21,656</b>	<b>20,392</b>	<b>1,264</b>	<b>6% F</b>
<b>Borrowing costs</b>	<b>120</b>	<b>348</b>	<b>(228)</b>	<b>(190)% U</b>
Unbudgeted adjustment relating to unwinding the present value discount for landfill and quarry restoration provisions of \$296k, offset by lower than anticipated costs relating to loans, due to the closure of loans relating to discontinued projects during the year.				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	<b>24,449</b>	<b>20,884</b>	<b>3,565</b>	<b>15% F</b>
MRC conducted third party assessments of road and infrastructure assets completed in June 2023, leading to revaluation and resulting lower annual depreciation than budgeted.				
<b>Other expenses</b>	<b>1,243</b>	<b>1,100</b>	<b>143</b>	<b>12% F</b>
Additional rating relief and financial assistance provided to the community.				
<b>Net losses from disposal of assets</b>	<b>–</b>	<b>9,203</b>	<b>(9,203)</b>	<b>– U</b>
Carrying value of roads written off due to upgrade or renewal (\$5.95m.), write off carrying value of Sandys Bridge (Timber) replaced under Fixing Country Bridges program (\$1.02m).				
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	<b>23,997</b>	<b>40,259</b>	<b>16,262</b>	<b>68% F</b>
Overall favourable revenue variance (particularly rates & annual charges, user charges & fees), reduction in government grants and subsidies receivable, increase in payables.				
<b>Cash flows from investing activities</b>	<b>(27,460)</b>	<b>(31,522)</b>	<b>(4,062)</b>	<b>15% U</b>
Budgeted proceeds from sale of IPPE that was discontinued during year, higher than budgeted asset purchases, particularly investment in intangible assets.				
<b>Cash flows from financing activities</b>	<b>903</b>	<b>(1,141)</b>	<b>(2,044)</b>	<b>(226)% U</b>
New loan budgeted for not taken out, higher than budgeted repayment of borrowings with 2 x loans closed during year relating to discontinued projects.				

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
<b>Cash assets</b>		
Cash on hand and at bank	14,862	7,266
<b>Total cash and cash equivalents</b>	<b>14,862</b>	<b>7,266</b>
<b>Reconciliation of cash and cash equivalents</b>		
Total cash and cash equivalents per Statement of Financial Position	14,862	7,266
<b>Balance as per the Statement of Cash Flows</b>	<b>14,862</b>	<b>7,266</b>

## C1-2 Financial investments

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>Debt securities at amortised cost</b>				
Long term deposits	43,205	–	49,944	–
<b>Total</b>	<b>43,205</b>	<b>–</b>	<b>49,944</b>	<b>–</b>
<b>Equity securities at FVOCI</b>				
Unlisted equity securities	–	2	–	2
<b>Total</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>2</b>
<b>Total financial investments</b>	<b>43,205</b>	<b>2</b>	<b>49,944</b>	<b>2</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>58,067</b>	<b>2</b>	<b>57,210</b>	<b>2</b>

### Material accounting policy information

The investments shown designated as equity securities as at FVOCI represent investments that the Council intends to hold for long-term strategic purposes.

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

### Financial assets

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

### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

### Amortised cost

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

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

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

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

	2024 \$ '000	2023 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>58,069</b>	<b>57,212</b>
Less: Externally restricted cash, cash equivalents and investments	<b>(44,402)</b>	<b>(43,868)</b>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>13,667</b>	<b>13,344</b>
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	<b>3,697</b>	<b>5,269</b>
<b>External restrictions – included in liabilities</b>	<b>3,697</b>	<b>5,269</b>
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	<b>4,423</b>	<b>3,936</b>
Developer contributions – water fund	<b>1,793</b>	<b>1,241</b>
Developer contributions – sewer fund	<b>2,137</b>	<b>1,775</b>
Specific purpose unexpended grants (recognised as revenue) – general fund	<b>8,732</b>	<b>7,822</b>
Water fund	<b>3,963</b>	<b>7,278</b>
Sewer fund	<b>15,992</b>	<b>13,789</b>
Special levies – land and water management	<b>135</b>	<b>135</b>
Unexpended Loans	<b>–</b>	<b>643</b>
Waste fund	<b>3,466</b>	<b>1,916</b>
Other	<b>64</b>	<b>64</b>
<b>External restrictions – other</b>	<b>40,705</b>	<b>38,599</b>
<b>Total external restrictions</b>	<b>44,402</b>	<b>43,868</b>

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

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

	<b>2024</b>	2023
	<b>\$ '000</b>	\$ '000

**(b) Internal allocations****Cash, cash equivalents and investments not subject to external restrictions**

<b>13,667</b>	<b>13,344</b>
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Less: Internally restricted cash, cash equivalents and investments

<b>(9,090)</b>	<b>(12,292)</b>
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**Unrestricted and unallocated cash, cash equivalents and investments**

<b>4,577</b>	<b>1,052</b>
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**Internal allocations**

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

Plant and vehicle replacement	<b>616</b>	1,187
Employees leave entitlement	<b>1,449</b>	1,110
Carry over works	<b>2,157</b>	–
Waste management	<b>–</b>	2,463
Community Services	<b>290</b>	290
Prepaid financial assistance grant (fag) - untied	<b>–</b>	2,634
Town improvements	<b>200</b>	–
Cemetery improvements	<b>–</b>	81
Sand/gravel pit restorations	<b>369</b>	290
Parks, halls and reserves	<b>286</b>	495
Office equipment	<b>179</b>	185
Stormwater drainage	<b>101</b>	101
Recreation and culture	<b>265</b>	360
Bush fire services	<b>45</b>	45
Roads	<b>679</b>	–
Retirement village	<b>1,338</b>	1,078
Levee bank	<b>340</b>	340
Technology OneCouncil	<b>14</b>	737
Economic	<b>189</b>	379
Cemetery	<b>81</b>	–
Caravan park	<b>242</b>	263
Buildings	<b>226</b>	241
Other	<b>24</b>	13
<b>Total internal allocations</b>	<b>9,090</b>	<b>12,292</b>

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

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	2,592	–	2,181	–
Interest and extra charges	423	–	407	–
User charges and fees	5,882	–	3,912	–
Accrued revenues				
– Interest on investments	943	–	430	–
Deferred debtors	–	–	136	461
Government grants and subsidies	4,119	–	4,356	–
Loans to non-profit organisations	9	26	22	22
Net GST receivable	1,117	–	1,092	–
Other debtors	83	–	146	–
<b>Total</b>	<b>15,168</b>	<b>26</b>	<b>12,682</b>	<b>483</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(112)	–	(86)	–
Other debtors	(61)	–	(47)	–
<b>Total provision for impairment – receivables</b>	<b>(173)</b>	<b>–</b>	<b>(133)</b>	<b>–</b>
<b>Total net receivables</b>	<b>14,995</b>	<b>26</b>	<b>12,549</b>	<b>483</b>

	2024 \$ '000	2023 \$ '000
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	133	131
+ new provisions recognised during the year	61	3
– amounts already provided for and written off this year	(21)	(1)
<b>Balance at the end of the year</b>	<b>173</b>	<b>133</b>

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 estimating ECL, 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 and annual charges 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.

Credit losses are measured at 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.

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 3 years past due, whichever occurs first.

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

Where 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.

## C1-4 Receivables (continued)

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### Deferred debtor

In prior years, Council had deferred debtors in relation to industrial land development and the Moama Retirement Village and Mathoura Retirement Village (both are Section 355 committees of Council).

With the industrial land development, Council required a deposit paid up-front, with the remaining amount owed to Council over a term of up to three (3) years. Penalty interest applies if debtor does not adhere to the agreed repayment schedule.

Council took out loans on behalf of the two committees to construct new unit accommodation. The Retirement Villages are required to repay Council a loan over ten (10) years in relation to construction of new unit accommodation.

During FY24, the deferred debtor relating to the industrial land developments was paid in full and the loans associated with the Retirement Villages was repaid and the balance of deferred debtor cleared.

## C1-5 Inventories

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>(i) Inventories at cost</b>				
Real estate for resale	–	–	–	315
Stores and materials	497	–	520	–
<b>Total inventories at cost</b>	<b>497</b>	<b>–</b>	<b>520</b>	<b>315</b>
<b>Total inventories</b>	<b>497</b>	<b>–</b>	<b>520</b>	<b>315</b>

### Material accounting policy information

#### Land held for resale

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

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

## C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period											At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions	Re-measureme nt of asset remediation provision	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Developer / Other contribution	Tfrs from/(to) 'held for sale' category	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	
	\$ '000	\$ '000	\$ '000	Renewals <sup>1</sup>	new assets	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Capital work in progress	15,644	—	15,644	20,618	14,935	—	—	—	(32,153)	—	—	—	—	19,044	—	19,044	
Plant and equipment	24,907	(12,804)	12,103	—	—	—	(849)	(3,079)	3,960	—	—	—	(238)	24,435	(12,538)	11,897	
Office equipment	2,339	(1,570)	769	—	—	—	—	(477)	98	—	—	—	—	2,436	(2,046)	390	
Furniture and fittings	771	(112)	659	—	—	—	(6)	(44)	—	—	—	—	—	765	(156)	609	
Plant and equipment (under finance lease)	862	(350)	512	—	—	—	—	(178)	—	24	—	—	—	885	(527)	358	
Land:																	
— Operational land	20,279	—	20,279	—	—	—	(31)	—	—	4,499	95	(673)	—	24,597	—	24,597	
— Community land	69,533	—	69,533	—	—	—	—	—	—	(4,186)	152	(1,957)	—	64,722	—	64,722	
— Land under roads (post 30/6/08)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Land improvements – depreciable	12,795	(256)	12,539	—	—	—	(543)	(1)	—	—	—	—	630	12,895	(270)	12,625	
Infrastructure:																	
— Buildings – non-specialised	25,601	(6,561)	19,040	—	—	—	(397)	(435)	98	23	—	—	—	26,531	(7,305)	19,226	
— Buildings – specialised	61,480	(21,301)	40,179	—	—	—	(477)	(704)	5,570	—	—	(473)	—	68,708	(23,042)	45,666	
— Other structures	38,522	(13,264)	25,258	—	—	—	(350)	(1,618)	3,001	107	38	—	—	42,969	(15,297)	27,672	
— Roads	493,492	(142,074)	351,418	—	—	—	(2,323)	(7,911)	13,165	1,917	1,937	—	—	531,912	(145,877)	386,035	
— Bridges	115,683	(25,657)	90,026	—	—	—	(2,507)	(1,313)	2,286	8,303	10,500	—	—	143,163	(28,319)	114,844	
— Footpaths	16,631	(4,453)	12,178	—	—	—	(634)	(215)	622	1,239	807	—	—	21,324	(4,872)	16,452	
— Bulk earthworks (non-depreciable)	143,205	—	143,205	—	—	—	(1,627)	—	2,432	(160)	157	—	—	153,844	—	153,844	
— Stormwater drainage	64,106	(16,596)	47,510	—	—	—	—	(776)	407	—	2,901	—	—	73,606	(17,074)	56,532	
— Water supply network	86,267	(24,777)	61,490	—	—	—	(39)	(1,559)	391	269	971	—	—	96,699	(28,816)	67,883	
— Sewerage network	76,222	(24,948)	51,274	—	—	—	—	(1,049)	123	(269)	1,497	—	—	84,912	(26,845)	58,067	
— Swimming pools	4,078	(2,207)	1,871	—	—	—	—	(86)	—	—	—	—	—	4,302	(2,419)	1,883	
Other assets:																	
— Library books	297	(180)	117	—	—	—	—	(56)	—	—	—	—	—	297	(236)	61	
— Other	630	(320)	310	—	—	—	—	(55)	—	—	—	—	—	666	(411)	255	
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):																	
— Quarry assets	958	(440)	518	—	—	396	—	(82)	—	—	—	—	—	1,353	(521)	832	
— Tip assets	6,377	(1,944)	4,433	—	—	2,922	—	(962)	—	—	—	—	—	9,299	(2,906)	6,393	
Total infrastructure, property, plant and equipment	1,280,679	(299,814)	980,865	20,618	14,935	3,318	(9,783)	(20,600)	—	11,766	19,055	(3,103)	(238)	1,409,364	(319,477)	1,089,887	

(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	Accumulated depreciation and impairment	Net carrying amount	Additions Renewals <sup>1</sup>	Re-measurement of asset remediation provision new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Developer / other contributions	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Capital work in progress	10,037	–	10,037	6,177	5,226	–	–	–	(5,796)	–	–	–	15,644	–	15,644	
Plant and equipment	22,888	(12,156)	10,732	953	529	–	(190)	(2,522)	5	–	–	2,596	24,907	(12,804)	12,103	
Office equipment	2,300	(1,090)	1,210	–	–	–	–	(461)	–	–	–	20	2,339	(1,570)	769	
Furniture and fittings	736	(70)	666	5	–	–	–	(39)	–	–	–	27	771	(112)	659	
Plant and equipment (under finance lease)	895	(179)	716	–	–	–	–	(171)	–	(33)	–	–	862	(350)	512	
Land:																
– Operational land	17,603	–	17,603	–	–	–	–	–	–	–	–	2,676	20,279	–	20,279	
– Community land	60,596	–	60,596	–	–	–	–	–	–	–	–	8,937	69,533	–	69,533	
– Land under roads (post 30/6/08)	19	–	19	–	–	–	–	–	–	(19)	–	–	–	–	–	
Land improvements – depreciable	9,207	(106)	9,101	–	–	–	–	(6)	–	–	–	3,444	12,795	(256)	12,539	
Infrastructure:																
– Buildings – non-specialised	23,229	(5,614)	17,615	4	–	–	–	(396)	39	42	–	1,736	25,601	(6,561)	19,040	
– Buildings – specialised	55,795	(18,715)	37,080	297	–	–	–	(950)	527	–	–	3,225	61,480	(21,301)	40,179	
– Other structures	34,432	(10,553)	23,879	11	–	–	(1)	(1,626)	54	–	–	2,941	38,522	(13,264)	25,258	
– Roads	474,150	(148,771)	325,379	4,473	41	–	(3,339)	(11,103)	1,797	(50)	2,351	–	31,869	(142,074)	351,418	
– Bridges	76,910	(19,000)	57,910	266	–	–	(302)	(1,201)	3,368	–	–	29,985	115,683	(25,657)	90,026	
– Footpaths	15,517	(7,136)	8,381	16	405	–	(57)	(198)	6	–	1,267	–	16,631	(4,453)	12,178	
– Bulk earthworks (non-depreciable)	207,812	–	207,812	1,230	–	–	(1,658)	–	–	–	194	(64,373)	143,205	–	143,205	
– Stormwater drainage	53,796	(14,183)	39,613	–	–	–	–	(667)	–	–	3,875	–	64,106	(16,596)	47,510	
– Water supply network	77,537	(21,473)	56,064	462	370	–	(106)	(1,396)	–	–	1,722	–	86,267	(24,777)	61,490	
– Sewerage network	66,860	(21,662)	45,198	25	208	–	(16)	(1,186)	–	–	2,631	–	76,222	(24,948)	51,274	
– Swimming pools	550	(550)	–	–	–	–	–	(81)	–	–	–	1,952	4,078	(2,207)	1,871	
Other assets:																
– Library books	286	(124)	162	–	–	–	–	(51)	–	–	–	6	297	(180)	117	
– Other	604	(253)	351	–	–	–	–	(55)	–	–	–	14	630	(320)	310	
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):																
– Tip assets	6,125	(1,051)	5,074	–	–	252	–	(893)	–	–	–	–	6,377	(1,944)	4,433	
– Quarry assets	965	(378)	587	38	–	5	(38)	(74)	–	–	–	–	958	(440)	518	
Total infrastructure, property, plant and equipment	1,218,849	(283,064)	935,785	13,957	6,779	257	(5,707)	(23,076)	–	(60)	12,040	(64,373)	105,263	1,280,679	(299,814)	980,865

(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)

### Material accounting policy information

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

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

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

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

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. 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>	<b>Years</b>	<b>Land Improvements</b>	<b>Years</b>
Office equipment	3 to 5	Land improvements	0 to 50
Furniture and fittings	10 to 100		
Plant and equipment	5 to 20	<b>Buildings</b>	
Plant and equipment (under finance lease)	4 to 5	Buildings - non-specialised	10 to 150
		Buildings - specialised	10 to 150
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Water supply network	17 to 130	Stormwater drainage	25 to 150
Sewerage network	7 to 160		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Roads	10 to 130	Bulk earthworks	Infinite
Bridges	25 to 145	Swimming pools	38 to 51
Footpaths	60 to 100	Other structures	5 to 128
<b>Other Assets</b>			
Library books	3 to 10		
Other	10		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

### Land under roads

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

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

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

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### **Crown reserves**

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

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

### **Rural Fire Service assets**

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

Until such time as discussions on this matter have concluded and the legislation changes, Council will continue to account for these assets as it has been doing in previous years, which is to incorporate the Building assets, their values and depreciation charges within these financial statements. Council will not recognise rural fire service assets including plant and vehicles in these financial statements. The Council reviews its position in relation to RFS equipment and assets on a yearly basis.

## C1-7 Intangible assets

Intangible assets are as follows:

	2024 \$ '000	2023 \$ '000
<b>Water Licences</b>		
<b>Opening values at 1 July</b>		
Gross book value	6,370	2,428
<b>Net book value – opening balance</b>	<b>6,370</b>	<b>2,428</b>
<b>Movements for the year</b>		
Purchases	1,426	2,880
Revaluation	(36)	1,062
<b>Closing values at 30 June</b>		
Gross book value	7,760	6,370
<b>Total water licences – net book value</b>	<b>7,760</b>	<b>6,370</b>
<b>Software</b>		
<b>Opening values at 1 July</b>		
Gross book value	4,250	2,527
Accumulated amortisation	(218)	(49)
<b>Net book value – opening balance</b>	<b>4,032</b>	<b>2,478</b>
<b>Movements for the year</b>		
Development costs	581	1,723
Amortisation charges	(284)	(169)
<b>Closing values at 30 June</b>		
Gross book value	4,831	4,250
Accumulated amortisation	(502)	(218)
<b>Total Software – net book value</b>	<b>4,329</b>	<b>4,032</b>
<b>Total intangible assets – net book value</b>	<b>12,089</b>	<b>10,402</b>

### Material accounting policy information

Council holds a number of high and general security water licences, which it recognises as an intangible asset.

No amortisation costs are applicable as high and general security water licences have an indefinite life.

Water licences purchased are initially recorded at cost and are valued yearly at 30 June and the revaluation is based on market evidence. Water licences are tested for impairment annually based on market sales evidence. If the recoverable amount is less than carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as impairment loss.

### Software

Council has purchased a new system, Technology One Council, and customised its setup, which it recognises as an intangible asset. Amortisation costs are applicable from 1 July 2021.

## C1-8 Other

## Other assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Prepayments	1,544	–	254	–
<b>Total other assets</b>	<b>1,544</b>	<b>–</b>	<b>254</b>	<b>–</b>

## C2 Leasing activities

### C2-1 Council as a lessee

Council has one lease over a building and also has leases for photocopiers, which are considered as short term leases.

#### Buildings

Council has one building which is leased for a doctors surgery. Lease is month by month and no formal lease agreement is currently in place.

Council also has staff housing rental agreements in place and these are all under 12 months duration.

#### Vehicles

Council leases vehicles and equipment with lease terms varying to 5 years; the lease payments are fixed during the lease term and there is generally no renewal option. There are couple of plant items for Waste Management under lease contracts and reported in the financial statements for their current and non current liability.

#### (a) Lease liabilities

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Lease liabilities	180	188	184	354
<b>Total lease liabilities</b>	<b>180</b>	<b>188</b>	<b>184</b>	<b>354</b>

#### (b) (i) The maturity analysis

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

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per Statement of Financial Position \$ '000
<b>2024</b>					
Cash flows	180	188	–	368	368
<b>2023</b>					
Cash flows	184	354	–	538	538

#### (ii) Lease liabilities relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>Total lease liabilities relating to unrestricted assets</b>	<b>180</b>	<b>188</b>	<b>184</b>	<b>354</b>
<b>Total lease liabilities</b>	<b>180</b>	<b>188</b>	<b>184</b>	<b>354</b>

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

### (c) Income Statement

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

	<b>2024</b> <b>\$ '000</b>	2023 \$ '000
Expenses relating to short-term leases	<b>180</b>	184
Expenses relating to leases of low-value assets	<b>180</b>	184

### (d) Statement of Cash Flows

Total cash outflow for leases	<b>180</b>	184
	<b>180</b>	<b>184</b>

### (e) Leases at significantly below market value – concessionary / peppercorn leases

Council, as lessee, doesn't have any concessionary/ peppercorn leases.

### Material accounting policy information

#### Council as a lessee

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

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. 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.

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

#### Exceptions to lease accounting

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

#### Leases at significantly below market value / concessionary leases

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

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes.

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

	2024 \$ '000	2023 \$ '000
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#### (i) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of caravan parks, staff housing, retirement units, vacant land and room/ facility hire. The table below relates to operating leases on assets that are a part of the overall asset fair value balances disclosed in Note C1-6.

Lease income (excluding variable lease payments not dependent on an index or rate)	601	287
<b>Total income relating to operating leases for Council assets</b>	<b>601</b>	<b>287</b>

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

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

< 1 year	660	623
1–2 years	651	614
2–3 years	663	626
3–4 years	674	636
4–5 years	714	674
> 5 years	11,390	10,745
<b>Total undiscounted lease payments to be received</b>	<b>14,752</b>	<b>13,918</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 then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*. The lease income is recognised on a straight-line basis over the lease term.

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

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Prepaid rates	570	–	487	–
Goods and services – operating expenditure	4,997	–	3,625	–
Accrued expenses:				
– Borrowings	–	–	1	–
– Salaries and wages	769	–	719	–
– Other expenditure accruals	886	–	526	–
Advances	731	–	244	–
Security bonds, deposits and retentions	2,168	–	1,503	–
Other	47	–	35	–
<b>Total payables</b>	<b>10,168</b>	<b>–</b>	<b>7,140</b>	<b>–</b>

#### 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

	Notes	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	3,540	–	5,269	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	157	–	–	–
<b>Total grants received in advance</b>		<b>3,697</b>	<b>–</b>	<b>5,269</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>3,697</b>	<b>–</b>	<b>5,269</b>	<b>–</b>

#### Notes

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

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

### C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – secured <sup>1</sup>	267	1,422	476	2,173
<b>Total borrowings</b>	<b>267</b>	<b>1,422</b>	<b>476</b>	<b>2,173</b>

(1) Loans are secured over the general rating income of Council.

#### (a) Changes in liabilities arising from financing activities

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	2,649	(960)	–	–	–	–	1,689
Lease liability (Note C2-1b)	538	(170)	–	–	–	–	368
<b>Total liabilities from financing activities</b>	<b>3,187</b>	<b>(1,130)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,057</b>

	2022		Non-cash movements				2023
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	3,252	(603)	–	–	–	–	2,649
Lease liability (Note C2-1b)	742	(204)	–	–	–	–	538
<b>Total liabilities from financing activities</b>	<b>3,994</b>	<b>(807)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,187</b>

#### (b) Financing arrangements

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

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

Bank overdraft facilities <sup>1</sup>	400	400
Credit cards/purchase cards	100	100
<b>Total financing arrangements</b>	<b>500</b>	<b>500</b>

##### Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	9	33
<b>Total drawn financing arrangements</b>	<b>9</b>	<b>33</b>

##### Undrawn facilities

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

– Bank overdraft facilities	400	400
– Credit cards/purchase cards	91	67
<b>Total undrawn financing arrangements</b>	<b>491</b>	<b>467</b>

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

### C3-4 Employee benefit provisions

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Annual leave	1,705	–	1,593	–
Long service leave	2,421	372	2,093	512
Gratuities	123	–	–	–
<b>Total employee benefit provisions</b>	<b>4,249</b>	<b>372</b>	<b>3,686</b>	<b>512</b>

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

	2024 \$ '000	2023 \$ '000
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The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

Provisions – employees benefits	3,780	3,281
	<b>3,780</b>	<b>3,281</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.

#### Other long-term employee benefit obligations

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

## C3-5 Provisions

	2024 Current \$ '000	2024 Non-Current \$ '000	2023 Current \$ '000	2023 Non-Current \$ '000
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	10,027	102	6,612
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>10,027</b>	<b>102</b>	<b>6,612</b>
<b>Total provisions</b>	<b>–</b>	<b>10,027</b>	<b>102</b>	<b>6,612</b>

## Description of and movements in provisions

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
<b>2024</b>		
At beginning of year	6,714	6,714
<b>Changes to provision:</b>		
Revised costs	3,017	3,017
Unwinding of discount	296	296
<b>Total other provisions at end of year</b>	<b>10,027</b>	<b>10,027</b>
<b>2023</b>		
At beginning of year	6,172	6,172
<b>Changes to provision:</b>		
Revised costs	245	245
Unwinding of discount	297	297
<b>Total other provisions at end of year</b>	<b>6,714</b>	<b>6,714</b>

### Material accounting policy information

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

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

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

### Asset remediation – tips and quarries

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

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

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

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **IPPE Revaluation reserve**

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

## D Council structure

### D1 Results by fund

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

#### D1-1 Income Statement by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000	Waste Management 2024 \$ '000
<b>Income from continuing operations</b>				
Rates and annual charges	12,224	3,367	3,523	2,439
User charges and fees	4,300	3,578	439	4,623
Interest and investment revenue	1,466	513	817	229
Other revenue	936	235	65	125
Grants and contributions provided for operating purposes	20,017	—	—	139
Grants and contributions provided for capital purposes	48,625	3,488	2,002	88
Other income	601	—	—	—
<b>Total income from continuing operations</b>	<b>88,169</b>	<b>11,181</b>	<b>6,846</b>	<b>7,643</b>
<b>Expenses from continuing operations</b>				
Employee benefits and on-costs	16,654	2,165	937	1,424
Materials and services	14,415	2,078	909	2,990
Borrowing costs	85	—	—	263
Depreciation, amortisation and impairment of non-financial assets	16,804	1,772	1,075	1,233
Other expenses	1,070	11	6	13
Net losses from the disposal of assets	9,125	39	—	39
<b>Total expenses from continuing operations</b>	<b>58,153</b>	<b>6,065</b>	<b>2,927</b>	<b>5,962</b>
<b>Operating result from continuing operations</b>	<b>30,016</b>	<b>5,116</b>	<b>3,919</b>	<b>1,681</b>
<b>Net operating result for the year</b>	<b>30,016</b>	<b>5,116</b>	<b>3,919</b>	<b>1,681</b>
<b>Net operating result attributable to each council fund</b>	<b>30,016</b>	<b>5,116</b>	<b>3,919</b>	<b>1,681</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(18,609)</b>	<b>1,628</b>	<b>1,917</b>	<b>1,593</b>

## D1-2 Statement of Financial Position by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000	Waste Management 2024 \$ '000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	11,582	78	3,095	107
Investments	19,044	5,678	15,034	3,449
Receivables	10,891	2,195	713	1,196
Inventories	497	—	—	—
Other	1,544	—	—	—
Non-current assets classified as held for sale	3,103	—	—	—
<b>Total current assets</b>	<b>46,661</b>	<b>7,951</b>	<b>18,842</b>	<b>4,752</b>
<b>Non-current assets</b>				
Investments	2	—	—	—
Receivables	26	—	—	—
Infrastructure, property, plant and equipment	935,704	77,375	63,270	13,538
Intangible assets	4,329	7,760	—	—
Right of use assets	(350)	—	—	350
<b>Total non-current assets</b>	<b>939,711</b>	<b>85,135</b>	<b>63,270</b>	<b>13,888</b>
<b>Total assets</b>	<b>986,372</b>	<b>93,086</b>	<b>82,112</b>	<b>18,640</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	10,048	93	20	7
Income received in advance	(144)	144	—	—
Contract liabilities	3,697	—	—	—
Lease liabilities	3	—	—	177
Borrowings	267	—	—	—
Employee benefit provision	4,249	—	—	—
<b>Total current liabilities</b>	<b>18,120</b>	<b>237</b>	<b>20</b>	<b>184</b>
<b>Non-current liabilities</b>				
Lease liabilities	6	—	—	182
Borrowings	1,422	—	—	—
Employee benefit provision	372	—	—	—
Provisions	1,229	—	—	8,798
<b>Total non-current liabilities</b>	<b>3,029</b>	<b>—</b>	<b>—</b>	<b>8,980</b>
<b>Total liabilities</b>	<b>21,149</b>	<b>237</b>	<b>20</b>	<b>9,164</b>
<b>Net assets</b>	<b>965,223</b>	<b>92,849</b>	<b>82,092</b>	<b>9,476</b>
<b>EQUITY</b>				
Accumulated surplus	667,358	62,072	49,149	7,889
Revaluation reserves	297,865	30,777	32,943	1,587
<b>Council equity interest</b>	<b>965,223</b>	<b>92,849</b>	<b>82,092</b>	<b>9,476</b>
<b>Total equity</b>	<b>965,223</b>	<b>92,849</b>	<b>82,092</b>	<b>9,476</b>

## D2 Interests in other entities

### D2-1 Subsidiaries

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 and the accounting policy described below.

Council's consolidated financial statements also include controlled entities with ownership interest of 50% or less.

Name of Operation/Entity	Principal activity
<b>1. Moama Recreation Reserve</b>	Management of a Recreation Reserve (Sub Committee) Perricoota Road Moama.

Interests in Subsidiary	Ownership 2024	Ownership 2023	Principal place of business	Voting rights 2024	Voting rights 2023
Council's interest in Subsidiary	<b>100%</b>	100%	Perricoota Rd Moama	<b>100%</b>	100%

#### Reporting dates of Subsidiary

The committee completes financials reports to financial year end 30 June 2024. The financial position and performance of subsidiaries for the financial year ended 30 June 2024 have been included in these consolidated financial statements.

### Summarised financial information for the Subsidiary

	2024 \$ '000	2023 \$ '000
<b>Summarised statement of comprehensive income</b>		
Revenue	<b>47</b>	44
Expenses	<b>(36)</b>	(73)
<b>Profit for the period</b>	<b>11</b>	(29)
<b>Total comprehensive income</b>	<b>11</b>	(29)
<b>Summarised statement of financial position</b>		
Current assets	<b>45</b>	34
<b>Total assets</b>	<b>45</b>	34
<b>Net assets</b>	<b>45</b>	34
<b>Summarised statement of cash flows</b>		
Cash flows from operating activities	<b>11</b>	(32)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>11</b>	(32)

## D2-1 Subsidiaries (continued)

Name of Operation/Entity	Principal activity
<b>2. Mathoura Retirement Village</b>	Management of Units for the Aged Mathoura Street, Mathoura.

Interests in Subsidiary	Ownership 2024	Ownership 2023	Principal place of business	Voting rights 2024	Voting rights 2023
Council's interest in Subsidiary	<b>100%</b>	100%	12 Mathoura St Mathoura	<b>100%</b>	100%

### Reporting dates of Subsidiary

The committee completes financial reports to financial year end 30 June 2024. The financial position and performance of subsidiaries for the financial year ended 30 June 2024 have been included in these consolidated financial statements.

### Summarised financial information for the Subsidiary

	2024 \$ '000	2023 \$ '000
<b>Summarised statement of comprehensive income</b>		
Revenue	<b>55</b>	—
Expenses	<b>(46)</b>	—
<b>Profit for the period</b>	<b>9</b>	—
<b>Total comprehensive income</b>	<b>9</b>	—
<b>Summarised statement of financial position</b>		
Current assets	<b>237</b>	192
Non-current assets	<b>—</b>	371
<b>Total assets</b>	<b>237</b>	<b>563</b>
<b>Net assets</b>	<b>237</b>	<b>563</b>

## D2-1 Subsidiaries (continued)

Name of Operation/Entity	Principal activity
<b>3. Moama Lions Community Village</b>	Provision of units for the people meeting the criteria Various units in Moama.

Interests in Subsidiary	Ownership 2024	Ownership 2023	Principal place of business	Voting rights 2024	Voting rights 2023
Council's interest in Subsidiary	<b>100%</b>	100%	10-12 Council St Moama	<b>100%</b>	100%

### The nature and extent of significant restrictions relating to the Subsidiary

The Moama Lions is a sub committee of Council under Section 355 of the *Local Government Act (1993)*. The assets of the committee are Council's assets. Their bank accounts are treated as Internally Restricted Assets of the Council.

### Reporting dates of Subsidiary

The committee completes financial reports to financial year end 30 June 2024. The financial position and performance of subsidiaries for the financial year ended 30 June 2024 have been included in these consolidated financial statements.

## Summarised financial information for the Subsidiary

	2024 \$ '000	2023 \$ '000
<b>Summarised statement of comprehensive income</b>		
Revenue	<b>292</b>	121
Expenses	<b>(77)</b>	(80)
<b>Profit for the period</b>	<b>215</b>	41
<b>Total comprehensive income</b>	<b>215</b>	41
<b>Summarised statement of financial position</b>		
Current assets	<b>1,101</b>	886
<b>Total assets</b>	<b>1,101</b>	886
Current liabilities	<b>287</b>	233
<b>Total liabilities</b>	<b>287</b>	233
<b>Net assets</b>	<b>814</b>	653
<b>Summarised statement of cash flows</b>		
Cash flows from operating activities	<b>85</b>	7
Cash flows from investing activities	<b>130</b>	—
<b>Net increase in cash and cash equivalents</b>	<b>215</b>	7

### Material accounting policy information

Subsidiaries are all entities (including structured entities) over which the Council has control. Control is established when the Council is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

These consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements. Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

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

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk. Financial risk management is carried out by Council's finance team under policies approved by the Councillors.

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 assistance of independent advisers.

Council has an investment policy which complies with the *Local Government Act 1993* and Minister's investment order 625.

This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **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.
- **Market risk** - interest rate risk – the risk that movements in interest rates could affect returns.
- **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 its independent advisers before placing any cash and investments.

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

	2024 \$ '000	2023 \$ '000
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	433	489

#### (b) Credit risk

Council's major receivables comprise rates and annual charges and user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities. The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements. Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

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

### Credit risk profile

#### Receivables – rates and annual charges

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

	Not yet overdue \$ '000	overdue rates and annual charges < 5 years \$ '000	≥ 5 years \$ '000	Total \$ '000
<b>2024</b>				
Gross carrying amount	371	1,718	503	2,592
<b>2023</b>				
Gross carrying amount	–	1,934	247	2,181

#### 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.

	Not yet overdue \$ '000	0 - 30 days \$ '000	31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	Total \$ '000
<b>2024</b>						
Gross carrying amount	10,045	853	23	281	1,400	12,602
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	4.36%	0.48%
<b>ECL provision</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>61</b>	<b>61</b>
<b>2023</b>						
Gross carrying amount	8,663	774	21	255	1,271	10,984
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	3.70%	0.43%
<b>ECL provision</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>47</b>	<b>47</b>

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

### (c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
<b>2024</b>							
Payables	0.00%	2,168	–	–	–	2,168	10,168
Borrowings	2.14%	–	267	1,125	297	1,689	1,689
<b>Total financial liabilities</b>		<b>2,168</b>	<b>267</b>	<b>1,125</b>	<b>297</b>	<b>3,857</b>	<b>11,857</b>
<b>2023</b>							
Payables	0.00%	1,503	5,637	–	–	7,140	7,140
Borrowings	3.12%	–	476	1,394	779	2,649	2,649
<b>Total financial liabilities</b>		<b>1,503</b>	<b>6,113</b>	<b>1,394</b>	<b>779</b>	<b>9,789</b>	<b>9,789</b>

## E2-1 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
- Financial assets and liabilities
- Assets held for sale.

Capital assets and liabilities measured at fair value are 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).

## E2-1 Fair value measurement (continued)

		Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 1 Quoted prices in active markets		Level 2 Significant observable inputs <sup>1, 2</sup>		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements											
Financial assets											
Financial investments	C1-2										
– 'Financial assets - "											
Available for sale"		30/06/2024	30/06/2023	43,266	49,944	–	–	–	–	43,266	49,944
Total financial assets				43,266	49,944	–	–	–	–	43,266	49,944
Infrastructure, property, plant and equipment											
	C1-6										
Operational Land		30/06/2022	30/06/2022	–	–	24,597	20,279	–	–	24,597	20,279
Community Land		30/06/2022	30/06/2022	–	–	64,721	69,533	–	–	64,721	69,533
Land under roads (post 30/06/08)		30/06/2018	30/06/2018	–	–	–	–	–	–	–	–
Land Improvements depreciable		30/06/2023	30/06/2023	–	–	–	–	12,625	12,539	12,625	12,539
Buildings – non-specialised		30/06/2022	30/06/2022	–	–	553	1,014	18,673	18,026	19,226	19,040
Buildings – specialised		30/06/2022	30/06/2022	–	–	–	–	45,666	40,179	45,666	40,179
Other Structures		30/06/2023	30/06/2023	–	–	–	–	27,672	25,258	27,672	25,258
Roads		30/06/2022	30/06/2022	–	–	–	–	386,035	351,418	386,035	351,418
Bridges		30/06/2022	30/06/2022	–	–	–	–	114,844	90,026	114,844	90,026
Footpaths		30/06/2022	30/06/2022	–	–	–	–	16,452	12,178	16,452	12,178
Bulk Earthworks		30/06/2022	30/06/2022	–	–	–	–	153,844	143,205	153,844	143,205
Stormwater Drainage		30/06/2024	30/06/2022	–	–	–	–	56,532	47,510	56,532	47,510
Water Supply Network		30/06/2024	30/06/2022	–	–	–	–	67,883	61,490	67,883	61,490
Sewerage Network		30/06/2024	30/06/2022	–	–	–	–	58,067	51,274	58,067	51,274
Swimming Pools		30/06/2023	30/06/2023	–	–	–	–	1,883	1,871	1,883	1,871
Library Books		30/06/2022	30/06/2022	–	–	–	–	61	117	61	117
Other Assets		30/06/2022	30/06/2022	–	–	–	–	255	310	255	310
Tip Assets		30/06/2022	30/06/2022	–	–	–	–	6,393	4,433	6,393	4,433
Quarry Assets		30/06/2022	30/06/2022	–	–	–	–	832	518	832	518
Total infrastructure, property, plant and equipment				–	–	89,871	90,826	967,717	860,352	1,057,588	951,178

## E2-1 Fair value measurement (continued)

		Fair value measurement hierarchy											
\$ '000	Notes	Date of latest valuation		Level 1 Quoted prices in active markets		Level 2 Significant observable inputs <sup>1, 2</sup>		Level 3 Significant unobservable inputs		Total			
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023		
Non-recurring fair value measurements													
Discontinued operations													
Water Access Licences	30/06/2024	30/06/2023		7,760	6,370		—	—		—	—	7,760	6,370
Total discontinued operations				7,760	6,370		—	—		—	—	7,760	6,370

(1) Community Land revalued at 30 June 2022 and resulted in a change from Level 3 to Level 2 observable inputs.

(2) Buildings Specialised revalued at 30 June 2022 and resulted in a predominate change from Level 2 to Level 3 observable inputs.

## E2-1 Fair value measurement (continued)

### Valuation techniques

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

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

#### Operational and Community land

Indexation has been done on this asset class as of 30 June 2024. The last full asset class valuation was by an independent consultant (APV Valuers and Asset Management) on 30 June 2022. Operational Land is valued based on purchase price and valuations provided by commercial valuers.

Community Land is based on land value of either recently sold properties which are of a similar type, the hypothetical development approach (using gross realisation, expected costs, profit and risk), the value to an adjoining owner approach (land has no commercial value and is valued with reference to adjoining owner land values) or the nominal value approach (land is deemed to have a nominal cost of \$1,000).

#### Land Under Roads

Last revalued in June 2018 internally by Council.

#### Land Improvements

Land Improvements comprises of flood levee banks and associated infrastructure like penstocks and flood gates.

This asset class was inspected and valued internal by Council on 30 June 2023. The valuations are based on a range of Level 3 inputs, including at an Asset Level or a Component Level (components, unit rates/ overall value, consumption scores and valuation profiles).

#### Buildings – non-specialised and specialised

Indexation has been done on this asset class as of 30 June 2024. The last full asset class valuation was by an independent consultant (APV Valuers and Asset Management) on 30 June 2022. Council engaged commercial valuers to value all Council's buildings as at 30 June 2022. Valuation techniques remained the same for the reporting period.

#### Other structures

Other Structures comprise of sundry recreational assets, signage, shade sails, irrigation systems, lights, fencing, cemeteries, wharfs, boat ramps, skate parks, pounds, sheds, carports, bus shelters, playground equipment and caravan parks assets etc.

Indexation has been done on this asset class as of 30 June 2024. The last full asset class valuation was by an independent consultant (APV Valuers and Asset Management) on 30 June 2023. The valuations are based on a range of Level 3 inputs, including at an Asset Level or a Component Level (components, unit rates/ overall value, consumption scores and valuation profiles).

#### Roads, bridges, bulk earthworks and footpaths

Council's Roads, Bridges Bulk Earthworks and Footpaths were inspected and valued by an independent consultant ((APV Valuers and Asset Management) on 30 June 2022. The valuation was based on cost approach using Level 3 inputs to value this asset class and the following information was determined by the consultant for each component.

- The economic useful life has been assessed based on utilising construction year, asset replacement cost and condition after being reviewed carefully.
- The remaining service potential was determined based on physical condition data.
- The replacement costs were developed from unit rates, quantities, sub-component factors and intangible factors.
- Condition assessment is based on factors such as age of the asset, overall condition, economic and functional obsolescence.
- Pattern of consumption straight line pattern of consumption.
- Indexation has been applied for the 2023/24 financial year.

## E2-1 Fair value measurement (continued)

### Stormwater Drainage

Full asset class valuation was by an independent consultant (APV Valuers and Asset Management) on 30 June 2024. The valuation was based on cost approach using Level 3 inputs to value this asset class and the following information was determined by the consultant for each component.

- The economic useful life has been assessed based on utilising construction year, asset replacement cost and condition after being reviewed carefully.
- The remaining service potential was determined based on physical condition data sampled by APV Valuers and Asset Management.
- The replacement costs were developed from unit rates, quantities, sub-component factors and intangible factors.
- Condition assessment is based on factors such as age of the asset, overall condition, economic and functional obsolescence.
- Pattern of consumption straight line pattern of consumption.

### Water supply network

Assets within this class comprise reservoirs, pumping station, treatment plants and reticulation and delivery mains.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on their final determination of fair value. Additionally due to limitations in the historical records of very long lived assets, there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water. These assets are assessed internally by technically qualified staff using externally provided indexation rates.

Full asset class valuation was by an independent consultant (APV Valuers and Asset Management) on 30 June 2024.

### Sewerage network

Assets within this class comprise treatment plants, oxidation ponds, pumping stations and mains.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water. These assets are assessed internally by technically qualified staff using externally provided indexation rates.

This asset class was inspected and valued by an independent consultant (APV Valuers and Asset Management) on 30 June 2024.

### Swimming Pools

This asset class was inspected and valued by an independent consultant (APV Valuers and Asset Management) on 30 June 2023. The valuations are based on a range of Level 3 inputs, including at an Asset Level or a Component Level (components, unit rates/ overall value, consumption scores and valuation profiles).

### Other Assets

Assets within this class comprise library books, heritage collections and reinstatement of tip and quarry assets etc. Council's Asset Department undertook a revaluation for these assets as at 30 June 2023. Quoted prices in an active market for similar items and condition assessment have been used to revalue these assets.

Landfill remediation included a recalculation of remediation costs, which have a bearing on the asset valuation. The remediation costs for were based on a report provided by Talis Consultants in June 2022 and reviewed and index for the 2022/23 financial year.

Quarry assets were indexed as at 30 June 2023. Council had undertaken a full revaluation process for the 2020/21 financial year, using in-house experience and supplier invoices/ quotes (where applicable) to derive unit costings at 30 June 2021. For 2022/23 financial year, there was a recalculation of remediation costs based on indexation parameters, which have a bearing on the asset valuation. The remediation costs were based on Infrastructure Department costs to remediate the assets.

## E2-1 Fair value measurement (continued)

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### Financial Assets – Non-current assets classified as “available for sale” - Shares

Council values the shares held at their original purchase prices as there are no quoted prices in an active market.

### Intangible Assets

#### Water Access Licences

Council values water access licences based on quoted prices in an active market. These were changed for the current year and the previous year due to the recognition of previously unrecognised water rights.

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

### The valuation process for level 3 fair value measurements

Council uses a combination of commercial Valuers and Council's Engineering Department staff.

Valuation Technique – where the Council staff are suitably qualified and are appropriately resourced to undertake the asset valuation, then an internal valuation will be undertaken. The calculation is based on the components unit costs of the asset class as disclosed in Note E2-1. Recent similar construction projects are assessed to determine the appropriate unit costs. This determines the “Gross carrying Amount”. An assessment of the useful life and remaining useful life of the assets components, through a condition assessment is undertaken. This determines the “Accumulated Depreciation and Impairment” and the “Net Carrying Amount”.

If suitably qualified staff are not available then the Council will employ contractors to do part or all of the above process.

Post Valuation - The Council's Director Engineering Services overviews the valuation process.

## E2-1 Fair value measurement (continued)

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

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

	Fair value (30/6/24) 2024 \$ '000	Valuation technique/s	Unobservable inputs
<b>I,PP&amp;E</b>			
Land improvements – depreciable	12,625	Cost approach	Current replacement cost of modern equivalent asset, asset condition, remaining lives, residual value. Unit rates per m in length varied from \$86 to \$15,067
Buildings - non specialised	18,673	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives. Unit rates per m2 varied from \$605 to \$14,552
Buildings – specialised	45,666	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, residual value. Unit rates per m2 varied from \$245 to \$10,294
Other structures	27,672	Cost approach	Current replacement cost of modern equivalent asset, asset condition, remaining lives, residual value. Unit rates per m2 or length varied from \$117 to \$14,789
Roads, bridges and footpaths	517,331	Cost approach	Asset condition, remaining lives using componentisation. Unit rates per m2 varied from \$10.73 to \$3,332,240
Bulk earthworks	153,844	Cost approach	Asset condition, remaining lives using componentisation. Unit rates per m2 or length varied from \$3.19 to \$5.96
Stormwater drainage	56,532	Cost approach	Asset condition, remaining lives. Unit rates per m in length varied from \$41 to \$2,454
Water supply network	67,883	Cost approach	Asset condition and remaining lives using componentisation. Unit rates per m in length varied from \$15 to \$614

## E2-1 Fair value measurement (continued)

	Fair value (30/6/24) 2024 \$ '000	Valuation technique/s	Unobservable inputs
Sewerage network	58,067	Cost approach	Asset condition and remaining lives using componentisation. Unit rates per m in length varied from \$38 to \$1,791
Swimming Pools	1,883	Cost approach	Asset condition and remaining lives using componentisation. Unit rates per m2 varied from \$7,064 to \$22,788
Tips and Quarries	7,225	Cost approach	Environmental legislation, timing of expected cash outflows, asset condition
Other Assets	316	Cost approach	Asset condition and remaining lives using componentisation. Unit rates per unit varied from \$20 to \$383
<b>Non-current assets classified as 'held for sale'</b>			
Shares	2	Original Purchase Price	Current value indefinable as not traded in an active share market

## E2-1 Fair value measurement (continued)

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

	Land improvement depreciable		Building specialised		Building Non Specialised		Other structures	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Opening balance</b>	<b>12,539</b>	9,101	<b>40,179</b>	37,080	<b>19,040</b>	17,615	<b>25,258</b>	23,879
Transfers from/(to) another asset class	—	—	—	—	23	—	107	—
Purchases (GBV)	—	—	5,570	824	98	43	3,039	65
Disposals (WDV)	(543)	—	(477)	—	(397)	—	(350)	(1)
Depreciation and impairment	(1)	(6)	(704)	(950)	(435)	(396)	(1,618)	(1,626)
Revaluation Movement - Equity	630	3,444	1,571	3,225	897	1,736	1,236	2,941
Reinstatement	—	—	—	—	—	—	—	—
Other	—	—	(473)	—	—	42	—	—
<b>Closing balance</b>	<b>12,625</b>	12,539	<b>45,666</b>	40,179	<b>19,226</b>	19,040	<b>27,672</b>	25,258

	Roads, bridges and footpaths		Bulk earthworks		Stormwater drainage		Water supply network	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Opening balance</b>	<b>453,622</b>	391,670	<b>143,205</b>	207,812	<b>47,510</b>	39,613	<b>61,490</b>	56,064
Transfers from/(to) another asset class	11,459	—	(160)	—	—	—	269	—
Purchases (GBV)	29,317	13,990	2,589	1,424	3,308	3,875	1,362	2,554
Disposals (WDV)	(5,464)	(3,698)	(1,627)	(1,658)	—	—	(39)	(106)
Depreciation and impairment	(9,439)	(12,502)	—	—	(776)	(667)	(1,559)	(1,396)
Revaluation Movement - Equity	37,836	64,212	9,837	(64,373)	6,490	4,689	6,360	4,374
Reinstatement	—	—	—	—	—	—	—	—
Other	—	(50)	—	—	—	—	—	—
<b>Closing balance</b>	<b>517,331</b>	453,622	<b>153,844</b>	143,205	<b>56,532</b>	47,510	<b>67,883</b>	61,490

	Sewerage network		Swimming pools		Tip and quarry assets		Other assets	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Opening balance</b>	<b>51,274</b>	45,198	<b>1,871</b>	—	<b>4,951</b>	5,661	<b>427</b>	513
Transfers from/(to) another asset class	(269)	—	—	—	—	—	—	—
Purchases (GBV)	1,620	2,864	—	—	—	38	—	—
Disposals (WDV)	—	(16)	—	—	—	(38)	—	—
Depreciation and impairment	(1,049)	(1,186)	(86)	(81)	(1,044)	(967)	(111)	(106)
Revaluation Movement - Equity	6,491	4,414	98	1,952	—	—	—	20
Reinstatement	—	—	—	—	3,318	257	—	—
<b>Closing balance</b>	<b>58,067</b>	51,274	<b>1,883</b>	1,871	<b>7,225</b>	4,951	<b>316</b>	427

## E2-1 Fair value measurement (continued)

	<b>Total</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Opening balance</b>	<b>875,409</b>	847,530
Transfers from/(to) another asset class	<b>11,453</b>	–
Purchases (GBV)	<b>50,961</b>	27,169
Disposals (WDV)	<b>(9,752)</b>	(5,707)
Depreciation and impairment	<b>(20,600)</b>	(23,076)
Revaluation Movement - Equity	<b>71,208</b>	29,277
Reinstatement	<b>3,318</b>	257
Other	<b>(473)</b>	(41)
<b>Closing balance</b>	<b>981,524</b>	<b>875,409</b>

### Highest and best use

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

## E3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

##### (i) Defined benefit superannuation contribution plans

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

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

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

##### *Description of the funding arrangements*

Pooled employers are required to pay 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 lifetime 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 Member; 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 8.0% of salaries for the year ending 30 June 2023 (increasing to 8.5% 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 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2022. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities. It is estimated that there are \$22,422.12 past service contributions remaining.

##### *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 and disclosed as part of the superannuation expenses in Note B3-1 for the year ending 30 June 2024 was \$38,110.28. The last valuation of the Scheme was performed by Actuary, Mr. Richard Boyfield for the year ended 30 June 2023.

Murray River Council's expected contribution to the plan for the next annual reporting period is \$26,661.48.

## E3-1 Contingencies (continued)

The estimated employer reserves financial position for the pooled employees 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 on both assets and liabilities

The share of this deficit that is broadly attributed to the Council is estimated to be in the order of \$1,927.71 as at 30 June 2024.

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

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

Investment return	6.00% per annum
Salary inflation	3.50% per annum
Increase in CPI	3.5% for FY 23/24 2.50% per annum thereafter

\*Plus promotional increases.

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

### (ii) Statewide Limited

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

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

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

### (iii) StateCover Limited

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

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

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

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

### (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.

## E3-1 Contingencies (continued)

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

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

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

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

### ASSETS NOT RECOGNISED

#### (i) Land under roads

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

#### (ii) Infringement notices/fines

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

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

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

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

## F People and relationships

### F1 Related party disclosures

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

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. The amount of KMP compensation included in Income Statement:

	2024 \$ '000	2023 \$ '000
Short-term benefits	1,449	1,398
Post-employment benefits	151	130
Other long-term benefits	39	27
<b>Total</b>	<b>1,639</b>	<b>1,555</b>

#### Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
<b>2024</b>					
Related Employees <sup>1</sup>	127	–	14 Days	–	–
Related Creditors <sup>2</sup>	337	–	30 Days	–	–
<b>2023</b>					
Related Employees <sup>1</sup>	–	–		–	–
Related Creditors <sup>2</sup>	508	–		–	–

(1) Employee costs for related parties to KMP

(2) Expenditure relates to the procurement of services and materials from various businesses which are related parties to KMP

## F1-2 Councillor and Mayoral fees and associated expenses

	2024 \$ '000	2023 \$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	38	28
Councillors' fees	147	114
Other Councillors' expenses (including Mayor)	152	123
<b>Total</b>	<b>337</b>	<b>265</b>

## F2 Other relationships

### F2-1 Audit fees

	2024 \$ '000	2023 \$ '000
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	100	145
<b>Remuneration for audit and other assurance services</b>	<b>100</b>	<b>145</b>
<b>Total Auditor-General remuneration</b>	<b>100</b>	<b>145</b>
<b>Total audit fees</b>	<b>100</b>	<b>145</b>

## G Other matters

### G1-1 Statement of Cash Flows information

#### (a) Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
<b>Net operating result from Income Statement</b>	<b>40,732</b>	15,021
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	20,884	23,076
(Gain) / loss on disposal of assets	9,203	4,800
Non-cash capital grants and contributions	(31,910)	(13,624)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Revaluation decrements / impairments of IPP&E direct to P&L	–	169
– Other (Revaluation Intangible Assets)	–	1,062
Amortisation of premiums, discounts and prior period fair valuations		
– Interest exp. on interest-free loans received by Council (previously fair valued)	11	13
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(2,626)	1,297
Increase in provision for impairment of receivables	40	2
Decrease of inventories	23	192
(Increase) / decrease of other current assets	(1,290)	256
Increase / (decrease) in payables	1,372	(11)
Decrease in accrued interest payable	(1)	–
Increase in other accrued expenses payable	410	475
Increase in other liabilities	1,247	479
Decrease in contract liabilities	(1,572)	(84)
Increase / (decrease) in employee benefit provision	423	(585)
Increase in other provisions	3,313	542
<b>Net cash flows from operating activities</b>	<b>40,259</b>	<b>33,080</b>

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

Developer contributions 'in kind'	9,982	13,624
Other dedications	21,928	–
<b>Total non-cash investing and financing activities</b>	<b>31,910</b>	<b>13,624</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

	2024 \$ '000	2023 \$ '000
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Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

#### Property, plant and equipment

Road infrastructure	623	595
Bridges	1,634	3,804
Other	3,550	4,953
Wastewater	948	—
Buildings	311	5,041
<b>Total commitments</b>	<b>7,066</b>	<b>14,393</b>

#### These expenditures are payable as follows:

Within the next year	7,066	14,393
<b>Total payable</b>	<b>7,066</b>	<b>14,393</b>

#### Sources for funding of capital commitments:

Unexpended grants	2,188	1,180
Externally restricted reserves	1,537	763
Unrestricted general funds	1,846	2,778
Future grants and contributions	1,495	9,672
<b>Total sources of funding</b>	<b>7,066</b>	<b>14,393</b>

#### Details of capital commitments

Construction of Automated Depot shed - \$182k  
 River Country Art Trail - \$701k  
 Raw and Filtered Water Main Renewals - \$548k  
 Horsehoe Lagoon Development \$236k  
 Moama & Barham Sewerage Scheme Upgrade - \$807k  
 2.5% Retention - Moama Pre-School - \$129k  
 Natural Disaster Recovery Works - Transport - \$161k  
 Supply & Installation of Bridges - \$1.53m  
 Murray Downs Boat Ramp Construction - \$1.32m  
 Meninya Street Precinct Project - \$744k  
 4G Pump Upgrade Sewerage System - \$141k  
 Regional Roads Heavy Patching - \$561k

## G3-1 Events occurring after the reporting date

Council has not identified any material or significant 'non-adjusting events' that should be disclosed.

## G4 Statement of developer contributions

### G4-1 Summary of developer contributions

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
Drainage	284	132	—	2,901	18	—	—	434	—
Roads	2,705	600	—	3,092	122	(555)	—	2,873	—
Open space	301	132	—	—	18	—	—	451	—
Community facilities	155	64	—	—	10	—	—	229	—
Domestic Waste	78	88	—	—	6	—	—	172	—
<b>S7.11 contributions – under a plan</b>	<b>3,523</b>	<b>1,016</b>	<b>—</b>	<b>5,993</b>	<b>174</b>	<b>(555)</b>	<b>—</b>	<b>4,159</b>	<b>—</b>
<b>S7.12 levies – under a plan</b>	<b>396</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21</b>	<b>—</b>	<b>—</b>	<b>417</b>	<b>—</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>3,919</b>	<b>1,016</b>	<b>—</b>	<b>5,993</b>	<b>195</b>	<b>(555)</b>	<b>—</b>	<b>4,576</b>	<b>—</b>
S7.11 not under plans	17	—	—	—	1	—	—	18	—
S64 contributions	3,016	1,409	95	3,989	160	(655)	—	3,930	—
<b>Total contributions</b>	<b>6,952</b>	<b>2,425</b>	<b>95</b>	<b>9,982</b>	<b>356</b>	<b>(1,210)</b>	<b>—</b>	<b>8,524</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.

### G4-2 Developer contributions by plan

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
<b>CONTRIBUTION PLAN (former Murray Shire)</b>									
Drainage	268	128	—	2,901	17	—	—	413	—
Roads	2,070	588	—	3,092	95	(547)	—	2,207	—
Open space	292	126	—	—	17	—	—	435	—
Community facilities	121	60	—	—	8	—	—	189	—
Domestic Waste	78	85	—	—	6	—	—	169	—
<b>Total</b>	<b>2,829</b>	<b>987</b>	<b>—</b>	<b>5,993</b>	<b>143</b>	<b>(547)</b>	<b>—</b>	<b>3,413</b>	<b>—</b>

## G4-2 Developer contributions by plan (continued)

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
<b>CONTRIBUTION PLAN (former Wakool)</b>									
Drainage	16	4	–	–	1	–	–	21	–
Roads	635	12	–	–	27	(8)	–	666	–
Open space	9	6	–	–	1	–	–	16	–
Community facilities	34	4	–	–	2	–	–	40	–
Waste Management	–	3	–	–	–	–	–	3	–
<b>Total</b>	<b>694</b>	<b>29</b>	<b>–</b>	<b>–</b>	<b>31</b>	<b>(8)</b>	<b>–</b>	<b>746</b>	<b>–</b>

## S7.12 Levies – under a plan

### CONTRIBUTION PLAN (former Murray Shire)

Community facilities	396	–	–	–	21	–	–	417	–
<b>Total</b>	<b>396</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>21</b>	<b>–</b>	<b>–</b>	<b>417</b>	<b>–</b>

## G4-3 Contributions not under plans

### S94 CONTRIBUTIONS – NOT UNDER A PLAN (former Wakool)

Kerb & Gutter	17	–	–	–	1	–	–	18	–
<b>Total</b>	<b>17</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>18</b>	<b>–</b>

## G4-4 S64 contributions

### S64 contributions (former Murray Shire)

Sewer	1,461	410	–	1,497	78	(159)	–	1,790	–
Water	1,185	930	95	2,397	63	(440)	–	1,738	–
<b>Total</b>	<b>2,646</b>	<b>1,340</b>	<b>95</b>	<b>3,894</b>	<b>141</b>	<b>(599)</b>	<b>–</b>	<b>3,528</b>	<b>–</b>

### S64 contributions (former Wakool)

Sewerage	314	17	–	–	16	–	–	347	–
Water	56	52	–	–	3	(56)	–	55	–
<b>Total</b>	<b>370</b>	<b>69</b>	<b>–</b>	<b>–</b>	<b>19</b>	<b>(56)</b>	<b>–</b>	<b>402</b>	<b>–</b>

## G5 Statement of performance measures

### G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	(4,215)	(7.07)%	(26.22)%	(31.18)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	59,636				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	39,480	34.68%	36.54%	42.90%	> 60.00%
Total continuing operating revenue <sup>1</sup>	113,839				
3. Unrestricted current ratio					
Current assets less all external restrictions	30,898	2.85x	3.09x	3.71x	> 1.50x
Current liabilities less specific purpose liabilities	10,827				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	17,017	11.43x	8.11x	8.58x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,489				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	2,903	11.90%	11.57%	11.72%	< 10.00%
Rates and annual charges collectable	24,401				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	58,067	15.57 months	14.67 months	13.44 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	3,730				

(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.

## G5-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2</sup>	(16.48)%	(50.93)%	21.16%	32.90%	39.57%	53.21%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	28.12%	32.98%	68.80%	51.77%	70.76%	54.78%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	2.85x	3.09x	33.55x	34.74x	942.10x	303.79x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	7.14x	1.03x	—	—	—	—	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	16.58%	15.43%	0.00%	0.00%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	14.72 months	14.28 months	—	—	—	—	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note 26a above.

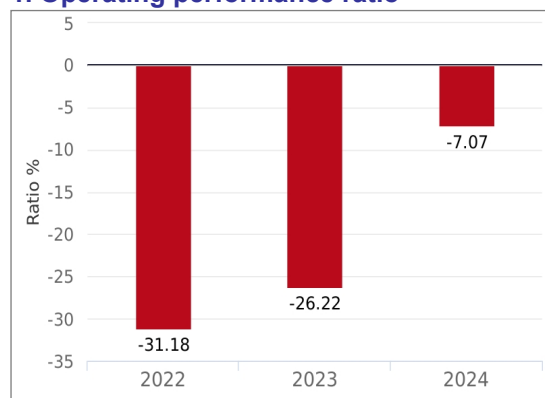
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

**End of the audited financial statements**

## H Additional Council disclosures (unaudited)

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

#### 1. Operating performance ratio



##### Purpose of operating performance ratio

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

##### Commentary on 2023/24 result

2023/24 ratio (7.07)%

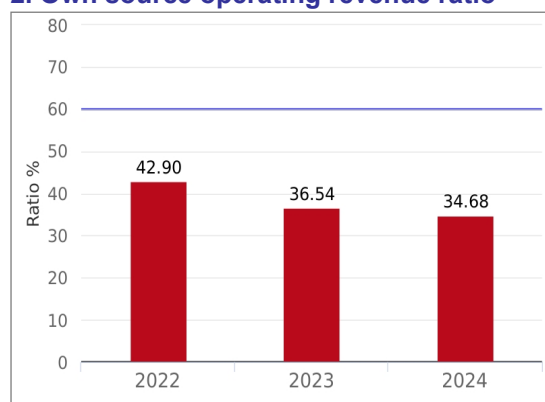
Benchmark: — > 0.00%

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 34.68%

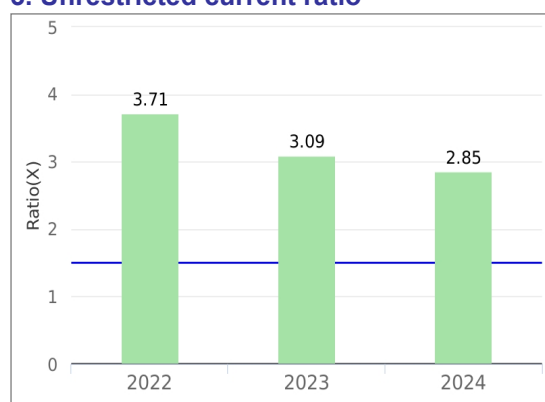
Benchmark: — > 60.00%

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 2.85x

Benchmark: — > 1.50x

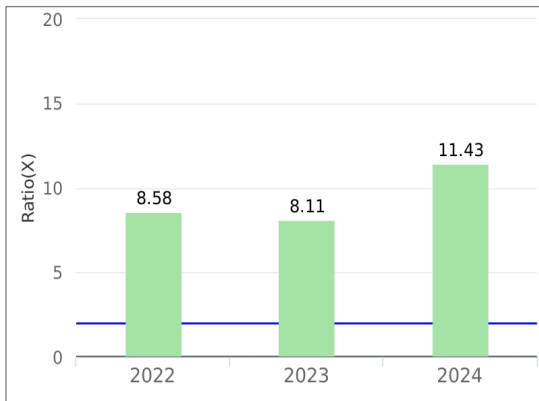
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

### 4. Debt service cover ratio



#### Purpose of debt service cover ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 11.43x

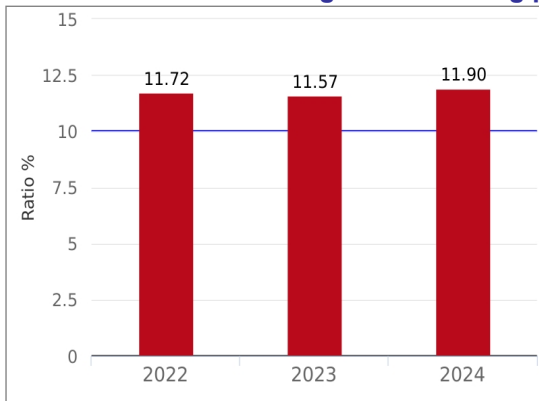
Benchmark: — > 2.00x

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 11.90%

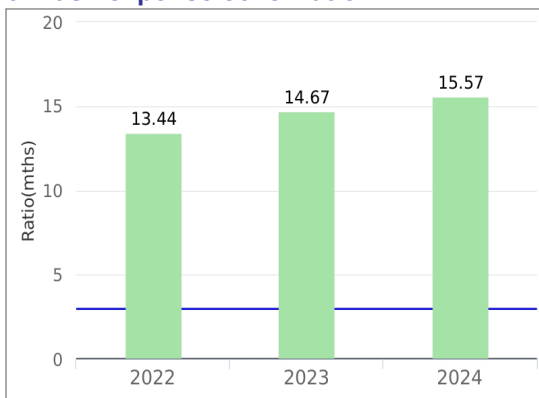
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 6. Cash expense cover ratio



#### Purpose of cash expense cover ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 15.57 months

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

#### Murray River Council

To the Councillors of Murray River Council

### Opinion

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

In my opinion:

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

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

### Basis for Opinion

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

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

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

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

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

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

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

## **Other Information**

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

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

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

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

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](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.



Aubrey Perez  
Delegate of the Auditor-General for New South Wales

13 November 2024  
SYDNEY



Cr John Harvie  
Mayor  
Murray River Council  
PO Box 906  
Moama NSW 2713

Contact: Aubrey Perez  
Phone no: 02 9275 7251  
Our ref: R008-2124742775-9325

13 November 2024

Dear Mayor

## Report on the Conduct of the Audit for the year ended 30 June 2024 Murray River Council

I have audited the general purpose financial statements (GPFS) of the Murray River 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 \$m	2023 \$m	Variance %
Rates and annual charges revenue	21.6	19.1	↑ 13.1
Grants and contributions revenue	74.4	55.0	↑ 35.3
Operating result from continuing operations	40.7	15.0	↑ 171.3
Net operating result before capital grants and contributions	(13.5)	(18.7)	↑ 27.8

Rates and annual charges revenue (\$21.6million) increased by \$2.5 million (13.1 per cent) in 2023–24 due to the rate peg increase of 4.1 per cent and a \$1.7 million increase on water and sewerage services annual charges.

Grants and contributions revenue (\$74.4 million) increased by \$19.4 million (35.3 per cent) in 2023–24 mainly due to increase of \$21.9 million in non-cash contributions related to roads and bridges assets recognised during the year.

Council's operating result from continuing operations was \$40.7 million (including depreciation, amortisation and impairment expense of \$20.9 million) was \$25.7 million higher than the 2022–23 result. This was mainly due to the non-cash contributions related to roads and bridges assets recognised during the year.

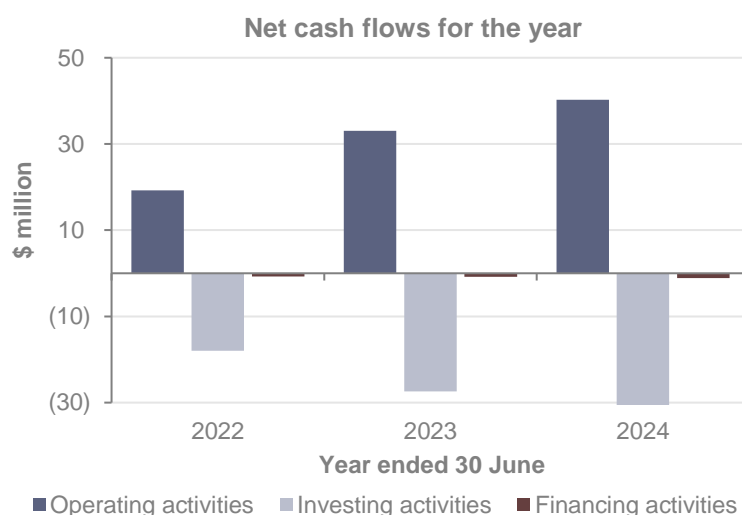
The net operating result before capital grants and contributions (-\$13.5 million) was \$5.2 million higher than the 2022–23 result. This is mainly due to the decrease in materials and services and depreciation, amortisation and impairment of non-financial assets.

## STATEMENT OF CASH FLOWS

Cash flows from operating activities increased by \$7.2 million mainly due to a reduction in payments for materials and services along with increases in rates and annual charges and user charges and fees.

Cash flows used in investing activities increased by \$4.1 million mainly due to payments for IPPE and reduction in the term deposit balance.

Cash flows used in financing activities increased by \$0.3 million mainly due to repayment of borrowings.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>58.1</b>	<b>57.2</b>	Externally restricted balances comprise mainly of specific purpose unexpended grants included in liabilities, developer contributions, water, sewer and waste funds and specific purpose unexpended grants recognised as revenue. Externally restricted funds have remained consistent between the periods.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	44.4	43.9	Internal allocations are determined by council policies or decisions, which are subject to change. Internal allocations have decreased compared to the prior year mainly due to the timing differences of the financial assistance grant receipt.
• Internal allocations	9.1	12.3	

## Debt

The Council has \$1.7 million of borrowings as at 30 June 2024 (2023: \$2.6 million) which is secured over the revenue of Council. Council repaid \$1.0 million of external borrowings and no new loans were entered during the year.

The Council also has a \$0.4 million bank overdraft facility (2023: \$0.4 million), which was not drawn as at 30 June 2024.

## PERFORMANCE

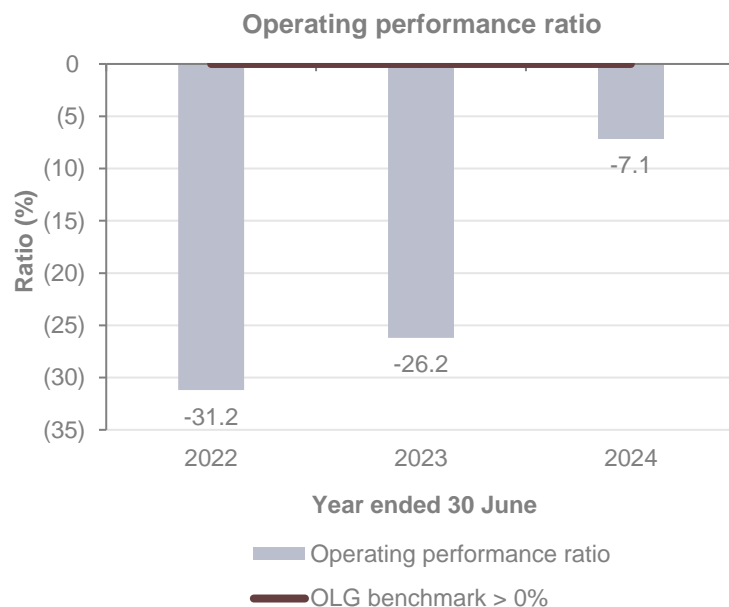
### Performance measures

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

#### Operating performance ratio

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

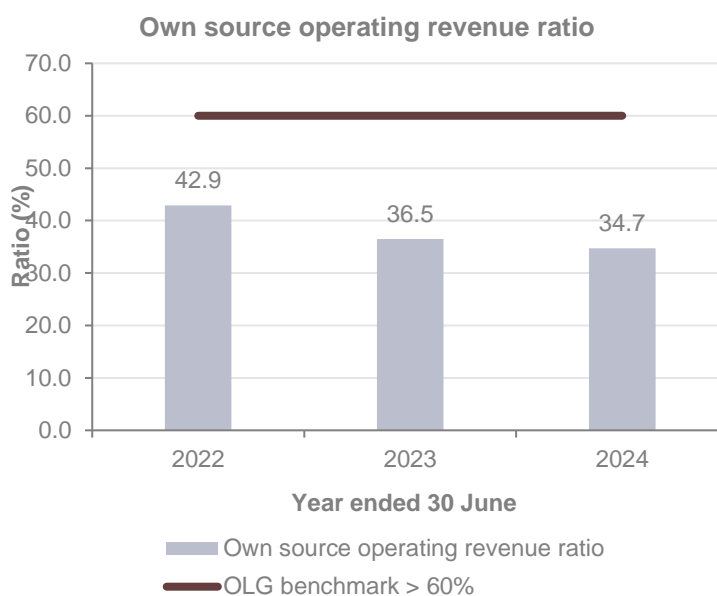
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



## Own source operating revenue ratio

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

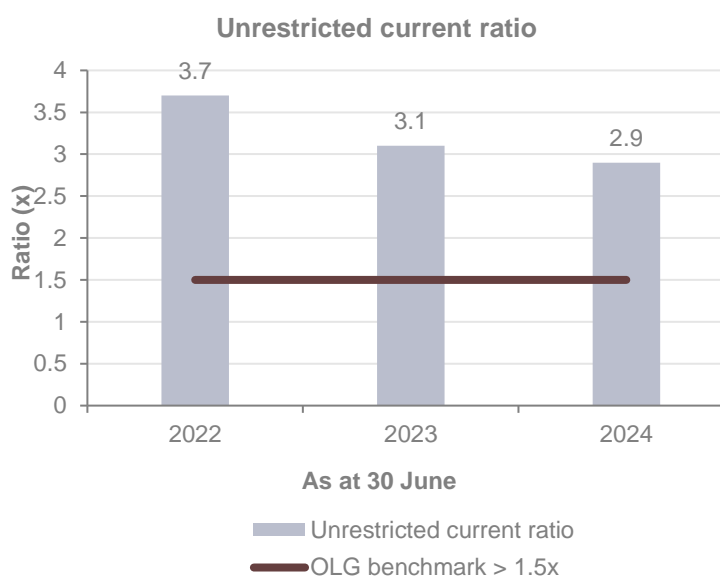
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



## Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

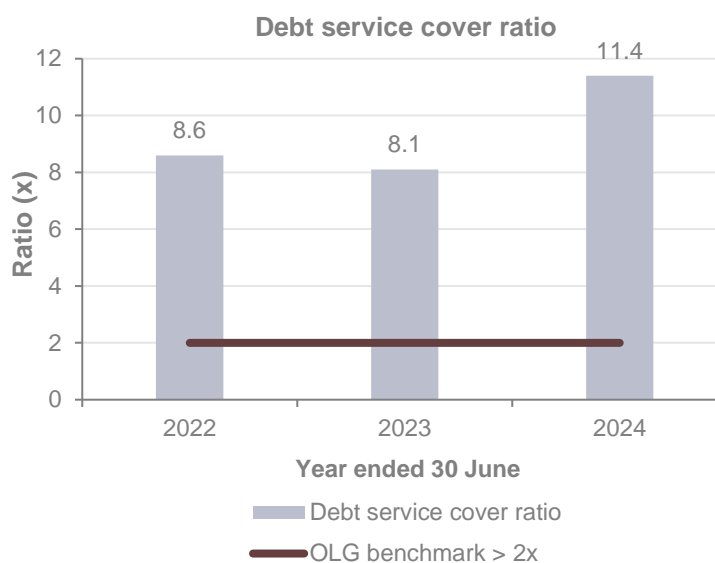
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



## Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

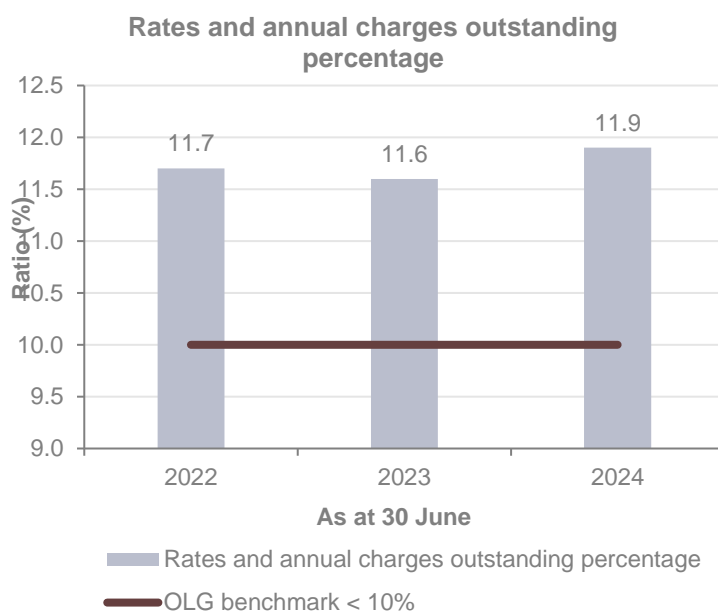
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



## Rates and annual charges outstanding percentage

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

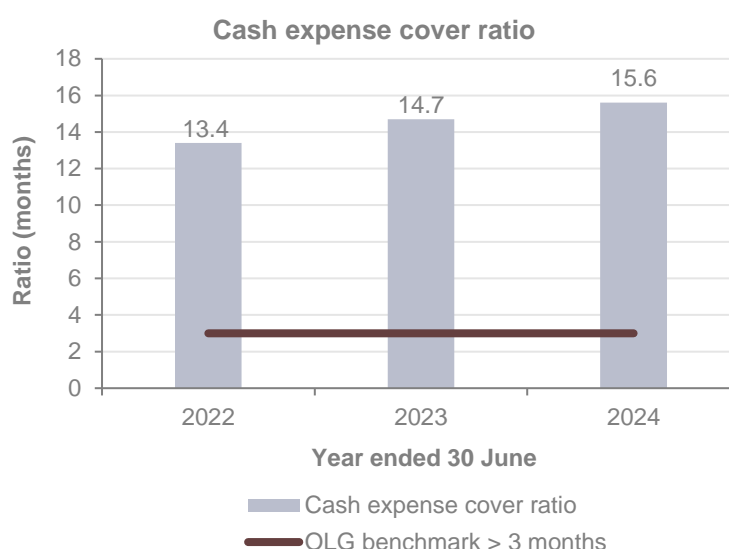
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



## Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



## Infrastructure, property, plant and equipment renewals

Council renewed \$20.6 million of infrastructure, property, plant and equipment during the 2023–24 financial year (\$14.0 million in 2022–23). A further \$14.9 million was spent on new assets (\$6.8 million in 2022–23). The renewed and new assets were accounted for as work in progress assets and were then transferred into their appropriate classes upon completion. The majority of the completed asset transfers made during the year were in relation to completed roads (\$13.2 million), specialised buildings (\$5.6 million) and other structures (\$3.0 million).

## 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.

Aubrey Perez  
Delegate of the Auditor-General for New South Wales

# Murray River Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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## Special Purpose Financial Statements

for the year ended 30 June 2024

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Contents	Page
<b>Statement by Councillors and Management</b>	<b>96</b>
<b>Special Purpose Financial Statements:</b>	
Income Statement of water supply business activity	97
Income Statement of sewerage business activity	98
Income Statement of waste business activity	99
Statement of Financial Position of water supply business activity	100
Statement of Financial Position of sewerage business activity	101
Statement of Financial Position of waste business activity	102
<b>Note – Material accounting policy information</b>	<b>103</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>106</b>

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### Background

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

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

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

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

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

## Murray River Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 12 November 2024.



Cr John Harvie  
Mayor  
12 November 2024

  
Neil Gorey (Nov 12, 2024 17:31 GMT+11)

Cr Neil Gorey  
Councillor  
12 November 2024



Mrs Sarah Ryan  
Acting Chief Executive Officer  
12 November 2024



Mr Stephen Fernando  
Responsible Accounting Officer  
12 November 2024

## Murray River Council

## Income Statement of water supply business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>Income from continuing operations</b>		
Access charges	3,367	2,620
User charges	3,335	1,285
Fees	243	138
Interest and investment income	513	274
Grants and contributions provided for operating purposes	—	3,305
Other income	235	210
<b>Total income from continuing operations</b>	<b>7,693</b>	<b>7,832</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	2,165	1,923
Materials and services	1,951	1,655
Depreciation, amortisation and impairment	1,772	1,418
Water purchase charges	127	153
Net loss from the disposal of assets	39	106
Other expenses	11	—
<b>Total expenses from continuing operations</b>	<b>6,065</b>	<b>5,255</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,628</b>	<b>2,577</b>
Grants and contributions provided for capital purposes	3,488	912
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>5,116</b>	<b>3,489</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>5,116</b>	<b>3,489</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(407)	(644)
<b>Surplus (deficit) after tax</b>	<b>4,709</b>	<b>2,845</b>
<b>Plus accumulated surplus</b>	<b>56,957</b>	<b>53,521</b>
<b>Less prior period adjustments</b>	<b>(1)</b>	<b>(53)</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	407	644
<b>Closing accumulated surplus</b>	<b>62,072</b>	<b>56,957</b>
<b>Return on capital %</b>	<b>2.1%</b>	<b>3.9%</b>
<b>Subsidy from Council</b>	<b>1,699</b>	<b>46</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	4,709	2,845
Less: capital grants and contributions (excluding developer contributions)	(14)	(912)
<b>Surplus for dividend calculation purposes</b>	<b>4,695</b>	<b>1,933</b>
<b>Potential dividend calculated from surplus</b>	<b>2,348</b>	<b>966</b>

## Murray River Council

### Income Statement of sewerage business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>Income from continuing operations</b>		
Access charges	3,523	2,795
User charges	365	107
Liquid trade waste charges	71	197
Fees	3	2
Interest and investment income	817	444
Grants and contributions provided for operating purposes	–	2,631
Other income	65	75
<b>Total income from continuing operations</b>	<b>4,844</b>	<b>6,251</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	937	840
Materials and services	909	878
Depreciation, amortisation and impairment	1,075	1,191
Net loss from the disposal of assets	–	16
Other expenses	6	–
<b>Total expenses from continuing operations</b>	<b>2,927</b>	<b>2,925</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,917</b>	<b>3,326</b>
Grants and contributions provided for capital purposes	2,002	357
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>3,919</b>	<b>3,683</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>3,919</b>	<b>3,683</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(479)	(832)
<b>Surplus (deficit) after tax</b>	<b>3,440</b>	<b>2,851</b>
<b>Plus accumulated surplus</b>	<b>45,230</b>	<b>41,558</b>
<b>Less prior period adjustments</b>	<b>–</b>	<b>(11)</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	479	832
<b>Closing accumulated surplus</b>	<b>49,149</b>	<b>45,230</b>
<b>Return on capital %</b>	<b>3.0%</b>	<b>6.0%</b>
<b>Subsidy from Council</b>	<b>804</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	3,440	2,852
Less: capital grants and contributions (excluding developer contributions)	(78)	(357)
<b>Surplus for dividend calculation purposes</b>	<b>3,362</b>	<b>2,495</b>
<b>Potential dividend calculated from surplus</b>	<b>1,681</b>	<b>1,247</b>

## Murray River Council

### Income Statement of waste business activity

for the year ended 30 June 2024

	2024 Category 1 \$ '000	2023 Category 1 \$ '000
<b>Income from continuing operations</b>		
Annual charges	2,439	2,304
User charges	4,623	3,742
Grants and contributions provided for operating purposes	139	153
Interest and investment income	229	127
Other income	125	13
<b>Total income from continuing operations</b>	<b>7,555</b>	<b>6,339</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	1,424	1,311
Materials and services	2,990	3,116
Borrowing costs	263	260
Depreciation, amortisation and impairment	1,233	1,188
Other expenses	13	—
Net loss from the disposal of assets	39	—
<b>Total expenses from continuing operations</b>	<b>5,962</b>	<b>5,875</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,593</b>	<b>464</b>
Grants and contributions provided for capital purposes	88	76
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,681</b>	<b>540</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,681</b>	<b>540</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(398)	(116)
<b>Surplus (deficit) after tax</b>	<b>1,283</b>	<b>424</b>
<b>Plus accumulated surplus</b>	<b>6,208</b>	<b>5,668</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	398	116
<b>Closing accumulated surplus</b>	<b>7,889</b>	<b>6,208</b>
<b>Return on capital %</b>	<b>13.7%</b>	<b>6.7%</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,283	424
Less: capital grants and contributions (excluding developer contributions)	(88)	(76)
<b>Surplus for dividend calculation purposes</b>	<b>1,195</b>	<b>348</b>
<b>Potential dividend calculated from surplus</b>	<b>597</b>	<b>174</b>

## Murray River Council

### Statement of Financial Position of water supply business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	78	993
Investments	5,678	7,526
Receivables	2,195	1,069
<b>Total current assets</b>	<b>7,951</b>	<b>9,588</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	77,375	65,245
Intangible assets	7,760	6,370
<b>Total non-current assets</b>	<b>85,135</b>	<b>71,615</b>
<b>Total assets</b>	<b>93,086</b>	<b>81,203</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	93	174
Income received in advance	144	102
<b>Total current liabilities</b>	<b>237</b>	<b>276</b>
<b>Total liabilities</b>	<b>237</b>	<b>276</b>
<b>Net assets</b>	<b>92,849</b>	<b>80,927</b>
<b>EQUITY</b>		
Accumulated surplus	62,072	56,957
Revaluation reserves	30,777	23,970
<b>Total equity</b>	<b>92,849</b>	<b>80,927</b>

## Murray River Council

### Statement of Financial Position of sewerage business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,095	558
Investments	15,034	15,006
Receivables	713	537
<b>Total current assets</b>	<b>18,842</b>	<b>16,101</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	63,270	55,362
<b>Total non-current assets</b>	<b>63,270</b>	<b>55,362</b>
<b>Total assets</b>	<b>82,112</b>	<b>71,463</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	20	53
<b>Total current liabilities</b>	<b>20</b>	<b>53</b>
<b>Total liabilities</b>	<b>20</b>	<b>53</b>
<b>Net assets</b>	<b>82,092</b>	<b>71,410</b>
<b>EQUITY</b>		
Accumulated surplus	49,149	45,230
Revaluation reserves	32,943	26,180
<b>Total equity</b>	<b>82,092</b>	<b>71,410</b>

## Murray River Council

## Statement of Financial Position of waste business activity

as at 30 June 2024

	2024 Category 1 \$ '000	2023 Category 1 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	107	(346)
Investments	3,449	4,508
Receivables	1,196	339
<b>Total current assets</b>	<b>4,752</b>	<b>4,501</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	13,538	10,845
Right of use assets	350	512
<b>Total non-current assets</b>	<b>13,888</b>	<b>11,357</b>
<b>Total assets</b>	<b>18,640</b>	<b>15,858</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	7	–
Provisions	–	25
Lease liabilities	177	184
<b>Total current liabilities</b>	<b>184</b>	<b>209</b>
<b>Non-current liabilities</b>		
Provisions	8,798	7,639
Lease liabilities	182	354
<b>Total non-current liabilities</b>	<b>8,980</b>	<b>7,993</b>
<b>Total liabilities</b>	<b>9,164</b>	<b>8,202</b>
<b>Net assets</b>	<b>9,476</b>	<b>7,656</b>
<b>EQUITY</b>		
Retained earnings	7,889	6,208
Revaluation reserves	1,587	1,448
<b>Total equity</b>	<b>9,476</b>	<b>7,656</b>

## Note – Material accounting policy information

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

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

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

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993* (Act), the *Local Government (General) Regulation 2021* (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1

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

##### a. Water Supply

Provision and distribution of water to the towns within the boundaries of the Council.

##### b. Sewerage

Treatment of wastewater to the towns within the boundaries of the Council.

##### c. Waste Management

Collection and processing of Waste for the towns within the boundaries of the Council.

#### Category 2

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

Council has no Category 2 Businesses.

### Taxation equivalent charges

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

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

## Note – Material accounting policy information (continued)

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

### Notional rate applied (%)

Corporate income tax rate – **25%**

Land tax – the first \$1,075,000 of combined land values attracts **0%**. For the combined land values in excess of \$1,075,000 up to \$6,571,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$6,571,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with DCCEEW's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework to as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to the DCCEEW's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

### Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25% (LY 25%).

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

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

The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

### Local government rates and charges

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

### Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

### (i) Subsidies

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

## Note – Material accounting policy information (continued)

### (ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

**Written down value of I,PP&E as at 30 June**

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

### (iii) Dividends

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

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

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

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

In accordance with DCCEEW's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DCCEEW.



## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### Murray River Council

To the Councillors of Murray River Council

### Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Murray River Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2024, the Statement of Financial Position of each Declared Business Activity as at 30 June 2024 and the Material accounting policy information note.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage
- Waste.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2024, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Material accounting policy information note and the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (LG Code).

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 the 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.

## **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the Material accounting policy information note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements 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 financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in the Material accounting policy information note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes 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
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, consisting of a large loop followed by a vertical stroke and a horizontal line extending to the right.

Aubrey Perez  
Delegate of the Auditor-General for New South Wales

13 November 2024  
SYDNEY

# Murray River Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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Contents	Page
<b>Special Schedules:</b>	
Permissible income for general rates	111
Report on infrastructure assets as at 30 June 2024	115

## Murray River Council

### Permissible income for general rates

	Notes	Calculation 2023/24 \$ '000	Calculation 2024/25 \$ '000
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	11,832	12,479
Plus or minus adjustments <sup>2</sup>	b	153	355
<b>Notional general income</b>	c = a + b	<b>11,985</b>	<b>12,834</b>
<b>Permissible income calculation</b>			
Percentage increase	d	4.10%	4.70%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	491	603
<b>Sub-total</b>	g = (c + e + f)	<b>12,476</b>	<b>13,437</b>
Plus (or minus) last year's carry forward total	h	4	1
<b>Sub-total</b>	j = (h + i)	<b>4</b>	<b>1</b>
<b>Total permissible income</b>	k = g + j	<b>12,480</b>	<b>13,438</b>
Less notional general income yield	l	12,479	13,431
<b>Catch-up or (excess) result</b>	m = k - l	<b>1</b>	<b>7</b>
<b>Carry forward to next year <sup>4</sup></b>	p = m + n + o	<b>1</b>	<b>7</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) 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

#### Murray River Council

To the Councillors of Murray River Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Murray River 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, special 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 and the special 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.

A handwritten signature in black ink, consisting of a large loop followed by a vertical stroke and a horizontal line extending to the right.

Aubrey Perez  
Delegate of the Auditor-General for New South Wales

13 November 2024  
SYDNEY

## Murray River Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
<b>Buildings</b>	Buildings	9,440	9,440	623	299	64,892	88,988	32.0%	41.0%	16.0%	0.0%	11.0%
	<b>Sub-total</b>	<b>9,440</b>	<b>9,440</b>	<b>623</b>	<b>299</b>	<b>64,892</b>	<b>88,988</b>	<b>32.0%</b>	<b>41.0%</b>	<b>16.0%</b>	<b>0.0%</b>	<b>11.0%</b>
<b>Other structures</b>	Other structures	8,796	8,796	883	949	27,672	40,275	25.0%	35.0%	18.0%	19.0%	3.0%
	<b>Sub-total</b>	<b>8,796</b>	<b>8,796</b>	<b>883</b>	<b>949</b>	<b>27,672</b>	<b>40,275</b>	<b>25.0%</b>	<b>35.0%</b>	<b>18.0%</b>	<b>19.0%</b>	<b>3.0%</b>
<b>Roads</b>	Sealed roads	24,080	24,080	3,070	3,323	288,918	301,644	26.0%	46.0%	21.0%	6.0%	1.0%
	Unsealed roads	1,537	1,537	2,929	3,356	97,117	49,403	8.0%	23.0%	66.0%	3.0%	0.0%
	Bridges	383	383	134	43	114,844	19,087	89.0%	2.0%	7.0%	2.0%	0.0%
	Footpaths	57	57	139	112	16,452	19,862	66.0%	9.0%	25.0%	0.0%	0.0%
	Bulk earthworks	—	—	—	—	153,844	154,012	100.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>26,057</b>	<b>26,057</b>	<b>6,272</b>	<b>6,834</b>	<b>671,175</b>	<b>544,008</b>	<b>49.0%</b>	<b>28.0%</b>	<b>18.8%</b>	<b>3.7%</b>	<b>0.5%</b>
<b>Water supply network</b>	Water supply network	4,975	4,975	1,298	1,344	67,883	83,621	23.0%	56.0%	15.0%	4.0%	2.0%
	<b>Sub-total</b>	<b>4,975</b>	<b>4,975</b>	<b>1,298</b>	<b>1,344</b>	<b>67,883</b>	<b>83,621</b>	<b>23.0%</b>	<b>56.0%</b>	<b>15.0%</b>	<b>4.0%</b>	<b>2.0%</b>
<b>Sewerage network</b>	Sewerage network	4,054	4,054	571	570	58,067	74,274	15.0%	56.0%	23.0%	2.0%	4.0%
	<b>Sub-total</b>	<b>4,054</b>	<b>4,054</b>	<b>571</b>	<b>570</b>	<b>58,067</b>	<b>74,274</b>	<b>15.0%</b>	<b>56.0%</b>	<b>23.0%</b>	<b>2.0%</b>	<b>4.0%</b>
<b>Stormwater drainage</b>	Stormwater drainage	261	261	424	147	56,532	60,548	39.0%	42.0%	18.0%	0.0%	1.0%
	<b>Sub-total</b>	<b>261</b>	<b>261</b>	<b>424</b>	<b>147</b>	<b>56,532</b>	<b>60,548</b>	<b>39.0%</b>	<b>42.0%</b>	<b>18.0%</b>	<b>0.0%</b>	<b>1.0%</b>

## Murray River Council

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

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000			1	2	3	4	5
Open space / recreational assets	Swimming pools	3,790	3,790	30	—	1,883	4,302	0.0%	12.0%	0.0%	0.0%	88.0%
	<b>Sub-total</b>	<b>3,790</b>	<b>3,790</b>	<b>30</b>	<b>—</b>	<b>1,883</b>	<b>4,302</b>	<b>0.0%</b>	<b>12.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>88.0%</b>
	<b>Total – all assets</b>	<b>57,373</b>	<b>57,373</b>	<b>10,101</b>	<b>10,143</b>	<b>948,104</b>	<b>896,016</b>	<b>40.1%</b>	<b>35.4%</b>	<b>18.3%</b>	<b>3.6%</b>	<b>2.6%</b>

(a) Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

## Murray River Council

## Report on infrastructure assets as at 30 June 2024

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals <sup>1</sup>	20,618	131.61%	68.89%	42.46%	> 100.00%
Depreciation, amortisation and impairment	15,666				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	57,373	5.93%	5.23%	3.76%	< 2.00%
Net carrying amount of infrastructure assets	967,148				
Asset maintenance ratio					
Actual asset maintenance	10,143	100.42%	116.14%	98.33%	> 100.00%
Required asset maintenance	10,101				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	57,373	6.40%	3.99%	2.91%	
Gross replacement cost	896,016				

(\*) 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.