



**murray river
council**

AGENDA

Extraordinary Council Meeting Tuesday, 12 November 2024

**I hereby give notice that an Extraordinary Meeting of Murray River
Council will be held on:**

Date: Tuesday, 12 November 2024

Time: 11:00 AM

**Location: Council Chambers
Moama Administration Office
52 Perricoota Road, Moama**

**Sarah Ryan
Acting Chief Executive Officer**

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1 OPENING MEETING**2 ACKNOWLEDGEMENT OF COUNTRY**

I acknowledge and respect the Traditional Custodians of the Lands where we stand today,
I acknowledge Elders past and present, the pioneers whose toil inspires us still;
And those who gave their lives, that we many now,
On this proud past, a vibrant future build.

3 APOLOGIES & APPLICATIONS FOR A LEAVE OF ABSENCE**4 DISCLOSURES OF INTERESTS**

5 MAYORAL MINUTE(S)**5.1 MAYORAL MINUTE - REQUEST TO APPLY THE COMMON SEAL****File Number:** -**Author:** John Harvie, Mayor**Authoriser:** Sarah Ryan, Acting Chief Executive Officer**RECOMMENDATION**

That Council approves the application of the Common Seal to the Letter of Thanks to previous Councillors.

DETAILS

As councillors are aware, six councillors from the previous council either retired or were not returned following the recent New South Wales local government election held on September 14, 2024.

Whilst most have been farewelled in one form or another, I believe that it would be appropriate to provide each with a framed letter thanking them for their service to the Murray River community.

I suggest that each letter should have a red rosette attached and the imprint of the council common seal applied.

LEGISLATION

The Common Seal can only be applied following a resolution of council and in accordance with clause 400 of the Local Government (General) Regulation 2021.

CONCLUSION

I therefore seek council approval to apply the Common Seal to each individual letter to Councillors Ann Crowe, Nikki Cohen, Thomas Weyrich, Frank Crawley, Chris Bilkey and Kron Nicholas.

ATTACHMENTS

Nil

6 REPORTS TO COUNCIL

6.1 CHIEF EXECUTIVE OFFICERS REPORT AND SUPPLEMENTARY MATTERS

Nil

6.2 DIRECTOR CORPORATE SERVICES REPORT AND SUPPLEMENTARY MATTERS

6.2.1 FEES AND CHARGES - AMENDED

File Number: -

Author: Sandra Gordon, Manager Governance & Risk

Authoriser: Stephen Fernando, Director Corporate Services

RECOMMENDATION

That Murray River Council resolve to adopt the revised 2024/2025 Fees and Charges as below:

1. Planning Proposal Scoping Report Review
 - a. Basic and Standard Proposals - \$1,500 per Review and
 - b. Complex and Principal Proposals - \$3,500 per Review,with the definitions of Basic, Standard, Complex and Principal being as defined in the Local Environmental Plan Making Guideline of the Department of Planning, Housing & Infrastructure of NSW.
2. Private Sanitary Drainage Plan - \$25 per Plan

DISCUSSION

At the May 2024 Ordinary meeting of Council, the following two (2) recommendations were adopted and the proposed changes to the Fees and Charges were placed on public exhibition.

Council received no feedback or comment during or after the period of public display.

RECOMMENDATION

1. That Council agree to an amendment to the Council 2024/25 fees and charges in relation to Planning Proposal Scoping Reports - review and provide feedback to include a fee of \$1500 for 'Basic' and 'Standard' proposals and \$3500 for 'complex' and "principal" proposals, as defined in the Local Environmental Plan Making Guideline by the Department of Planning and Environment.
2. That Council, as per Section 610F of the *Local Government Act 1993*, place the amended fee on public exhibition for a period of 28 days.

Rationale:

The current listing in Council's fees and charges shows no cost for a preliminary review of Planning Proposals and the time to provide feedback. At present, we are receiving 1-2 requests for reviewing scoping reports per month and more than half of these are sent externally for review, given the lack of internal resources.

Due to the time taken to access Planning Proposal Scoping reports and providing feedback, it is considered appropriate to charge a fee for this service, which is non-essential as part of a Planning Proposal and a service which can be provided upon request by a client.

In reviewing a Scoping Report, Planners must assess the proposal against state and local statutes and strategies such as our Local Environment Plan and Housing Strategy and ensure the proposal aligns with their objectives. We then provide feedback to that effect which the client can use toward their Planning Proposal submission for Council consideration.

It is proposed to charge a fee of \$1500 for 'Basic' and 'Standard' proposals and \$3500 for 'complex' and 'principal' proposals, as defined in the Local Environmental Plan Making Guideline by the Department of Planning and Environment for the review of a scoping report. This can include meeting with staff on-site or in-office, full assessment and all feedback provided.

In all cases thus far at Council, requests for scoping reports have fit into the 'complex' and 'principal' categories, as our clients seek support and initial advice on larger projects.

It can be noted that for many projects that don't submit a Scoping Report, Council staff will upon request liaise with the client, meet on site and provide preliminary advice even without the submission of a formal scoping report and this is a free service and will continue to be a free service to assist our clients with their concepts.

RECOMMENDATION

1. That Council agree to an amendment to the Council 2024/25 fees and charges in relation to Private Sanitary Drainage Plan from \$50 to \$25.
2. That Council, as per Section 610F of the *Local Government Act 1993*, place the amended fee on public exhibition for a period of 28 days.

Rationale:

The current listing in Council's fees and charges shows a cost of \$50 for a Private Sanitary Drainage Plan with the description (if available) included in the application form. Previously, common practise was for staff to accept the application for a private sanitary drainage plan and conduct a search for the plan. Where a plan was available, it was provided to the applicant after a fee of \$50 was paid. If no such diagram was available, no fee was charged despite the search time used.

It is considered that a once off fee for all applications for private sanitary drainage plans be charged upon application, to cover the time spent for staff to conduct a search. Whilst some diagrams are reasonably easy to find, others require staff to travel to the site of physical storage for files to obtain a diagram (if available).

It is considered a \$50 fee with no outcome may be exorbitant for an applicant who isn't able to obtain a drainage plan, however a once off fee for all applications of \$25 is considered appropriate, at the time of application, to cover council costs.

Council's application form will be updated to reflect this new fee and will also outline that some private plans are not available, and, in these cases, no refunds will be given. The \$25 fee is a search fee.

ATTACHMENTS

Nil

6.2.2 AUDITED FINANCIAL STATEMENTS - FINANCIAL YEAR 2023-24

File Number: -

Author: Stephen Fernando, Director Corporate Services

Authoriser: Sarah Ryan, Acting Chief Executive Officer

RECOMMENDATION

That Murray River Council (Council) resolve to:

1. receive the Audited Financial Statements for the Financial Year 2023-24 together with the associated Auditor's Reports,
2. note the Draft Report on the Conduct of the Audit 2024, and
3. authorise the Mayor and the General Manager (Chief Executive Officer) to sign the said Audited Financial Statements for the Financial Year 2023-24.

BACKGROUND

In keeping with s419 of the Act, the Audit Office of NSW (AO) has audited the financial statements of Council for the financial year 2023-24 (Financial Statements). Pursuant to the audit, the Auditor General has issued the following reports related to the Financial Statements.

1. DRAFT Report on the Conduct of the Audit 2024 (Report)
2. Independent Auditor's Report General Purpose Financial Statements
3. Independent Auditor's Report Special Purpose Financial Statements
4. Independent Auditor's Report Special Schedule – Permissible Income for General Rates

The above reports are attached hereto as Attachments 1 through 4, respectively.

The Report on the Conduct of the Audit will be signed off by AO, subsequent to the adoption of the Financial Statements by Council. No changes are expected to occur to the draft attached hereto. If the AO makes any changes, the revised report will be presented to Council at the next general meeting.

Copies of Financial Statements and the Auditor's Reports will be made available for inspection by the members of the public on Council's website and at Council's customer service centres, after this meeting, during November and early December 2024. Public submissions, if any, will be presented to Councillors after the close of submissions.

DISCUSSIONUnqualified Opinion

The AO has issued an unqualified opinion on Council's Financial Statements

At the general meeting held on 28 May 2024, consistent with its previous stand on the matter, Council resolved that it will not account for the plant and fleet assets (Red fleet Assets) of the Rural Fire Service as Council does not in any way control such assets nor does it make any decision related to the procurement, operation, maintenance, and disposal/replacement of such assets (agenda item 9.2.5, resolution 240524). This position has caused the AO to issue a qualified opinion on Council's financial statements in the past financial years.

For the year 2023-24, the AO conducted a valuation of the Red Fleet Assets and the likely impacts on Council's Financial Statements resulting from the non-inclusion of such assets. Based on that assessment, the AO has determined that the financial impact of the non-inclusion is not material, leading to the AO issuing an unqualified opinion on Council's Financial Statements.

Financial Performance

The standard financial statements are a technical document and as such figures contained therein requires interpretation to enable a decent evaluation of the financial performance. To assist in this process, the AO issues the Report on the Conduct of the Audit (Attachment 1), which provides a much more convenient avenue to understand the financial performance of Council. The following aspects of the report are worth noting.

- **Operating Result:** The changes in the operating result figures from 2022-23 to 2023-24 all show an improvement (table on first page of Report). Despite this improvement, the Net Operating Result before Capital Grants and Contributions remain at a negative 13.5 m (last row of the table). The improvement as well as the negative position for 2023-24 is reflected in the Operating Performance Ratio (graph on page 3). The Ratio has improved from a negative 31.2% in 2021-22 to a negative 7.1% for 2023-24. As mentioned previously, despite the improvement Council's operating position remains in the red, indicating the need for further action if a break-even position is to be achieved.

The improvements are the result of both revenue side and cost side initiatives. Utility charges have been increased at rates above the general inflation rate, to enable Council to recover the full cost of such services from the specific utility charges. As per regulations, Council is required to ensure full cost recovery. While these actions have resulted in improvements in the operating position of the utility business lines (water, sewer, waste), the general fund has not seen any notable improvements in its operating position.

The breakdown of the \$13.5m negative operating position between the four funds is per the table.

Several measures have also been put in place to address cost containment.

Own Source Revenue: Council's Own Source Operating Revenue Ratio has been deteriorating over the last three years and is below the benchmark (first graph on page 4). This ratio indicates that we are becoming more reliant grants and subsidies over the years.

Fund	Op. Result (\$m)
General	(18.6)
Water	1.6
Sewer	1.9
Waste	1.6
Total	(13.5)

- **Cash Position:** While the total cash position looks healthy at \$58m, only around \$14m is available for internal purposes (last table on page 2). The balance \$44m is restricted based on external commitments made by Council (e.g. grant funds received for a specific purpose cannot be used for any other purpose). The cash position is also influenced by the fact that approximately 85% of the Financial Assistance Grants (FAGs) for the 2024-25 was received just prior to 30 June 2024.

Unrestricted Current Ratio: While above required levels, is showing deteriorating trend (second graph on page 4), which is consistent with ongoing negative operating results.

- **Debt Position:** Council has just \$1.7m of borrowing on its books as of 30 June 2024, which has been steadily reducing with repayments and no new borrowings. The Debt Service Cover Ratio is a healthy 11.4 times (first graph on page 5), compared to a benchmark of 2 times.

Despite this position, the ability of Council to undertake additional borrowings is significantly restricted due to its negative operating position. Any new borrowing will incur additional debt service obligations, which will result in a further negative imposition on the operating position.

- **Asset Renewals:** Ensuring the asset base is maintained in a manner that ensures their longevity is an important aspect of Council planning and operations. In 2023-24, Council spent \$20.6m on asset renewals, which is a good achievement. As a result, the asset renewal ratio improved from 69% the previous year to 130% for 2023-24. However, a significant portion of this work was funded by flood damage restoration funding, which will not be a consistent feature every year. Operating in an environment of a operating deficit means there is not adequate funding to undertake the asset renewal works that is required to sustain assets over the longer term.

Council further spent an additional \$14m on new assets, which will result in additional operating expenses and depreciation in future years, increasing the burden on the negative operating position.

- **Other Matters:** Rates and Annual Charges Outstanding Percentage has increased marginally to 11.7% and is sitting slightly above the benchmark of 10% (second graph on page 5). Council has undertaken a process of sale of land to recover long standing unpaid rates and the outcomes from that process will improve this ratio. Nonetheless, Council needs to make an increased focus on actively monitoring and pursuing unpaid rates and charges.

The report attached as attachment 5, certifies that Council has been levying General Rates within the parameters laid down by the Independent Pricing and Regulatory tribunal (IPART).

STRATEGIC IMPLICATIONS

2. Strategic Theme 2: A Place of Progressive Leadership

2.5 - Continue to be a trusted and ethical leader that leads by example - Leadership that is trusted, capable and collaborative.

BUDGETARY IMPLICATIONS

Any initiatives to address the negative operating position, will have budgetary implications.

POLICY IMPLICATIONS

Nil.

LEGISLATIVE IMPLICATIONS

Local Government Act 1993. (Act)

Local Government (General) Regulations 2021. (Regulations)

RISK ANALYSIS

- **What can happen?**
Negative operating position continues
- **How can it happen?**
No action taken to address the negative operating position
- **What are the consequences of the event happening?**
Compromise of financial sustainability of Council
- **What is the likelihood of the event happening?**
Depends on decision making in relation to the issue
- **Adequacy of existing controls?**
Not applicable
- **Treatment options to mitigate the risk?**
Addressing cost and/or revenue options

CONCLUSION

The following matters,

- Continued negative operating position,
- Deteriorating own source revenue percentage, and
- The uncertainty around the ability to fund the required asset renewals

when considered collectively indicate that Council needs to seriously consider one or a combination of the following:

- Significant cost reduction, which will require asset disposals and/or service level reductions
- Revenue increases with a focus on own source revenue and revenue for the general fund.

Continuation of the negative operating position will compromise the future financial sustainability of Council.

The audit by the AO and the reports therefrom indicates that the financial record keeping processes within Council are at expected levels and are capable of generating a true and fair view of Council's financial operations and position.

It is recommended that Council resolve to receive the Financial Statements and endorse their signing by the Mayor and the General Manager.

ATTACHMENTS

1. **DRAFT Report on the Conduct of the Audit 2024** [!\[\]\(8d139a66f540002704b5c70b7fe6cc7a_img.jpg\)](#) [!\[\]\(c209541a4bc5f45e44bd7791f9477320_img.jpg\)](#)
2. **Independent Auditor's Report - General Purpose Financial Statements** [!\[\]\(8fd54d112e752061b5361c5bdf346185_img.jpg\)](#) [!\[\]\(3525fd0bd3680f905a850c70520e38c7_img.jpg\)](#)
3. **Independent Auditor's Report - Special Purpose Financial Statements** [!\[\]\(3c3fba180f5a473bd1cb3c114e029235_img.jpg\)](#) [!\[\]\(e4e94fc8df185dfabcff49964cc4dd39_img.jpg\)](#)
4. **Independent Auditor's Report - Special Schedules** [!\[\]\(fdd6f407d8c5866c7bd62e139ad13d49_img.jpg\)](#) [!\[\]\(76458e872a39caac300a32463fa679ff_img.jpg\)](#)



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

XX 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

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

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.

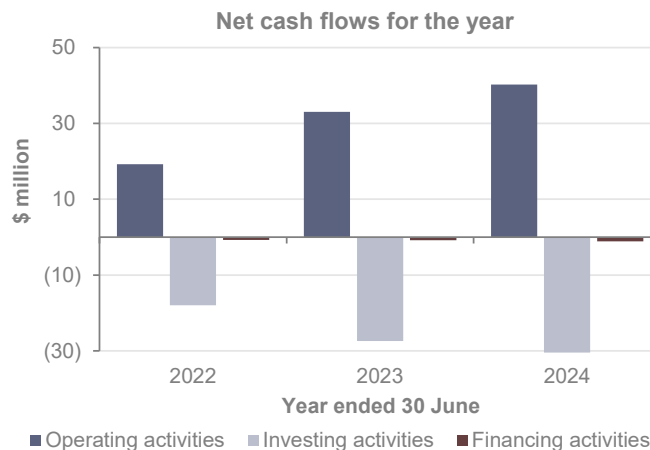
The net operating result before capital grants and contributions (-\$13.5 million) was \$5.2 million higher than the 2022–23 result. This is mainly due to the decrease in materials and services and depreciation, amortisation and impairment of non-financial assets.

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 \$4.2 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	
Total cash, cash equivalents and investments	58.1	57.2	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	44.3	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

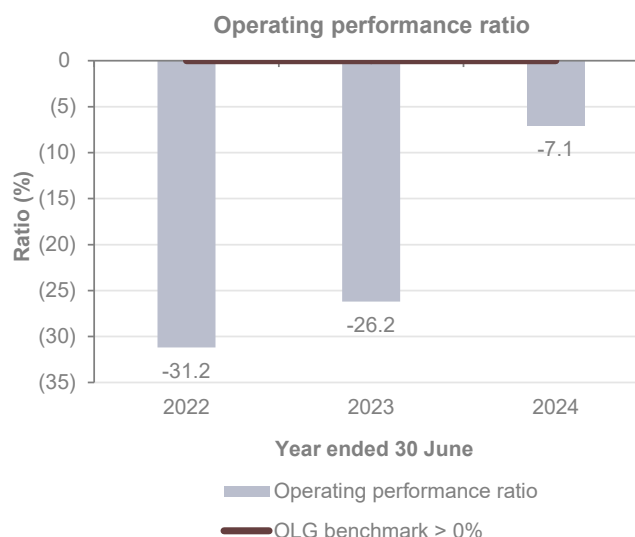
Performance measures

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.

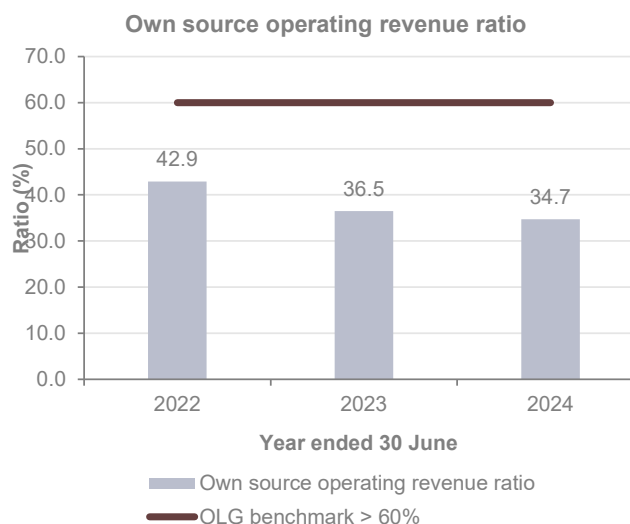
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

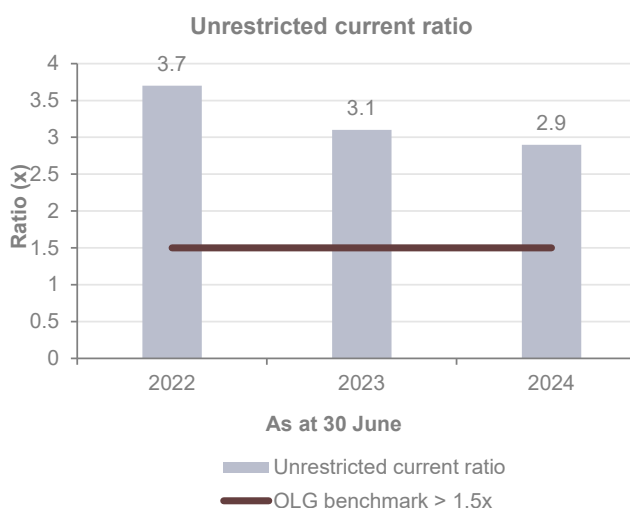
Council did not meet the benchmark for the current reporting period.

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.

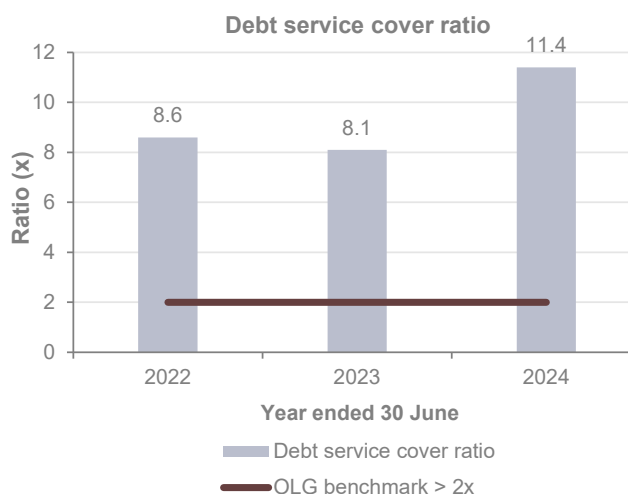
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

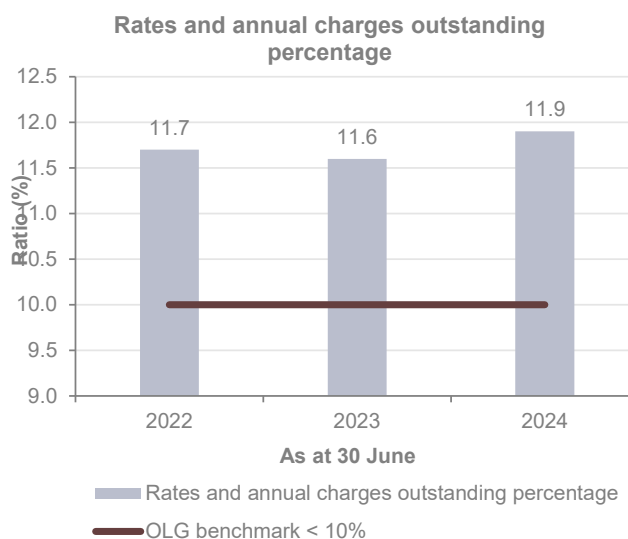
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

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

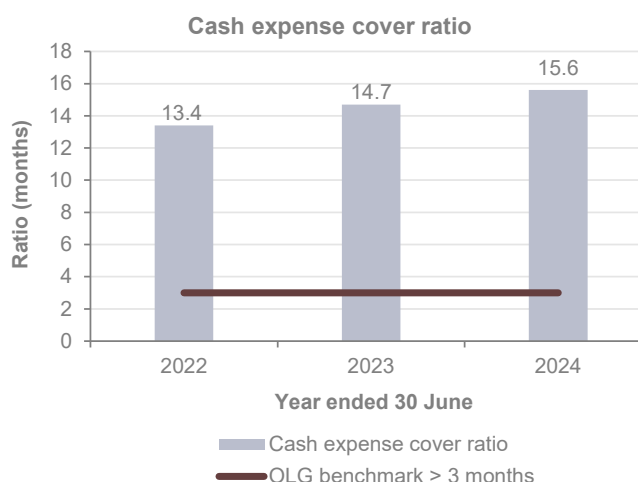
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



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

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2024



Murray River Council

General Purpose Financial Statements

for the year ended 30 June 2024

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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.

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

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

Murray River Council

Income Statement

for the year ended 30 June 2024

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

Murray River Council

Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
Net operating result for the year – from Income Statement		40,732	15,021
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	72,816	40,890
Other movements Revaluation Intangible Assets	C1-7	(36)	1,062
Total items which will not be reclassified subsequently to the operating result		72,780	41,952
Total other comprehensive income for the year		72,780	41,952
Total comprehensive income for the year attributable to Council		113,512	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

Murray River Council

Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
ASSETS			
Current assets			
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
Total current assets		78,206	70,533
Non-current assets			
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
Total non-current assets		1,102,004	992,067
Total assets		1,180,210	1,062,600
LIABILITIES			
Current liabilities			
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
Total current liabilities		18,561	16,857
Non-current liabilities			
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
Total non-current liabilities		12,009	9,651
Total liabilities		30,570	26,508
Net assets		1,149,640	1,036,092
EQUITY			
Accumulated surplus		786,468	745,736
IPPE revaluation reserve		363,172	290,356
Council equity interest		1,149,640	1,036,092
Total equity		1,149,640	1,036,092

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

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
Other comprehensive income							
– 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
Total comprehensive income		40,732	72,816	113,548	15,021	41,952	56,973
Closing balance at 30 June		786,468	363,172	1,149,640	745,736	290,356	1,036,092

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

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
Cash flows from operating activities				
Receipts:				
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
Payments:				
(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	Net cash flows from operating activities	G1-1	40,259	33,080
Cash flows used in investing activities				
Receipts:				
—	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
Payments:				
—	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)	Net cash flows used in investing activities		(31,522)	(27,395)
Cash flows used in financing activities				
Receipts:				
1,500	Proceeds from borrowings		—	—
Payments:				
(597)	Repayment of borrowings		(971)	(616)
—	Principal component of lease payments		(170)	(204)
903	Net cash flows used in financing activities		(1,141)	(820)
(2,560)	Net change in cash and cash equivalents		7,596	4,865
6,110	Cash and cash equivalents at beginning of year		7,266	2,401
3,550	Cash and cash equivalents at end of year	C1-1	14,862	7,266
42,624	plus: Investments on hand at end of year	C1-2	43,207	49,946
46,174	Total cash, cash equivalents and investments		58,069	57,212

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

Murray River Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 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	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Functions or activities										
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	–	–
Total functions and activities	113,839	86,614	73,107	71,593	40,732	15,021	74,359	54,968	1,180,210	1,062,600

B1-2 Components of functions or activities

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)

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
Ordinary rates		
Residential	5,674	5,355
Farmland	5,713	5,496
Business	991	892
Less: pensioner rebates (mandatory)	(292)	(195)
Rates levied to ratepayers	12,086	11,548
Pensioner rate subsidies received	160	106
Total ordinary rates	12,246	11,654
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
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)
Annual charges levied	9,202	7,294
Pensioner annual charges subsidies received:		
– Water	53	51
– Sewerage	51	48
– Domestic waste management	1	49
Total annual charges	9,307	7,442
Total rates and annual charges	21,553	19,096

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
User charges			
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	–
Total user charges		8,413	4,628
Fees			
(i) Fees – statutory and regulatory functions (per s608)			
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
Total fees – statutory/regulatory		1,559	1,601
(ii) Fees – other (incl. general user charges (per s608))			
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
Total fees – other		2,968	2,868
Total other fees		4,527	4,469
Total fees		12,940	9,097
Timing of revenue recognition for user charges and fees			
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
Total user charges and fees		12,940	9,097

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
Total other revenue		1,361	1,567

Timing of revenue recognition for other revenue

Other revenue recognised at a point in time (2)	1,361	1,567
Total other revenue	1,361	1,567

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

	Timing	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	366	1,726	–	–
Financial assistance – local roads component	2	174	856	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	6,135	6,727	–	–
Financial assistance – local roads component	2	3,288	3,667	–	–
Amount recognised as income during current year		9,963	12,976	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
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	–	–
Previously contributions:					
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	–	–
Total special purpose grants and non-developer contributions – cash		10,193	8,294	19,868	17,527
Non-cash contributions					
Roads and bridges		–	–	21,928	–
Total other contributions – non-cash		–	–	21,928	–
Total special purpose grants and non-developer contributions (tied)		10,193	8,294	41,796	17,527

continued on next page

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Murray River Council | Notes to the Financial Statements 30 June 2024

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		20,156	21,270	41,796	17,527
Comprising:					
– Commonwealth funding		13,369	15,035	45	–
– State funding		6,711	6,127	20,385	17,527
– Other funding		76	108	21,366	–
		20,156	21,270	41,796	17,527
Developer contributions					
	Notes	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
	Timing				
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G4				
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
Total developer contributions – cash		–	–	2,425	2,547
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
Total developer contributions non-cash		–	–	9,982	13,624
Total developer contributions		–	–	12,407	16,171
Total grants and contributions		20,156	21,270	54,203	33,698
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised at a point in time (2)		20,156	21,270	54,203	33,698
Total grants and contributions		20,156	21,270	54,203	33,698

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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:

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Unspent grants				
Unspent funds at 1 July	7,497	714	5,594	4,993
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	2,157	7,110	–	526
Add: Funds received and not recognised as revenue in the current year	57	–	1,089	2,888
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(1,082)	(269)	(187)	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(181)	(58)	(2,515)	(2,813)
Unspent funds at 30 June	8,448	7,497	3,981	5,594

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)

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.

Murray River Council | Notes to the Financial Statements 30 June 2024

B2-5 Interest and investment income

	2024 \$ '000	2023 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	259	124
– Cash and investments	2,768	1,461
– Deferred debtors	(2)	14
Total interest and investment income	3,025	1,599
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	153	229
General Council cash and investments	1,119	550
Restricted investments/funds – external:		
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	–
Total interest and investment income	3,025	1,599

B2-6 Other income

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

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
Total employee costs	23,037	20,608
Less: capitalised costs	(1,857)	(1,320)
Total employee costs expensed	21,180	19,288
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
Previously other expenses:			
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
Legal expenses:			
– Legal expenses: planning and development		55	23
– Legal expenses: debt recovery		64	61
– Legal expenses: other		102	103
Leases expense:			
Expenses from short-term leases		180	184
Other		36	28
Total materials and services		20,392	22,817
Total materials and services		20,392	22,817

Murray River Council | Notes to the Financial Statements 30 June 2024

B3-3 Borrowing costs

	Notes	2024 \$ '000	2023 \$ '000
(i) Interest bearing liability costs			
Interest on loans		41	72
Total interest bearing liability costs		41	72
Total interest bearing liability costs expensed		41	72
(ii) Other borrowing costs			
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
Total other borrowing costs		307	310
Total borrowing costs expensed		348	382

Murray River Council | Notes to the Financial Statements 30 June 2024

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

	Notes	2024 \$ '000	2023 \$ '000
Depreciation and amortisation			
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
Infrastructure:	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
Other assets:			
– Library books		56	51
– Other		55	55
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C1-6	962	893
– Quarry assets	C1-6	82	74
Intangible assets	C1-7	284	169
Total gross depreciation and amortisation costs		20,884	23,245
Total depreciation and amortisation costs		20,884	23,245
Total depreciation, amortisation and impairment for non-financial assets		20,884	23,245

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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
Impairment of receivables			
User charges and fees		53	2
Total impairment of receivables	C1-4	53	2
Other			
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
Total other		1,047	1,059
Total other expenses		1,100	1,061

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

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

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 -----	
Revenues				
Rates and annual charges	21,045	21,553	508	2% F
User charges and fees	7,769	12,940	5,171	67% F
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.				
Other revenue	1,963	1,361	(602)	(31)% U
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.				
Operating grants and contributions	20,675	20,156	(519)	(3)% U
Capital grants and contributions	13,695	54,203	40,508	296% F
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.				
Interest and investment revenue	1,797	3,025	1,228	68% F
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.				
Net gains from disposal of assets	4,183	–	(4,183)	(100)% U
Anticipated sale of land which result in a gain budgeted for in FY24, however now not expected until FY25 or FY26.				
Other income	257	601	344	134% F
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 -----	
Expenses				
Employee benefits and on-costs	19,907	21,180	(1,273)	(6)% U
Materials and services	21,656	20,392	1,264	6% F
Borrowing costs	120	348	(228)	(190)% U
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.				
Depreciation, amortisation and impairment of non-financial assets	24,449	20,884	3,565	15% F
MRC conducted third party assessments of road and infrastructure assets completed in June 2023, leading to revaluation and resulting lower annual depreciation than budgeted.				
Other expenses	1,243	1,100	143	12% F
Additional rating relief and financial assistance provided to the community.				
Net losses from disposal of assets	–	9,203	(9,203)	– U
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).				
Statement of cash flows				
Cash flows from operating activities	23,997	40,259	16,262	68% F
Overall favourable revenue variance (particularly rates & annual charges, user charges & fees), reduction in government grants and subsidies receivable, increase in payables.				
Cash flows from investing activities	(27,460)	(31,522)	(4,062)	15% U
Budgeted proceeds from sale of IPPE that was discontinued during year, higher than budgeted asset purchases, particularly investment in intangible assets.				
Cash flows from financing activities	903	(1,141)	(2,044)	(226)% U
New loan budgeted for not taken out, higher than budgeted repayment of borrowings with 2 x loans closed during year relating to discontinued projects.				

Murray River Council | Notes to the Financial Statements 30 June 2024

C Financial position**C1 Assets we manage****C1-1 Cash and cash equivalents**

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

Murray River Council | Notes to the Financial Statements 30 June 2024

C1-2 Financial investments

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

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.

Murray River Council | Notes to the Financial Statements 30 June 2024

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

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

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.

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Murray River Council | Notes to the Financial Statements 30 June 2024

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

	2024	2023
	\$ '000	\$ '000

(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions

13,667	13,344
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Less: Internally restricted cash, cash equivalents and investments

(9,090)	(12,292)
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Unrestricted and unallocated cash, cash equivalents and investments

4,577	1,052
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Internal allocations

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

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

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	–
Total	15,168	26	12,682	483
Less: provision for impairment				
Rates and annual charges	(112)	–	(86)	–
Other debtors	(61)	–	(47)	–
Total provision for impairment – receivables	(173)	–	(133)	–
Total net receivables	14,995	26	12,549	483

	2024 \$ '000	2023 \$ '000
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Movement in provision for impairment of receivables

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)
Balance at the end of the year	173	133

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)

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.

Murray River Council | Notes to the Financial Statements 30 June 2024

C1-5 Inventories

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

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.

Murray River Council | Notes to the Financial Statements 30 June 2024

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 ¹	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)	–	428	24,597	–	24,597	
– Community land	69,533	–	69,533	–	–	–	–	–	(4,186)	152	(1,957)	–	1,180	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	–	–	–	897	26,531	(7,305)	19,226	
– Buildings – specialised	61,480	(21,301)	40,179	–	–	(477)	(704)	5,570	–	–	(473)	–	1,571	68,708	(23,042)	45,666	
– Other structures	38,522	(13,264)	25,258	–	–	(350)	(1,618)	3,001	107	38	–	–	1,236	42,969	(15,297)	27,672	
– Roads	493,492	(142,074)	351,418	–	–	(2,323)	(7,911)	13,165	1,917	1,937	–	–	27,832	531,912	(145,877)	386,035	
– Bridges	115,683	(25,657)	90,026	–	–	(2,507)	(1,313)	2,286	8,303	10,500	–	–	7,549	143,163	(28,319)	114,844	
– Footpaths	16,631	(4,453)	12,178	–	–	(634)	(215)	622	1,239	807	–	–	2,455	21,324	(4,872)	16,452	
– Bulk earthworks (non-depreciable)	143,205	–	143,205	–	–	(1,627)	–	2,432	(160)	157	–	–	9,837	153,844	–	153,844	
– Stormwater drainage	64,106	(16,596)	47,510	–	–	–	(776)	407	–	2,901	–	–	6,490	73,606	(17,074)	56,532	
– Water supply network	86,267	(24,777)	61,490	–	–	(39)	(1,559)	391	269	971	–	–	6,360	96,699	(28,816)	67,883	
– Sewerage network	76,222	(24,948)	51,274	–	–	–	(1,049)	123	(269)	1,497	–	–	6,491	84,912	(26,845)	58,067	
– Swimming pools	4,078	(2,207)	1,871	–	–	–	(86)	–	–	–	–	–	98	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)	73,054	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).

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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 ¹	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	493,492	(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	2,358	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	4,689	64,106	(16,596)	47,510	
– Water supply network	77,537	(21,473)	56,064	462	370	–	(106)	(1,396)	–	–	1,722	4,374	86,267	(24,777)	61,490	
– Sewerage network	66,860	(21,662)	45,198	25	208	–	(16)	(1,186)	–	–	2,631	4,414	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)	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).

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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:

Plant and equipment	Years	Land Improvements	Years
Office equipment	3 to 5	Land improvements	0 to 50
Furniture and fittings	10 to 100		
Plant and equipment	5 to 20	Buildings	
Plant and equipment (under finance lease)	4 to 5	Buildings - non-specialised	10 to 150
		Buildings - specialised	10 to 150
Water and sewer assets		Stormwater assets	
Water supply network	17 to 130	Stormwater drainage	25 to 150
Sewerage network	7 to 160		
Transportation assets		Other infrastructure assets	
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
Other Assets			
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)

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

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.

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C1-8 Other

Other assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Prepayments	1,544	—	254	—
Total other assets	1,544	—	254	—

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
Total lease liabilities	180	188	184	354

(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
2024					
Cash flows	180	188	–	368	368
2023					
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
Total lease liabilities relating to unrestricted assets	180	188	184	354
Total lease liabilities	180	188	184	354

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:

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

(d) Statement of Cash Flows

Total cash outflow for leases	180	184
	180	184

(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	2023
	\$ '000	\$ '000

(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
Total income relating to operating leases for Council assets	601	287

(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
Total undiscounted lease payments to be received	14,752	13,918

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	–
Total payables	10,168	–	7,140	–

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
Grants and contributions received in advance:					
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	–	–	–
Total grants received in advance		3,697	–	5,269	–
Total contract liabilities		3,697	–	5,269	–

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.

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C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – secured ⁽¹⁾	267	1,422	476	2,173
Total borrowings	267	1,422	476	2,173

(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
Total liabilities from financing activities	3,187	(1,130)	–	–	–	–	2,057

	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
Total liabilities from financing activities	3,994	(807)	–	–	–	–	3,187

(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 ⁽¹⁾	400	400
Credit cards/purchase cards	100	100
Total financing arrangements	500	500

Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	9	33
Total drawn financing arrangements	9	33

Undrawn facilities

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

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

(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	–	–	–
Total employee benefit provisions	4,249	372	3,686	512

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

	2024 \$ '000	2023 \$ '000
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
	3,780	3,281

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
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	10,027	102	6,612
Sub-total – asset remediation/restoration	–	10,027	102	6,612
Total provisions	–	10,027	102	6,612

Description of and movements in provisions

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

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

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
Income from continuing operations				
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	—	—	—
Total income from continuing operations	88,169	11,181	6,846	7,643
Expenses from continuing operations				
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
Total expenses from continuing operations	58,153	6,065	2,927	5,962
Operating result from continuing operations	30,016	5,116	3,919	1,681
Net operating result for the year	30,016	5,116	3,919	1,681
Net operating result attributable to each council fund	30,016	5,116	3,919	1,681
Net operating result for the year before grants and contributions provided for capital purposes	(18,609)	1,628	1,917	1,593

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D1-2 Statement of Financial Position by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000	Waste Management 2024 \$ '000
ASSETS				
Current assets				
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	—	—	—
Total current assets	46,661	7,951	18,842	4,752
Non-current assets				
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
Total non-current assets	939,711	85,135	63,270	13,888
Total assets	986,372	93,086	82,112	18,640
LIABILITIES				
Current liabilities				
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	—	—	—
Total current liabilities	18,120	237	20	184
Non-current liabilities				
Lease liabilities	6	—	—	182
Borrowings	1,422	—	—	—
Employee benefit provision	372	—	—	—
Provisions	1,229	—	—	8,798
Total non-current liabilities	3,029	—	—	8,980
Total liabilities	21,149	237	20	9,164
Net assets	965,223	92,849	82,092	9,476
EQUITY				
Accumulated surplus	667,358	62,072	49,149	7,889
Revaluation reserves	297,865	30,777	32,943	1,587
Council equity interest	965,223	92,849	82,092	9,476
Total equity	965,223	92,849	82,092	9,476

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
1. Moama Recreation Reserve	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	100%	100%	Perricoota Rd Moama	100%	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
Summarised statement of comprehensive income		
Revenue	47	44
Expenses	(36)	(73)
Profit for the period	11	(29)
Total comprehensive income	11	(29)
Summarised statement of financial position		
Current assets	45	34
Total assets	45	34
Net assets	45	34
Summarised statement of cash flows		
Cash flows from operating activities	11	(32)
Net increase (decrease) in cash and cash equivalents	11	(32)

D2-1 Subsidiaries (continued)

Name of Operation/Entity	Principal activity
2. Mathoura Retirement Village	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	100%	100%	12 Mathoura St Mathoura	100%	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
Summarised statement of comprehensive income		
Revenue	55	—
Expenses	(46)	—
Profit for the period	9	—
Total comprehensive income	9	—
Summarised statement of financial position		
Current assets	237	192
Non-current assets	—	371
Total assets	237	563
Net assets	237	563

D2-1 Subsidiaries (continued)

Name of Operation/Entity	Principal activity
3. Moama Lions Community Village	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	100%	100%	10-12 Council St Moama	100%	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
--	-----------------	-----------------

Summarised statement of comprehensive income

Revenue	292	121
Expenses	(77)	(80)
Profit for the period	215	41
Total comprehensive income	215	41

Summarised statement of financial position

Current assets	1,101	886
Total assets	1,101	886
Current liabilities	287	233
Total liabilities	287	233
Net assets	814	653

Summarised statement of cash flows

Cash flows from operating activities	85	7
Cash flows from investing activities	130	—
Net increase in cash and cash equivalents	215	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
2024				
Gross carrying amount	371	1,718	503	2,592
2023				
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	Overdue debts 31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	Total \$ '000
2024						
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%
ECL provision	–	–	–	–	61	61
2023						
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%
ECL provision	–	–	–	–	47	47

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
2024							
Payables	0.00%	2,168	–	–	–	2,168	10,168
Borrowings	2.14%	–	267	1,125	297	1,689	1,689
Total financial liabilities		2,168	267	1,125	297	3,857	11,857
2023							
Payables	0.00%	1,503	5,637	–	–	7,140	7,140
Borrowings	3.12%	–	476	1,394	779	2,649	2,649
Total financial liabilities		1,503	6,113	1,394	779	9,789	9,789

E2-1 Fair value measurement

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

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

Murray River Council | Notes to the Financial Statements 30 June 2024

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 ^{1, 2}		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

continued on next page

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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 ^{1, 2}		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)

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
I,PP&E			
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
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

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E2-1 Fair value measurement (continued)

	Fair value (30/6/24) 2024 \$ '000	Valuation technique/s	Unobservable inputs
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
Non-current assets classified as 'held for sale'			
Shares	2	Original Purchase Price	Current value indefinable as not traded in an active share market

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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	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	12,539	9,101	40,179	37,080	19,040	17,615	25,258	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	—	—
Closing balance	12,625	12,539	45,666	40,179	19,226	19,040	27,672	25,258

	Roads, bridges and footpaths		Bulk earthworks		Stormwater drainage		Water supply network	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	453,622	391,670	143,205	207,812	47,510	39,613	61,490	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)	—	—	—	—	—	—
Closing balance	517,331	453,622	153,844	143,205	56,532	47,510	67,883	61,490

	Sewerage network		Swimming pools		Tip and quarry assets		Other assets	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	51,274	45,198	1,871	—	4,951	5,661	427	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	—	—
Closing balance	58,067	51,274	1,883	1,871	7,225	4,951	316	427

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E2-1 Fair value measurement (continued)

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

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 employers.

(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.

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E3-1 Contingencies (continued)

(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
Total	1,639	1,555

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
2024					
Related Employees ¹	127	–	14 Days	–	–
Related Creditors ²	337	–	30 Days	–	–
2023					
Related Employees ¹	–	–		–	–
Related Creditors ²	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	2023
	\$ '000	\$ '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
Total	337	265

F2 Other relationships

F2-1 Audit fees

	2024	2023
	\$ '000	\$ '000

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	100	145
Remuneration for audit and other assurance services	100	145
Total Auditor-General remuneration	100	145
Total audit fees	100	145

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
Net operating result from Income Statement	40,732	15,021
Add / (less) non-cash items:		
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
Movements in operating assets and liabilities and other cash items:		
(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
Net cash flows from operating activities	40,259	33,080

(b) Non-cash investing and financing activities

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

G2-1 Commitments

Capital commitments (exclusive of GST)

	2024	2023
	\$ '000	\$ '000

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
Total commitments	7,066	14,393

These expenditures are payable as follows:

Within the next year	7,066	14,393
Total payable	7,066	14,393

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
Total sources of funding	7,066	14,393

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.

Murray River Council | Notes to the Financial Statements 30 June 2024

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	–
S7.11 contributions – under a plan	3,523	1,016	–	5,993	174	(555)	–	4,159	–
S7.12 levies – under a plan	396	–	–	–	21	–	–	417	–
Total S7.11 and S7.12 revenue under plans	3,919	1,016	–	5,993	195	(555)	–	4,576	–
S7.11 not under plans	17	–	–	–	1	–	–	18	–
S64 contributions	3,016	1,409	95	3,989	160	(655)	–	3,930	–
Total contributions	6,952	2,425	95	9,982	356	(1,210)	–	8,524	–

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					
CONTRIBUTION PLAN (former Murray Shire)									
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	–
Total	2,829	987	–	5,993	143	(547)	–	3,413	–

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G4-2 Developer contributions by plan (continued)

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year		Non-cash Other \$ '000	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						
CONTRIBUTION PLAN (former Wakool)									
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	-
Total	694	29	-	-	31	(8)	-	746	-

S7.12 Levies – under a plan

CONTRIBUTION PLAN (former Murray Shire)

Community facilities	396	-	-	-	21	-	-	417	-
Total	396	-	-	-	21	-	-	417	-

G4-3 Contributions not under plans

S94 CONTRIBUTIONS – NOT UNDER A PLAN (former Wakool)

Kerb & Gutter	17	-	-	-	1	-	-	18	-
Total	17	-	-	-	1	-	-	18	-

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	-
Total	2,646	1,340	95	3,894	141	(599)	-	3,528	-

S64 contributions (former Wakool)

Sewerage	314	17	-	-	16	-	-	347	-
Water	56	52	-	-	3	(56)	-	55	-
Total	370	69	-	-	19	(56)	-	402	-

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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 ^{1, 2}	(4,215)	(7.07)%	(26.22)%	(31.18)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	59,636				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	39,480	34.68%	36.54%	42.90%	> 60.00%
Total continuing operating revenue ¹	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 ¹	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.

Murray River Council | Notes to the Financial Statements 30 June 2024

G5-2 Statement of performance measures by fund

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

(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.

Murray River Council | Notes to the Financial Statements 30 June 2024

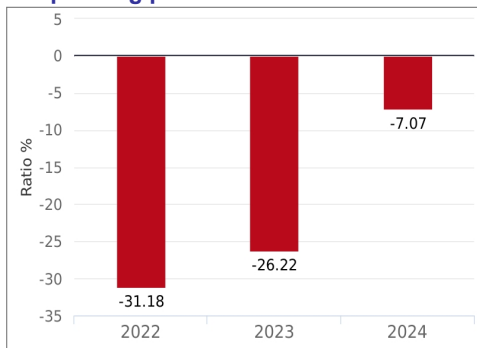
End of the audited financial statements

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H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2023/24 result

2023/24 ratio (7.07)%

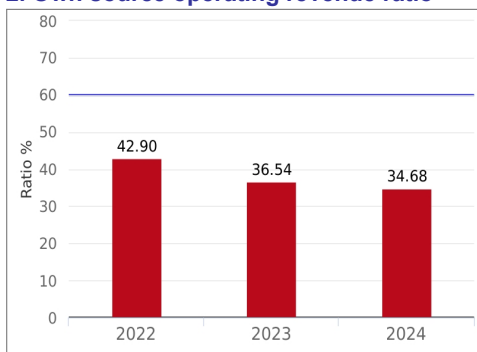
Benchmark: — > 0.00%

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%

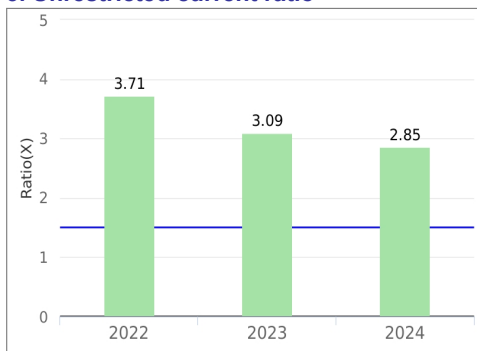
Benchmark: — > 60.00%

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

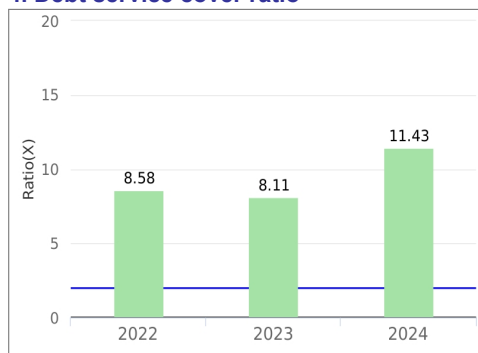
Ratio is outside benchmark

continued on next page

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 11.43x

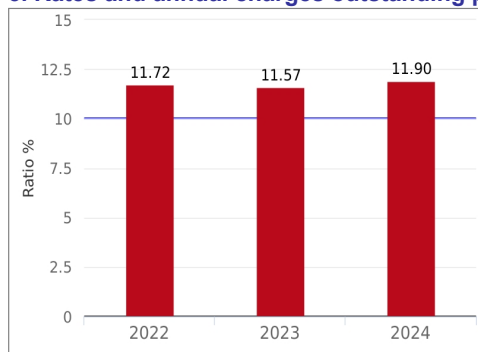
Benchmark: — > 2.00x

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%

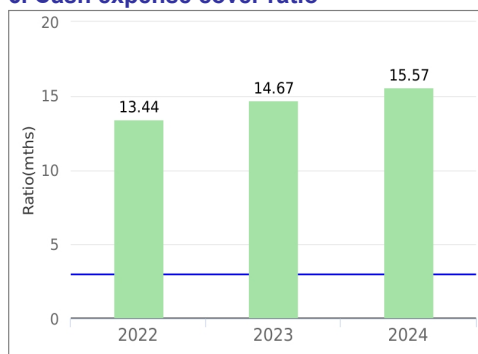
Benchmark: — < 10.00%

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

Murray River Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

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

Murray River Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

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

Murray River Council

SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2024



Murray River Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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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

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

Murray River Council

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

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
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
Total income from continuing operations	7,693	7,832
Expenses from continuing operations		
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	–
Total expenses from continuing operations	6,065	5,255
Surplus (deficit) from continuing operations before capital amounts	1,628	2,577
Grants and contributions provided for capital purposes	3,488	912
Surplus (deficit) from continuing operations after capital amounts	5,116	3,489
Surplus (deficit) from all operations before tax	5,116	3,489
Less: corporate taxation equivalent (25%) [based on result before capital]	(407)	(644)
Surplus (deficit) after tax	4,709	2,845
Plus accumulated surplus	56,957	53,521
Less prior period adjustments	(1)	(53)
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	407	644
Closing accumulated surplus	62,072	56,957
Return on capital %	2.1%	3.9%
Subsidy from Council	1,699	46
Calculation of dividend payable:		
Surplus (deficit) after tax	4,709	2,845
Less: capital grants and contributions (excluding developer contributions)	(14)	(912)
Surplus for dividend calculation purposes	4,695	1,933
Potential dividend calculated from surplus	2,348	966

Murray River Council | Income Statement of sewerage business activity | for the year ended 30 June 2024

Murray River Council

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

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
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
Total income from continuing operations	4,844	6,251
Expenses from continuing operations		
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	–
Total expenses from continuing operations	2,927	2,925
Surplus (deficit) from continuing operations before capital amounts	1,917	3,326
Grants and contributions provided for capital purposes	2,002	357
Surplus (deficit) from continuing operations after capital amounts	3,919	3,683
Surplus (deficit) from all operations before tax	3,919	3,683
Less: corporate taxation equivalent (25%) [based on result before capital]	(479)	(832)
Surplus (deficit) after tax	3,440	2,851
Plus accumulated surplus	45,230	41,558
Less prior period adjustments	–	(11)
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	479	832
Closing accumulated surplus	49,149	45,230
Return on capital %	3.0%	6.0%
Subsidy from Council	804	–
Calculation of dividend payable:		
Surplus (deficit) after tax	3,440	2,852
Less: capital grants and contributions (excluding developer contributions)	(78)	(357)
Surplus for dividend calculation purposes	3,362	2,495
Potential dividend calculated from surplus	1,681	1,247

Murray River Council | Income Statement of waste business activity | for the year ended 30 June 2024

Murray River Council

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

	2024 Category 1 \$ '000	2023 Category 1 \$ '000
Income from continuing operations		
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
Total income from continuing operations	7,555	6,339
Expenses from continuing operations		
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	–
Total expenses from continuing operations	5,962	5,875
Surplus (deficit) from continuing operations before capital amounts	1,593	464
Grants and contributions provided for capital purposes	88	76
Surplus (deficit) from continuing operations after capital amounts	1,681	540
Surplus (deficit) from all operations before tax	1,681	540
Less: corporate taxation equivalent (25%) [based on result before capital]	(398)	(116)
Surplus (deficit) after tax	1,283	424
Plus accumulated surplus	6,208	5,668
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	398	116
Closing accumulated surplus	7,889	6,208
Return on capital %	13.7%	6.7%
Calculation of dividend payable:		
Surplus (deficit) after tax	1,283	424
Less: capital grants and contributions (excluding developer contributions)	(88)	(76)
Surplus for dividend calculation purposes	1,195	348
Potential dividend calculated from surplus	597	174

Murray River Council | Statement of Financial Position of water supply business activity | as at 30 June 2024

Murray River Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

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

Murray River Council | Statement of Financial Position of sewerage business activity | as at 30 June 2024

Murray River Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

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

Murray River Council | Statement of Financial Position of waste business activity | as at 30 June 2024

Murray River Council

Statement of Financial Position of waste business activity

as at 30 June 2024

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

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.

Murray River Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Murray River Council

Special Schedules

for the year ended 30 June 2024

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Report on infrastructure assets as at 30 June 2024	5

Murray River Council | Permissible income for general rates | for the year ended 30 June 2024

Murray River Council

Permissible income for general rates

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

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.

Permissible income for general rates

Permissible income for general rates: PLUS PDF inserted here

Council needs to uplift custom PDF here - please uplift via "PLUS PDF" choice in the Home/TOC screen

Murray River Council | Report on infrastructure assets as at 30 June 2024

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 ^a	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
Buildings	Buildings	9,440	9,440	623	299	64,892	88,988	32.0%	41.0%	16.0%	0.0%	11.0%
	Sub-total	9,440	9,440	623	299	64,892	88,988	32.0%	41.0%	16.0%	0.0%	11.0%
Other structures	Other structures	8,796	8,796	883	949	27,672	40,275	25.0%	35.0%	18.0%	19.0%	3.0%
	Sub-total	8,796	8,796	883	949	27,672	40,275	25.0%	35.0%	18.0%	19.0%	3.0%
Roads	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%
	Sub-total	26,057	26,057	6,272	6,834	671,175	544,008	49.0%	28.0%	18.8%	3.7%	0.5%
Water supply network	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%
	Sub-total	4,975	4,975	1,298	1,344	67,883	83,621	23.0%	56.0%	15.0%	4.0%	2.0%
Sewerage network	Sewerage network	4,054	4,054	571	570	58,067	74,274	15.0%	56.0%	23.0%	2.0%	4.0%
	Sub-total	4,054	4,054	571	570	58,067	74,274	15.0%	56.0%	23.0%	2.0%	4.0%
Stormwater drainage	Stormwater drainage	261	261	424	147	56,532	60,548	39.0%	42.0%	18.0%	0.0%	1.0%
	Sub-total	261	261	424	147	56,532	60,548	39.0%	42.0%	18.0%	0.0%	1.0%

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Murray River Council

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

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

(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

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 ¹	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.

6.3 DIRECTOR INFRASTRUCTURE REPORT AND SUPPLEMENTARY MATTERS

Nil

6.4 DIRECTOR PLANNING AND ENVIRONMENT REPORT AND SUPPLEMENTARY MATTERS

Nil

6.5 DIRECTOR COMMUNITY AND ECONOMIC DEVELOPMENT REPORT AND SUPPLEMENTARY MATTERS

NIL

6.6 CORRESPONDENCE REPORT

Nil

6.7 SUNDRY DELEGATES REPORT

Nil

7 CONFIDENTIAL MATTERS**RECOMMENDATION**

That Council moves out of Open Council into Closed Council at [Enter time](#).

RECOMMENDATION

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993:

7.1 Recommendation for the sale of 6 MRC-owned lots - referred to as Moulamein Aerodrome.

This matter is considered to be confidential under Section 10A(2) - d(ii) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a competitor of the council.

RECOMMENDATION

That Council moves out of Closed Council into Open Council at [Enter time](#).

RECOMMENDATION

That Council brings forward the resolutions from Closed Council into Open Council and these be read aloud.

8 CLOSE OF MEETING