

# Strathfield Municipal Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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# Strathfield Municipal Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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# Strathfield Municipal Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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### Overview

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

65 Homebush Rd  
Strathfield NSW 2135

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.strathfield.nsw.gov.au](http://www.strathfield.nsw.gov.au) .

# Strathfield Municipal Council

## General Purpose Financial Statements

for the year ended 30 June 2024

## Understanding Council's Financial Statements

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### Introduction

Each year NSW local governments are required to present audited financial statements ("the financial statements") to their council and community.

### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2024.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards Board (AASB's) and requirements as set down by the Office of Local Government (OLG).

### About the Statement by Councillors and Management

The financial statements must be certified by senior staff as 'presenting fairly' the Council's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

#### 1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between the financial performance that was projected for the year and what actually occurred.

#### 2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

#### 3. The Statement of Financial Position

Shows a snapshot of Council's financial position, that is, the value of its assets, liabilities and "net wealth" (or, net assets), as at the balance date (i.e. 30 June).

#### 4. The Statement of Changes in Equity

The overall change for the year of Council's "net wealth".

#### 5. The Statement of Cash Flows

Shows where Council's cash came from and where it was spent. This statement also displays Council's original adopted budgeted cashflows to provide a comparison between what was projected for the year and what actually occurred.

### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater level of detail and additional information on the five primary financial statements.

### About the Auditor's Reports

Council's financial statements are required to be audited by the Audit Office of NSW.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

### Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

# Strathfield Municipal Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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

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

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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


- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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


Signed in accordance with a resolution of Council made on 22 October 2024.




John-Paul Bakadi  
Mayor  
22 October 2024



Benjamin Cai  
Deputy Mayor  
22 October 2024



Michael Mamo  
General Manager  
22 October 2024



Rodney Sanjivi  
Responsible Accounting Officer  
22 October 2024

## Strathfield Municipal Council

### Income Statement

for the year ended 30 June 2024

<i>Original unaudited budget</i> <b>2024</b>	<b>\$ '000</b>			<i>Actual</i> <b>2024</b>	<i>Actual</i> <b>2023</b>
			Notes		
		<b>Income from continuing operations</b>			
36,948	Rates and annual charges		B2-1	<b>36,920</b>	33,581
5,022	User charges and fees		B2-2	<b>5,290</b>	4,712
2,924	Other revenue		B2-3	<b>2,673</b>	3,010
2,921	Grants and contributions provided for operating purposes		B2-4	<b>2,850</b>	3,122
9,762	Grants and contributions provided for capital purposes		B2-4	<b>22,943</b>	13,524
1,714	Interest and investment income		B2-5	<b>2,304</b>	1,274
1,019	Other income		B2-6	<b>1,019</b>	1,078
625	Net gain from the disposal of assets		B4-1	<b>–</b>	–
<b>60,935</b>	<b>Total income from continuing operations</b>			<b>73,999</b>	60,301
		<b>Expenses from continuing operations</b>			
25,524	Employee benefits and on-costs		B3-1	<b>25,805</b>	23,664
20,607	Materials and services		B3-2	<b>19,777</b>	20,258
179	Borrowing costs		B3-3	<b>–</b>	–
9,551	Depreciation and amortisation		B3-4	<b>9,971</b>	9,282
1,400	Other expenses		B3-5	<b>1,354</b>	1,294
–	Net loss from the disposal of assets		B4-1	<b>1,674</b>	1,905
<b>57,261</b>	<b>Total expenses from continuing operations</b>			<b>58,581</b>	56,403
<b>3,674</b>	<b>Operating result from continuing operations</b>			<b>15,418</b>	3,898
<b>3,674</b>	<b>Net operating result attributable to Council</b>			<b>15,418</b>	3,898
		<b>Net operating result for the year before grants and contributions provided for capital purposes</b>			
<b>(6,088)</b>				<b>(7,525)</b>	(9,626)

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

## Strathfield Municipal Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

<b>\$ '000</b>	Notes	<b>2024</b>	<b>2023</b>
<b>Net operating result for the year – from Income Statement</b>		<b>15,418</b>	<b>3,898</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<b>14,893</b>	<b>(28,078)</b>
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>14,893</b>	<b>(28,078)</b>
<b>Other comprehensive income for the year</b>		<b>14,893</b>	<b>(28,078)</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b>30,311</b>	<b>(24,180)</b>

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

# Strathfield Municipal Council

## Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	18,544	8,581
Investments	C1-2	28,000	23,000
Receivables	C1-4	5,193	3,232
Inventories	C1-5	73	65
Other assets		578	390
<b>Total current assets</b>		<b>52,388</b>	<b>35,268</b>
<b>Non-current assets</b>			
Investments	C1-2	16,000	20,000
Infrastructure, property, plant and equipment (IPPE)	C1-6	504,411	481,730
Intangible assets	C1-7	1,347	1,870
<b>Total non-current assets</b>		<b>521,758</b>	<b>503,600</b>
<b>Total assets</b>		<b>574,146</b>	<b>538,868</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	16,846	16,427
Contract liabilities	C3-2	5,716	8,732
Borrowings	C3-3	548	—
Employee benefit provisions	C3-4	4,196	3,785
<b>Total current liabilities</b>		<b>27,306</b>	<b>28,944</b>
<b>Non-current liabilities</b>			
Borrowings	C3-3	6,452	—
Employee benefit provisions	C3-4	611	458
<b>Total non-current liabilities</b>		<b>7,063</b>	<b>458</b>
<b>Total liabilities</b>		<b>34,369</b>	<b>29,402</b>
<b>Net assets</b>		<b>539,777</b>	<b>509,466</b>
<b>EQUITY</b>			
Accumulated surplus		233,484	218,066
IPPE revaluation reserve	C4-1	306,293	291,400
<b>Total equity</b>		<b>539,777</b>	<b>509,466</b>
<b>Total equity</b>		<b>539,777</b>	<b>509,466</b>

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



## Strathfield Municipal Council

### Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
<b>\$ '000</b>							
Opening balance at 1 July		218,066	291,400	509,466	214,168	319,478	533,646
<b>Opening balance</b>		<b>218,066</b>	<b>291,400</b>	<b>509,466</b>	<b>214,168</b>	<b>319,478</b>	<b>533,646</b>
Net operating result for the year		15,418	–	15,418	3,898	–	3,898
<b>Net operating result for the period</b>		<b>15,418</b>	<b>–</b>	<b>15,418</b>	<b>3,898</b>	<b>–</b>	<b>3,898</b>
<b>Other comprehensive income</b>							
Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	14,893	14,893	–	(28,078)	(28,078)
<b>Other comprehensive income</b>		<b>–</b>	<b>14,893</b>	<b>14,893</b>	<b>–</b>	<b>(28,078)</b>	<b>(28,078)</b>
<b>Total comprehensive income</b>		<b>15,418</b>	<b>14,893</b>	<b>30,311</b>	<b>3,898</b>	<b>(28,078)</b>	<b>(24,180)</b>
<b>Closing balance at 30 June</b>		<b>233,484</b>	<b>306,293</b>	<b>539,777</b>	<b>218,066</b>	<b>291,400</b>	<b>509,466</b>

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

# Strathfield Municipal Council

## Statement of Cash Flows

for the year ended 30 June 2024

<i>Original unaudited budget 2024</i>	<i>\$ '000</i>	<i>Notes</i>	<i>Actual 2024</i>	<i>Actual 2023</i>
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
36,948	Rates and annual charges		<b>36,224</b>	33,309
5,022	User charges and fees		<b>5,287</b>	5,906
1,714	Interest received		<b>1,486</b>	1,007
12,683	Grants and contributions		<b>17,242</b>	19,011
–	Bonds, deposits and retentions received		<b>763</b>	1,561
3,943	Other income		<b>6,658</b>	7,146
<b>Payments:</b>				
(25,524)	Payments to employees		<b>(24,951)</b>	(24,349)
(20,607)	Payments for materials and services		<b>(23,361)</b>	(22,923)
(179)	Borrowing costs		<b>–</b>	–
(1,400)	Other expenses		<b>(2,075)</b>	(1,197)
12,600	<b>Net cash flows from operating activities</b>	F1-1	<b>17,273</b>	19,471
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
625	Proceeds from sale of IPPE		<b>577</b>	581
<b>Payments:</b>				
–	Acquisition of term deposits		<b>(1,000)</b>	(6,000)
(18,427)	Payments for IPPE		<b>(13,887)</b>	(12,151)
(17,802)	<b>Net cash flows from investing activities</b>		<b>(14,310)</b>	(17,570)
<b>Cash flows from financing activities</b>				
<b>Payments:</b>				
(103)	Repayment of borrowings		<b>–</b>	–
7,000	Proceeds from borrowings		<b>7,000</b>	–
6,897	<b>Net cash flows from financing activities</b>		<b>7,000</b>	–
1,695	<b>Net change in cash and cash equivalents</b>		<b>9,963</b>	1,901
8,581	Cash and cash equivalents at beginning of year		<b>8,581</b>	6,680
10,276	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>18,544</b>	8,581
46,000	plus: Investments on hand at end of year	C1-2	<b>44,000</b>	43,000
56,276	<b>Total cash, cash equivalents and investments</b>		<b>62,544</b>	51,581

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

# Strathfield Municipal Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 22 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these 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) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not-for-profit entity.

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

#### **Historical cost convention**

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

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

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

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

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

Council makes estimates and assumptions concerning the future.

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

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

- (i) Fair values of infrastructure, property, plant and equipment – refer Note C1-6 and Note D2-1.
- (ii) 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) Impairment of infrastructure, property, plant and equipment - refer Note C1-6
- (iii) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

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

#### **The Consolidated Fund**

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

Council's consolidated fund is the General Fund. The Consolidated Fund has been included in the financial statements of the Council.

#### **Goods and Services Tax (GST)**

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

## A1-1 Basis of preparation (continued)

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

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

### **Volunteer services**

Council has various opportunities for volunteers to be involved in various programs. These volunteer services are not recognised in these financial statements on the basis that the service would not be purchased or provided for by Council, if it had not been donated / volunteered.

### **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**

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2024. None of these standards had a significant impact on the reported financial position and performance of Council.

## B Financial Performance

### B1 Functions or activities

#### B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	<i>Income</i>		<i>Expenses</i>		<i>Operating result</i>		<i>Grants and contributions</i>		<i>Carrying amount of assets</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
<b>Functions or activities</b>										
1. Connectivity	<b>733</b>	3,163	<b>1,077</b>	3,796	<b>(344)</b>	(633)	<b>5,200</b>	4,220	<b>201,507</b>	205,531
2. Community Wellbeing	<b>331</b>	1,391	<b>4,305</b>	5,576	<b>(3,974)</b>	(4,185)	<b>2,220</b>	2,727	<b>54,146</b>	59,667
3. Celebrating Culture and Place	<b>374</b>	264	<b>1,739</b>	1,765	<b>(1,365)</b>	(1,501)	<b>346</b>	273	<b>–</b>	–
4. Liveable Neighbourhoods	<b>28,728</b>	32,511	<b>26,542</b>	20,025	<b>2,186</b>	12,486	<b>18,027</b>	9,426	<b>194,349</b>	187,539
5. Responsible Leadership	<b>43,833</b>	22,972	<b>24,918</b>	25,241	<b>18,915</b>	(2,269)	<b>–</b>	–	<b>124,144</b>	86,131
<b>Total functions and activities</b>	<b>73,999</b>	<b>60,301</b>	<b>58,581</b>	<b>56,403</b>	<b>15,418</b>	<b>3,898</b>	<b>25,793</b>	<b>16,646</b>	<b>574,146</b>	<b>538,868</b>

## B1-2 Components of functions or activities

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

Council's Community Strategic Plan (CSP) provides long-term direction for the Strathfield Council's Local Government Area (LGA) and is Council's overarching plan in the Integrated Planning and Reporting (IPR) framework.

The CSP provides guidance for the alignment of Council's resources to meet community priorities, responds to state and regional plans and in planning and delivering services in the LGA.

Therefore, all the functions and activities of Council can be categorised under the themes listed below as per Council's CSP:

### 1. Connectivity

This theme reflects on the centrality and connectivity of the Strathfield LGA to Greater Sydney and beyond through infrastructure, transport and communications. The high levels of connectivity are significant attractors for residents, businesses, students and visitors to the Strathfield LGA. The theme is concerned with planning for and the delivery of regional, state and local infrastructure to meet the needs of increasing populations, ensuring regional and local transport networks are integrated, connected and safe, and that service delivery and information access is optimised through integration of communications and digital technology.

### 2. Community Wellbeing

This theme concerns supporting Strathfield's culturally diverse and socially cohesive, connected and safe communities with access to public spaces and community facilities, and opportunities to participate in programs and activities. Council plays an important role in facilitating opportunities for participation in learning, recreation, community programs and activities that enhance healthy active lifestyles. Council will enhance the safety and wellbeing of the community by providing safe, clean, healthy and attractive environments and working with Police on community safety and crime prevention.

### 3. Celebrating Culture and Place

This theme relates to creating vibrant and enticing public domains, especially our town, village and commercial centres, which blend access to services with opportunities for social connectivity. The theme also celebrates Strathfield as a place of learning, culture and creativity supported by events, cultural programs and acknowledgement of civic and community achievements which promote a sense of civic pride and belonging.

### 4. Liveable Neighbourhoods

This theme concerns ensuring well planned urban design, protection and maintenance of the built and natural environment of the Strathfield LGA. Liveable Neighbourhoods involve high quality, well planned, sustainable, clean and well maintained urban and natural environments that balance new development with the retention and reflection of established local character and healthy thriving and resilient natural environments. Development, changing lifestyles and increasing population also create higher levels of waste, resource usage and pollution, creating pressure on the local area, at a regional and local level, to maintain the high standards of amenity, character and liveability of the Strathfield LGA.

### 5. Responsible Leadership

The theme of Responsible Leadership is concerned with leadership and accountable Council services directed by the priorities of an engaged and connected community. Responsible leadership requires the community having confidence in the Council to make decisions based on community priorities and values reflecting meaningful and informed community engagement. Effective management of Council's operations is underpinned by transparent, effective and accountable governance which is responsive to the needs of the community.



## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	18,876	14,030
Business	8,338	5,864
Less: pensioner rebates (mandatory)	(94)	(86)
Less: pensioner rebates (Council policy)	(103)	(94)
Less: rates levied on council properties	(88)	(68)
<b>Rates levied to ratepayers</b>	<b>26,929</b>	<b>19,646</b>
Pensioner rate subsidies received	94	83
<b>Total ordinary rates</b>	<b>27,023</b>	<b>19,729</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	9,522	13,457
Stormwater management services	313	309
Section 611 charges	109	142
Less: pensioner rebates (mandatory)	(44)	(54)
Less: pensioner rebates (Council policy)	(47)	(54)
<b>Annual charges levied</b>	<b>9,853</b>	<b>13,800</b>
Pensioner annual charges subsidies received:		
– Domestic waste management	44	52
<b>Total annual charges</b>	<b>9,897</b>	<b>13,852</b>
<b>Total rates and annual charges</b>	<b>36,920</b>	<b>33,581</b>

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

#### Material accounting policy information

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

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

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

## B2-2 User charges and fees

\$ '000	Timing	2024	2023
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>			
Domestic waste management services		56	49
Waste management services (non-domestic)		81	56
<b>Total specific user charges</b>		<b>137</b>	<b>105</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Planning and building regulation		877	604
Section 10.7 certificates (EP&A Act)		147	122
Section 603 certificates		103	80
Health act		201	157
<b>Total fees and charges – statutory/regulatory</b>		<b>1,328</b>	<b>963</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>			
Credit card service fee		49	48
Library and art gallery		26	39
Park rents		681	654
Festivals and events		15	24
Restoration charges		118	53
Hoarding income		51	21
Hudson park golf course and driving range		1,983	1,801
Other property rentals		19	45
Parking fees		64	63
Privately funded works and anchor work permits		–	24
Road opening permits		19	8
Work zone parking and standing plant permits		622	593
Residential Parking Scheme		2	–
Public halls		144	75
Other		1	1
Road closure		31	195
<b>Total fees and charges – other</b>		<b>3,825</b>	<b>3,644</b>
<b>Total other user charges and fees</b>		<b>5,153</b>	<b>4,607</b>
<b>Total user charges and fees</b>		<b>5,290</b>	<b>4,712</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		5,290	4,712
<b>Total user charges and fees</b>		<b>5,290</b>	<b>4,712</b>

### Material accounting policy information

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of provision of the service, or in some cases 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.

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

<b>\$ '000</b>	<i>Timing</i>	<b>2024</b>	<b>2023</b>
Ex gratia rates		<b>95</b>	180
Fines – parking		<b>2,004</b>	2,301
Legal fees recovery – rates and charges (extra charges)		<b>4</b>	35
Legal fees recovery – other		<b>24</b>	93
Diesel rebate		<b>1</b>	41
Insurance claims recoveries		<b>262</b>	169
Sale of abandoned vehicles		<b>42</b>	18
Carbon tax rebate		<b>97</b>	16
Insurance incentives/rebates		<b>65</b>	64
Other		<b>18</b>	6
Other corporate income		<b>4</b>	4
Recycling income (non-domestic)		<b>57</b>	83
<b>Total other revenue</b>		<b>2,673</b>	<b>3,010</b>
<b>Timing of revenue recognition for other revenue</b>			
Other revenue recognised over time (1)		<b>–</b>	–
Other revenue recognised at a point in time (2)		<b>2,673</b>	3,010
<b>Total other revenue</b>		<b>2,673</b>	<b>3,010</b>

### Material accounting policy information for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

## B2-4 Grants and contributions

<b>\$ '000</b>	<i>Timing</i>	<b>Operating 2024</b>	<b>Operating 2023</b>	<b>Capital 2024</b>	<b>Capital 2023</b>
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component		17	334	–	–
Financial assistance – local roads component		5	102	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component		1,106	1,229	–	–
Financial assistance – local roads component		331	376	–	–
<b>Amount recognised as income during current year</b>		<b>1,459</b>	<b>2,041</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Community centres		–	–	508	494
Environmental programs		141	226	–	60
Heritage and cultural		13	–	–	–
Library – per capita		252	192	–	–
Road Safety		57	94	–	–
Parks and open space		–	–	888	2,648
Festivals and events		334	273	–	–
Street lighting		140	271	–	–
Planning		–	25	–	–
Other transport (bridges, footpaths, cycleways)		–	–	4,305	2,693
Other Council's Long Service Leave contributions		454	–	–	–
Transport (Block Grants)		–	–	190	295
Transport (roads to recovery)		–	–	196	179
Other grants		–	–	55	–
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>1,391</b>	<b>1,081</b>	<b>6,142</b>	<b>6,369</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>1,391</b>	<b>1,081</b>	<b>6,142</b>	<b>6,369</b>
<b>Total grants and non-developer contributions</b>		<b>2,850</b>	<b>3,122</b>	<b>6,142</b>	<b>6,369</b>
<b>Comprising:</b>					
– Commonwealth funding		1,459	2,041	386	494
– State funding		936	1,081	5,756	5,815
– Other funding		455	–	–	60
		<b>2,850</b>	<b>3,122</b>	<b>6,142</b>	<b>6,369</b>

## B2-4 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Developer contributions:</b>					
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
F4					
<b>Cash contributions</b>					
S 7.4 – contributions using planning agreements		–	–	681	–
S 7.11 – contributions towards amenities/services		–	–	9,160	5,607
S 7.12 – fixed development consent levies		–	–	1,360	1,548
<b>Total developer contributions – cash</b>		<b>–</b>	<b>–</b>	<b>11,201</b>	<b>7,155</b>
<b>Non-cash contributions</b>					
S 7.4 – contributions using planning agreements		–	–	5,600	–
<b>Total developer contributions non-cash</b>		<b>–</b>	<b>–</b>	<b>5,600</b>	<b>–</b>
<b>Total developer contributions</b>		<b>–</b>	<b>–</b>	<b>16,801</b>	<b>7,155</b>
<b>Total contributions</b>		<b>–</b>	<b>–</b>	<b>16,801</b>	<b>7,155</b>
<b>Total grants and contributions</b>		<b>2,850</b>	<b>3,122</b>	<b>22,943</b>	<b>13,524</b>
<b>Timing of revenue recognition for grants and contributions</b>					
Grants and contributions recognised over time (1)		–	499	6,362	6,369
Grants and contributions recognised at a point in time (2)		2,850	2,623	16,581	7,155
<b>Total grants and contributions</b>		<b>2,850</b>	<b>3,122</b>	<b>22,943</b>	<b>13,524</b>

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	327	321	8,027	5,668
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	144	327	5,258	8,027
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(327)	(321)	(8,027)	(5,668)
<b>Unspent funds at 30 June</b>	<b>144</b>	<b>327</b>	<b>5,258</b>	<b>8,027</b>
<b>Contributions</b>				
Unspent funds at 1 July	–	–	16,996	10,730
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	11,614	7,470
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(192)	(1,204)
<b>Unspent contributions at 30 June</b>	<b>–</b>	<b>–</b>	<b>28,418</b>	<b>16,996</b>

### Material accounting policy information

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

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

The performance obligations vary according to the agreement but include completion of milestone reports. 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 such as the completion of a project or when a report / outcome is provided, whereas over-time recognition is where the control of the services is ongoing throughout the project.

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 sufficiently 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 progress towards the completion of the construction project.

For acquisitions of assets (i.e. purchases), the revenue is recognised when the asset is acquired and controlled by the Council.

#### Developer contributions

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

## B2-4 Grants and contributions (continued)

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

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

### Other grants and contributions

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

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

## B2-5 Interest and investment income

\$ '000	2024	2023
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	150	88
– Cash and investments	2,154	1,186
<b>Total interest and investment income</b>	<b>2,304</b>	<b>1,274</b>

### Material accounting policy information

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

## B2-6 Other income

\$ '000	Notes	2024	2023
<b>Rental income</b>			
<b>Other lease income</b>			
Room/Facility Hire		877	862
Leaseback fees - council vehicles		142	216
<b>Total other lease income</b>		<b>1,019</b>	<b>1,078</b>
<b>Total rental income</b>	C2-2	<b>1,019</b>	<b>1,078</b>
<b>Total other income</b>		<b>1,019</b>	<b>1,078</b>

## B3 Costs of providing services

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

\$ '000	2024	2023
Salaries and wages	17,769	14,518
Employee termination costs (where material – other than vested leave paid)	613	1,237
Employee leave entitlements (ELE)	3,754	4,072
Superannuation	2,232	1,900
Workers' compensation insurance	1,167	1,471
Fringe benefit tax (FBT)	163	136
Training costs (other than salaries and wages)	280	265
Recruitment costs	107	263
Other	147	122
<b>Total employee costs</b>	<b>26,232</b>	<b>23,984</b>
Less: Capitalised employee costs	(427)	(320)
<b>Total employee costs expensed</b>	<b>25,805</b>	<b>23,664</b>

#### Material accounting policy information

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

#### *Retirement benefit obligations*

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

#### *Superannuation plans*

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

#### *Capitalised employee costs*

Employee costs that are directly attributable to the construction or acquisition of items of Infrastructure, Property Plant and Equipment (IPPE) are capitalised to the cost of the respective items of IPPE in accordance with AASB 16.



## B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		2,959	3,680
Contractor costs		6,872	6,185
Street and gutter cleaning		776	816
Audit Fees	E2-1	315	400
Infringement notice contract costs (SEINS)		174	295
<b>Previously other expenses:</b>			
Councillor and Mayoral fees and associated expenses	E1-2	255	257
Advertising		88	96
Bank charges		81	78
Cleaning		368	399
Electricity, heating and water		304	266
Insurance		1,043	928
Office expenses (including computer expenses)		145	131
Postage		81	97
Printing and stationery		75	94
Street lighting		453	564
Subscriptions, memberships and publications		393	316
Telephone and communications		405	504
Valuation fees		51	48
Other expenses		141	137
Security		101	56
Waste disposal – tipping fees		3,862	4,086
<b>Legal expenses:</b>			
– Legal expenses: planning and development		669	756
– Legal expenses: debt recovery		68	29
– Legal expenses: other		87	12
Expenses from short-term leases		3	28
Other		8	–
<b>Total materials and services</b>		<b>19,777</b>	<b>20,258</b>
<b>Total materials and services</b>		<b>19,777</b>	<b>20,258</b>

### Material accounting policy information

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

## B3-3 Borrowing costs

### Material accounting policy information

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

Council borrowed \$7million on the 28th June 2024, therefore no borrowing costs were attributed to the 2023-24 Financial Year.

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

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>	C1-8,C1-7		
Plant and equipment		1,168	1,211
Office equipment		534	741
<b>Other assets:</b>			
– Library books		118	109
<b>Infrastructure:</b>			
– Buildings and other structures		1,227	812
– Roads		2,619	2,311
– Bridges		91	123
– Footpaths		534	546
– Stormwater drainage		931	793
– Car parks		73	213
– Other open space/recreational assets		2,153	1,975
Intangible assets		523	448
<b>Total gross depreciation and amortisation costs</b>		<b>9,971</b>	<b>9,282</b>
<b>Total depreciation and amortisation costs</b>		<b>9,971</b>	<b>9,282</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>9,971</b>	<b>9,282</b>

### Material accounting policy information

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-6 for IPPE assets.

#### Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because 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.

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

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

## B3-5 Other expenses

\$ '000	Notes	2024	2023
<b>Impairment of receivables</b>			
User charges and fees		–	128
Other		(55)	–
<b>Total impairment of receivables</b>	C1-4	<b>(55)</b>	<b>128</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– Department of planning levy		103	100
– Emergency services levy (includes FRNSW, SES, and RFS levies)		221	128
– NSW fire brigade levy		1,015	874
Donations, contributions and assistance to other organisations (Section 356)		70	64
<b>Total other</b>		<b>1,409</b>	<b>1,166</b>
<b>Total other expenses</b>		<b>1,354</b>	<b>1,294</b>

### Material accounting policy information

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

Impairment expenses are recognised when identified.

## B4 Gains or losses

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

\$ '000	Notes	2024	2023
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-6		
Proceeds from disposal – plant and equipment		577	581
Less: carrying amount of plant and equipment assets sold/written off		(165)	(393)
<b>Gain (or loss) on disposal</b>		<b>412</b>	<b>188</b>
<b>Gain (or loss) on disposal of infrastructure</b>	C1-6		
Less: carrying amount of bridge assets sold/written off		(15)	–
Less: carrying amount of road assets written off <sup>a</sup>		(700)	(1,579)
Less: carrying amount of footpath assets written off <sup>b</sup>		(858)	(307)
Less: carrying amount of building assets sold/written off		(429)	(200)
Less: carrying amount of open space assets sold/written off		(21)	–
Less: carrying value of car park assets sold/written off		(63)	–
Less: carrying amount of stormwater assets write off		–	(7)
<b>Gain (or loss) on disposal</b>		<b>(2,086)</b>	<b>(2,093)</b>
<b>Net gain (or loss) from disposal of assets <sup>4</sup></b>		<b>(1,674)</b>	<b>(1,905)</b>

#### Material accounting policy information

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

- (4) Net losses from disposal of assets relate to plant and equipment, roads (surface and base) and footpath assets replaced as part of the capital program.
- (a) This includes road surface, road base and kerbs & gutters that were replaced through capital works undertaken during the financial year. The carrying amounts stated is replaced by the new asset value in Council's asset register. The works included Section 7.11, Local Area Traffic Management (LATM), kerbs and gutters replacement program, RMS block grant and stimulus funding. Council budgeted \$0.45 million in disposal of road asset.
- (b) This includes footpaths that were replaced through capital works undertaken during the financial year. The carrying amounts stated is replaced by the new asset value in Council's asset register. There was no budget for this.

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 27 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

**Material variations of more than 10%** between original budget and actual results or where the variance is considered material by nature are explained below.

**Variation Key:** **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Revenues</b>				
Rates and annual charges	36,948	36,920	(28)	0% <b>U</b>
User charges and fees	5,022	5,290	268	5% <b>F</b>
Other revenue	2,924	2,673	(251)	(9)% <b>U</b>
Operating grants and contributions	2,921	2,850	(71)	(2)% <b>U</b>
Capital grants and contributions	9,762	22,943	13,181	135% <b>F</b>
Capital grants and contributions are higher than budgeted for the financial year due to the receipt of significant developer contributions. These contributions were triggered by several large developments receiving their Occupation Certificates (OC) during the year. When a development reaches the stage where an OC is granted, developers are required to pay infrastructure contributions, which fund essential community infrastructure like roads, parks, and utilities.				
Interest and investment revenue	1,714	2,304	590	34% <b>F</b>
Interest income refers to the revenue earned from Council's cash investments (i.e. term deposits). These investments are made to generate additional revenue and maximise the use of surplus funds. During the 2022/2023 fiscal year, Council experienced higher-than-expected interest income due to the Reserve Bank of Australia's (RBA) rate hikes. This resulted in a net positive impact on the Council's interest income. The higher interest rates led to increased returns on the council's investments, exceeding the forecasted income.				
Net gains from disposal of assets	625	–	(625)	(100)% <b>U</b>
Council adopts a conservative approach to budgeting, which excludes any anticipation of substantial gains or losses from the disposal of assets. Instead, any gain or loss resulting from the sale of assets is recognised during the quarterly review process. This approach ensures that the budget remains realistic and avoids potential overestimation of revenue or underestimation of expenses.				
Other income	1,019	1,019	–	0% <b>F</b>
<b>Expenses</b>				
Employee benefits and on-costs	25,524	25,805	(281)	(1)% <b>U</b>
Materials and services	20,607	19,777	830	4% <b>F</b>
Borrowing costs	179	–	179	100% <b>F</b>
Council did not incur borrowing costs during the year because the actual drawdown of borrowings occurred at the end of the financial year, rather than at the beginning, as originally budgeted.				
Depreciation, amortisation and impairment of non-financial assets	9,551	9,971	(420)	(4)% <b>U</b>
Other expenses	1,400	1,354	46	3% <b>F</b>
Net losses from disposal of assets	–	1,674	(1,674)	∞ <b>U</b>

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

<b>\$ '000</b>	<b>2024 Budget</b>	<b>2024 Actual</b>	<b>2024 ----- Variance -----</b>	
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	<b>12,600</b>	<b>17,273</b>	<b>4,673</b>	<b>37% F</b>
This is attributable to higher than budgeted capital grants and contributions received during the year. Higher than budgeted capital grants and contributions for the financial year due to the receipt of significant developer contributions. These contributions were triggered by several large developments receiving their Occupation Certificates (OC) during the year. When a development reaches the stage where an OC is granted, developers are required to pay infrastructure contributions, which fund essential community infrastructure like roads, parks, and utilities.				
<b>Cash flows from investing activities</b>	<b>(17,802)</b>	<b>(14,310)</b>	<b>3,492</b>	<b>(20)% F</b>
Cash flows from investing activities are lower than budget because several capital works projects, although commenced during the financial year, are still in progress and will continue into the following year. Since these projects have not yet been completed, the full associated capital expenditure has not been realised in the current financial year.				
<b>Cash flows from financing activities</b>	<b>6,897</b>	<b>7,000</b>	<b>103</b>	<b>1% F</b>

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2024	2023
<b>Cash assets</b>		
Cash on hand and at bank	8,126	876
Deposits at call	10,418	7,705
<b>Total cash and cash equivalents</b>	<b>18,544</b>	<b>8,581</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	18,544	8,581
<b>Balance as per the Statement of Cash Flows</b>	<b>18,544</b>	<b>8,581</b>

#### Material accounting policy information

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

#### C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Debt securities at amortised cost</b>				
Term deposits	28,000	16,000	23,000	20,000
<b>Total</b>	<b>28,000</b>	<b>16,000</b>	<b>23,000</b>	<b>20,000</b>
<b>Total financial investments</b>	<b>28,000</b>	<b>16,000</b>	<b>23,000</b>	<b>20,000</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>46,544</b>	<b>16,000</b>	<b>31,581</b>	<b>20,000</b>

#### Material accounting policy information

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

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

#### Financial assets

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

#### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

## C1-2 Financial investments (continued)

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### **Amortised cost**

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

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

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



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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>62,544</b>	<b>51,581</b>
Less: Externally restricted cash, cash equivalents and investments	<b>(37,695)</b>	<b>(29,386)</b>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>24,849</b>	<b>22,195</b>

### External restrictions

#### External restrictions – included in liabilities

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

Specific purpose unexpended grants - general fund	<b>5,402</b>	<b>8,354</b>
<b>External restrictions – included in liabilities</b>	<b>5,402</b>	<b>8,354</b>

#### External restrictions – other

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

Developer contributions – general	<b>28,418</b>	<b>16,996</b>
Stormwater management	<b>589</b>	<b>586</b>
Domestic waste management	<b>3,286</b>	<b>3,450</b>
<b>External restrictions – other</b>	<b>32,293</b>	<b>21,032</b>
<b>Total external restrictions</b>	<b>37,695</b>	<b>29,386</b>

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

\$ '000	2024	2023
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## (b) Internal allocations

### Internal allocations

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

Plant and vehicle replacement	<b>2,230</b>	<b>1,630</b>
Employees leave entitlement	<b>1,200</b>	<b>1,400</b>
Carry over works	<b>3,426</b>	<b>810</b>
Deposits, retentions and bonds	<b>12,347</b>	<b>12,956</b>
Adshel (bus shelters)	<b>270</b>	<b>270</b>
Council elections	<b>350</b>	<b>250</b>
Future major expenditure	<b>2,082</b>	<b>2,053</b>
Hudson Park Golf Driving Range	<b>195</b>	<b>195</b>
Parkscape improvements	<b>–</b>	<b>29</b>
Planning agreements	<b>688</b>	<b>–</b>
Risk management	<b>400</b>	<b>400</b>
Technology	<b>140</b>	<b>134</b>
Contributions towards works	<b>20</b>	<b>–</b>
Financial Assistance Grant - paid in advance	<b>1,437</b>	<b>1,605</b>
<b>Total internal allocations</b>	<b>24,785</b>	<b>21,732</b>

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

## C1-4 Receivables

<b>\$ '000</b>	<b>2024 Current</b>	<b>2024 Non-current</b>	<b>2023 Current</b>	<b>2023 Non-current</b>
Rates and annual charges	2,229	–	1,566	–
Interest and extra charges	206	–	147	–
User charges and fees	322	–	438	–
Accrued revenues:				
– Interest on investments	1,141	–	382	–
– Other income accruals	525	–	216	–
Net GST receivable	847	–	506	–
Other debtors	2	–	110	–
<b>Total</b>	<b>5,272</b>	<b>–</b>	<b>3,365</b>	<b>–</b>
<b>Less: provision for impairment</b>				
User charges and fees	(79)	–	(133)	–
<b>Total provision for impairment – receivables</b>	<b>(79)</b>	<b>–</b>	<b>(133)</b>	<b>–</b>
<b>Total net receivables</b>	<b>5,193</b>	<b>–</b>	<b>3,232</b>	<b>–</b>

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	133	29
+ new provisions recognised during the year	–	128
– amounts already provided for and written off this year	(54)	(24)
<b>Balance at the end of the year</b>	<b>79</b>	<b>133</b>

### Material accounting policy information

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

#### Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates receivables, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates receivables, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held); or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

## C1-4 Receivables (continued)

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

Rates and annual charges outstanding are secured against the property.

## C1-5 Inventories

<b>\$ '000</b>	<b>2024 Current</b>	<b>2024 Non-current</b>	<b>2023 Current</b>	<b>2023 Non-current</b>
<b>(i) Inventories at cost</b>				
Stores and materials	<b>73</b>	<b>–</b>	65	–
<b>Total inventories at cost</b>	<b>73</b>	<b>–</b>	<b>65</b>	<b>–</b>
<b>Total inventories</b>	<b>73</b>	<b>–</b>	<b>65</b>	<b>–</b>

### Material accounting policy information

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

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

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

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers (WIP to Exp)	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	9,563	–	9,563	3,372	–	–	–	(8,107)	(531)	–	4,295	–	4,295
Plant and equipment	10,184	(6,846)	3,338	1,674	–	(165)	(1,168)	–	–	–	10,819	(7,140)	3,679
Office equipment	6,697	(4,458)	2,239	–	354	–	(534)	–	–	–	5,350	(3,292)	2,058
<b>Land:</b>													
– Operational land	77,592	–	77,592	–	–	–	–	–	–	–	77,592	–	77,592
– Community land	49,503	–	49,503	–	–	–	–	–	–	–	49,503	–	49,503
Land improvements – non-depreciable	–	–	–	–	42	–	–	799	–	–	841	–	841
<b>Infrastructure:</b>													
– Buildings and other structures	76,418	(22,346)	54,072	680	5,600	(429)	(1,227)	1,911	–	6,445	90,791	(23,740)	67,051
– Roads	196,494	(83,160)	113,334	3,797	110	(700)	(2,619)	–	–	12,102	217,327	(91,302)	126,025
– Bridges	9,458	(3,483)	5,975	268	122	(15)	(91)	1,943	–	(287)	11,106	(3,190)	7,916
– Footpaths	41,263	(16,433)	24,830	3,455	–	(858)	(534)	–	–	1,856	45,684	(16,936)	28,748
– Bulk earthworks (non-depreciable)	36,841	–	36,841	–	–	–	–	–	–	1,989	38,830	–	38,830
– Stormwater drainage	93,143	(37,503)	55,640	–	37	–	(931)	–	–	3,847	129,696	(71,104)	58,592
– Car parks	7,203	(1,621)	5,582	188	–	(63)	(73)	–	–	304	7,654	(1,716)	5,938
– Other open space / recreational assets	60,911	(18,026)	42,885	14	218	(21)	(2,153)	3,454	–	(11,363)	43,694	(10,659)	33,035
<b>Other assets:</b>													
– Library books	2,272	(1,936)	336	90	–	–	(118)	–	–	–	2,362	(2,054)	308
<b>Total infrastructure, property, plant and equipment</b>	<b>677,542</b>	<b>(195,812)</b>	<b>481,730</b>	<b>13,538</b>	<b>6,483</b>	<b>(2,251)</b>	<b>(9,448)</b>	<b>–</b>	<b>(531)</b>	<b>14,893</b>	<b>735,544</b>	<b>(231,133)</b>	<b>504,411</b>

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period						At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	6,644	–	6,644	5,175	1,104	–	–	(3,360)	–	9,563	–	9,563
Plant and equipment	9,536	(5,971)	3,565	1,378	–	(393)	(1,211)	–	–	10,184	(6,846)	3,338
Office equipment	6,658	(3,718)	2,940	–	39	–	(741)	–	–	6,697	(4,458)	2,239
<b>Land:</b>												
– Operational land	68,890	–	68,890	–	–	–	–	–	8,702	77,592	–	77,592
– Community land	49,503	–	49,503	–	–	–	–	–	–	49,503	–	49,503
<b>Infrastructure:</b>												
– Buildings and other structures	68,617	(21,534)	47,083	119	677	(200)	(812)	2,100	5,105	76,418	(22,346)	54,072
– Roads	195,617	(42,229)	153,388	2,246	187	(1,579)	(2,311)	69	(38,666)	196,494	(83,160)	113,334
– Bridges	14,181	(4,421)	9,760	–	–	–	(123)	–	(3,662)	9,458	(3,483)	5,975
– Footpaths	45,614	(9,453)	36,161	698	–	(307)	(546)	–	(11,176)	41,263	(16,433)	24,830
– Bulk earthworks (non-depreciable)	38,641	–	38,641	–	–	–	–	–	(1,800)	36,841	–	36,841
– Stormwater drainage	86,727	(36,710)	50,017	28	170	(7)	(793)	–	6,225	93,143	(37,503)	55,640
– Car parks	2,760	(473)	2,287	–	–	–	(213)	–	3,508	7,203	(1,621)	5,582
– Other open space / recreational assets	55,825	(16,051)	39,774	211	–	(2)	(1,975)	1,191	3,686	60,911	(18,026)	42,885
<b>Other assets:</b>												
– Library books	2,152	(1,827)	325	119	–	–	(109)	–	–	2,272	(1,936)	336
<b>Total infrastructure, property, plant and equipment</b>	<b>651,365</b>	<b>(142,387)</b>	<b>508,978</b>	<b>9,974</b>	<b>2,177</b>	<b>(2,488)</b>	<b>(8,834)</b>	<b>–</b>	<b>(28,078)</b>	<b>677,542</b>	<b>(195,812)</b>	<b>481,730</b>

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

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

### Material accounting policy information

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

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

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

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

#### Useful lives of IPPE

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

Class of IPPE	Useful Lives
Plant and equipment (inc. office equipment)	5 - 20 years
Buildings and other structures	20 - 150 years
Roads, bridges and footpaths	20 - 155 years
Stormwater drainage	100 - 150 years
Car parks	35 - 100 years and infinite base
Other open space / recreational assets	10 - 100 years
Library books	5 years

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

#### Revaluation model

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

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

#### Land under roads

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

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

#### Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council categorised within community land. 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.

## C1-7 Intangible assets

Intangible assets are as follows:

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Software</b>		
<b>Opening values at 1 July</b>		
Gross book value	3,609	3,609
Accumulated amortisation	(1,739)	(1,292)
<b>Net book value – opening balance</b>	<b>1,870</b>	<b>2,317</b>
<b>Movements for the year</b>		
Amortisation charges	(523)	(447)
<b>Closing values at 30 June</b>		
Gross book value	3,609	3,609
Accumulated amortisation	(2,262)	(1,739)
<b>Total software – net book value</b>	<b>1,347</b>	<b>1,870</b>
<b>Total intangible assets – net book value</b>	<b>1,347</b>	<b>1,870</b>

### Material accounting policy information

#### IT development and software

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

## C2 Leasing activities

### C2-1 Council as a lessee

#### (i) Council as a lessee

Council has leases over office equipment. Information relating to the leases in place and associated balances and transactions is provided below.

#### Terms and conditions of leases

##### Office and IT equipment

Leases for office and IT equipment are generally for the threshold for low value assets, except for significant items (such as photocopiers). The leases for Council's photocopiers are on a rolling 12 month basis and the payments are fixed, however certain variable payments apply based on usage.

#### (a) Income Statement

\$ '000	2024	2023
Expenses relating to short-term leases	3	28
	<b>3</b>	<b>28</b>

#### (b) Statement of Cash Flows

Total cash outflow for leases	3	28
	<b>3</b>	<b>28</b>

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

Council has leases at significantly below market value for land which are used for parks and open space.

The leases of these types are generally for terms between 2 and 10 years and require payments of nominal amounts not exceeding \$1,000 per annum.

The use of the right-of-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

None of the leases in place are individually material from a Statement of Financial Position or Performance perspective.

#### Material accounting policy information

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

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

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

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

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

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



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

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

\$ '000	2024	2023
<b>Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:</b>		
Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:		
< 1 year	1,030	760
1–2 years	680	662
2–3 years	552	572
3–4 years	482	501
4–5 years	435	297
> 5 years	2,828	2,472
<b>Total undiscounted lease payments to be received <sup>a</sup></b>	<b>6,007</b>	<b>5,264</b>

(a) These leases relate to council owned properties that are leased to external parties and community groups.

### 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.

## C3 Liabilities of Council

### C3-1 Payables

<b>\$ '000</b>	<b>2024 Current</b>	<b>2024 Non-current</b>	<b>2023 Current</b>	<b>2023 Non-current</b>
<b>Payables</b>				
Goods and services – operating expenditure	1,623	–	1,746	–
Accrued expenses:				
– Salaries and wages	513	–	223	–
– Other expenditure accruals	478	–	1,108	–
Security bonds, deposits and retentions	13,719	–	12,956	–
Prepaid rates	361	–	394	–
Other	152	–	–	–
<b>Total payables</b>	<b>16,846</b>	<b>–</b>	<b>16,427</b>	<b>–</b>
<b>Total payables</b>	<b>16,846</b>	<b>–</b>	<b>16,427</b>	<b>–</b>

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

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	13,719	12,956
<b>Total payables</b>	<b>13,719</b>	<b>12,956</b>

#### Material accounting policy information

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

The financial liabilities of the Council comprise trade payables.

#### Payables

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

## C3-2 Contract Liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Grants and contributions received in advance:</b>				
Unexpended grants (received prior to performance obligation being satisfied) <sup>1</sup>	5,403	—	8,354	—
<b>Total grants received in advance</b>	<b>5,403</b>	<b>—</b>	<b>8,354</b>	<b>—</b>
<b>User fees and charges received in advance:</b>				
Other <sup>2</sup>	313	—	378	—
<b>Total user fees and charges received in advance</b>	<b>313</b>	<b>—</b>	<b>378</b>	<b>—</b>
<b>Total contract liabilities</b>	<b>5,716</b>	<b>—</b>	<b>8,732</b>	<b>—</b>

(1) Council receives funding to construct assets including sporting facilities, bridges, library and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months. The contract liability relates to grants received prior to the revenue recognition criteria being satisfied since the performance obligations are ongoing.

(2) This includes fees received in advance for development applications that were not determined as at balance date.

### Material accounting policy information

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

## C3-3 Borrowings

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured <sup>1</sup>	548	6,452	—	—
<b>Total borrowings</b>	<b>548</b>	<b>6,452</b>	<b>—</b>	<b>—</b>

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.

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

The following borrowings, even though classified as current, are not expected to be settled in the next 12 months.

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

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	—	7,000	—	—	—	—	7,000
<b>Total liabilities from financing activities</b>	<b>—</b>	<b>7,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,000</b>

#### (b) Financing arrangements

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

**C3-3 Borrowings (continued)**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
Total financing facilities available to Council at the reporting date are:		
Credit cards/purchase cards	<b>70</b>	70
<b>Total financing arrangements</b>	<b>70</b>	<b>70</b>
<b>Drawn facilities</b>		
Financing facilities drawn down at the reporting date are:		
<b>Undrawn facilities</b>		
Undrawn financing facilities available to Council at the reporting date are:		
– Credit cards/purchase cards	<b>61</b>	13
<b>Total undrawn financing arrangements</b>	<b>61</b>	<b>13</b>

## C3-4 Employee benefit provisions

<b>\$ '000</b>	<b>2024 Current</b>	<b>2024 Non-current</b>	<b>2023 Current</b>	<b>2023 Non-current</b>
Annual leave	1,523	–	1,498	–
Sick leave	15	–	16	–
Long service leave	2,241	560	1,832	458
ELE on-costs	417	51	439	–
<b>Total employee benefit provisions</b>	<b>4,196</b>	<b>611</b>	<b>3,785</b>	<b>458</b>

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

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,204	1,642
	<b>2,204</b>	<b>1,642</b>

### Material accounting policy information

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

### Short-term obligations

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

### Other long-term employee benefit obligations

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

### On-costs

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

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

## C4 Reserves

### C4-1 Nature and purpose of reserves

#### 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 Risks and accounting uncertainties

### D1-1 Risks relating to financial instruments held

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Council's activities expose it to a variety of financial risks including credit risk, liquidity risk and 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.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

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

#### (a) Credit risk

Council's major receivables comprise rates, 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 certain incentives.

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

There are no significant concentrations of credit risk to Council due to the nature of Council operations.

The level of outstanding receivables is reported to Council periodically and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms 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.

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

## D1-1 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.

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
<b>2024</b>				
Gross carrying amount	623	1,606	–	2,229
<b>2023</b>				
Gross carrying amount	–	1,566	–	1,566

#### Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days	Overdue debts			Total
			31 - 60 days	61 - 90 days	> 91 days	
<b>2024</b>						
Gross carrying amount	2,947	14	2	3	77	3,043
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	87.50%	2.21%
<b>ECL provision</b>	–	–	–	–	67	67
<b>2023</b>						
Gross carrying amount	1,532	42	20	53	152	1,799
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	87.50%	7.39%
<b>ECL provision</b>	–	–	–	–	133	133

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

### (b) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, 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 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.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2024</b>							
Payables (excluding prepaid rates)	0.00%	–	16,485	–	–	16,485	16,485
Borrowings	5.24%	–	548	2,499	3,953	7,000	7,000
<b>Total financial liabilities</b>		<b>–</b>	<b>17,033</b>	<b>2,499</b>	<b>3,953</b>	<b>23,485</b>	<b>23,485</b>
<b>2023</b>							
Payables (excluding prepaid rates)	0.00%	–	16,033	–	–	16,033	16,033
<b>Total financial liabilities</b>		<b>–</b>	<b>16,033</b>	<b>–</b>	<b>–</b>	<b>16,033</b>	<b>16,033</b>



## D2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Infrastructure, property, plant and equipment	C1-6						
Plant & equipment		—	—	3,679	3,338	3,679	3,338
Office equipment		—	—	2,058	2,239	2,058	2,239
Operational land		77,592	77,592	—	—	77,592	77,592
Community land		—	—	49,503	49,503	49,503	49,503
Land improvements (non-depreciable)		—	—	841	—	841	—
Buildings		5,600	—	61,451	54,072	67,051	54,072
Roads		—	—	126,025	113,334	126,025	113,334
Bridges		—	—	7,916	5,975	7,916	5,975
Footpaths		—	—	28,748	24,830	28,748	24,830
Bulk earthworks (non-depreciable)		—	—	38,830	36,841	38,830	36,841
Stormwater drainage		—	—	58,592	55,640	58,592	55,640
Car parks		—	—	5,938	5,582	5,938	5,582
Other open space / recreational assets		—	—	33,035	42,885	33,035	42,885
Library books		—	—	308	336	308	336
Total infrastructure, property, plant and equipment		83,192	77,592	416,924	394,575	500,116	472,167

### 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:

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

##### Plant & Equipment and Office Equipment

The purchase cost of Plant & Equipment and Office Equipment are taken as their fair value. There has been no change to the valuation techniques during the reporting period.

##### Operational Land

A comprehensive valuation of Council's operational land was undertaken at 30 June 2022 by an external valuer and further followed up with a desktop assesment at 30 June 2023 and 30 June 2024.

## D2-1 Fair value measurement (continued)

Operational land has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price.

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

### Community Land

Council's community land was valued based on the Land Value (LV) provided by Valuer-General valuation.

Where the Valuer-General did not provide LV an average unit rate based on the LV for similar community land was used, having regard to the highest and best use for the land.

### Land Under Roads

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051.

### Buildings

Council's buildings were valued utilising the current replacement cost approach by an external valuer at 30 June 2024.

The approach estimated the replacement cost of each building and componentising of significant parts with different useful lives and taking into account a range of factors. The unit rates could be supported by market evidence and other inputs (such as estimates of residual value, useful life and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value.

As such, these assets have been valued using Level 2 and 3 inputs. There has been no change to the valuation techniques during the reporting period.

### Roads, Bridges, Footpaths

A full external revaluation of Council's transport assets (including roads, bridges, footpaths) were undertaken by an external valuers as at 30 June 2023. An independent firm was engaged to undertake condition assessments prior to the valuation date.

Roads include carriageway, roadside shoulders, kerbs and gutters, and roadside assets such as bus shelters, round-a-bouts, signs and street furniture. The cost approach using level 3 inputs was used to value this asset class. As no market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

### Stormwater Drainage

Assets within this class comprise pits, pipes, open channels, headwalls and other water quality devices. The "cost approach" estimates 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 or certain diameter pipes and prices per pit or similar could be supported from extensive professional judgement and market evidence.

A revaluation was undertaken as at 30 June 2024 by an external valuer.

### Car Parks

Car parks include surface area and pavement, kerbs and gutters, layback and landscaping. The cost approach using level 3 inputs was used to value this asset class. An external revaluation was undertaken as at 30 June 2023.

### Other Open Space and Recreational Assets

Assets within this class have been valued by an external valuer at fair value comprising of regional sporting and recreational facilities and playgrounds, park furniture, amenities and fittings (picnic tables, shelters, seats, bollards, fences, BBQ's, etc).

Extensive professional judgement has been required to determine the final fair value of assets. Valuation of Council's other open space and recreational assets was undertaken as at 30 June 2024 by an external valuer.

### Library Books

Library Books are valued at cost. The carrying amounts of these assets are assumed to approximate fair value due to the nature of the items. There has been no change to the valuation process during the reporting period.

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

## D2-1 Fair value measurement (continued)

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

\$ '000	2024	2023
<b>Opening balance</b>	<b>394,575</b>	433,445
Total gains or (losses) for the period - Revaluation surplus / (decrement)	<b>15,722</b>	(36,780)
<b>Other movements</b>		
Additions (Purchases) (GBV)	<b>11,017</b>	5,872
Disposals (WDV)	<b>(2,251)</b>	(2,488)
Depreciation and impairment	<b>(9,447)</b>	(8,834)
Other movement - Transfers from WIP	<b>7,308</b>	3,360
<b>Closing balance</b>	<b>416,924</b>	<b>394,575</b>

### Highest and best use

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

Community land is being utilised in a manner that differs from its highest and best use due to standing legal restrictions on the permissible usage of the land based on the Local Government Act 1993.

## D3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

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

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

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

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

*A description of the funding arrangements, including the method used to determine the entity's rate of contributions and any minimum funding requirements.*

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

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

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

*\* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.*

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

*A description of the extent to which the entity can be liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plan:*

As stated 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.

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 past service contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

*(c) a description of any agreed allocation of a deficit or surplus on:*

(i) wind-up of the plan

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

(ii) the entity's withdrawal from the plan

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

## D3-1 Contingencies (continued)

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2024 was \$134,018.10. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

The amount of past service contributions in the total employer contribution advised above is \$42,835.59. The expected contributions to the Fund for the next annual reporting period are \$91,308.99.

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

Defined Benefit Reserves Only*	\$ Millions	Asset Coverage
Assets	2,237.5	
Past Service Liabilities	2,141.9	104.5%
Vested Benefits	2,159.8	103.6%

\* excluding other accumulation accounts and reserves in both assets and liabilities

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

Investment Return	6.0% per annum
Salary Inflation	3.5% per annum
Increase in CPI	3.5% for FY23/24 2.5% per annum thereafter

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2024.

### (ii) Statewide Limited

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

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

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

### (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.

## D3-1 Contingencies (continued)

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

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

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

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

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

## **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.

## E People and relationships

### E1 Related party disclosures

#### E1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

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

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Compensation:</b>		
Short-term benefits	<b>1,157</b>	728
Post-employment benefits	<b>109</b>	70
Other long-term benefits	<b>36</b>	24
<b>Total</b>	<b>1,302</b>	<b>822</b>

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

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool) will not be disclosed. There are no other transactions between the Council and the KMP's and their related parties.

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

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	<b>53</b>	53
Councillors' fees	<b>164</b>	157
Other Councillors' expenses (including Mayor)	<b>38</b>	47
<b>Total</b>	<b>255</b>	<b>257</b>

## E2 Other relationships

### E2-1 Audit fees

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

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

#### Auditors of the Council - NSW Auditor-General:

##### (i) Audit services

Audit of financial statements

	140	270
--	-----	-----

#### Remuneration for audit services

	140	270
--	-----	-----

#### Total Auditor-General remuneration

#### Non NSW Auditor-General audit firms:

##### (i) Audit and other assurance services

Internal audit

	175	130
--	-----	-----

#### Remuneration for audit and other assurance services

	175	130
--	-----	-----

#### Total remuneration of non NSW Auditor-General audit firms

	315	400
--	-----	-----

#### Total audit fees



## F Other matters

### F1-1 Statement of Cash Flows information

#### Reconciliation of Operating Result

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>15,418</b>	3,898
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	9,971	9,282
(Gain) / loss on disposal of assets	1,674	1,905
Non-cash capital grants and contributions	(5,600)	–
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(1,907)	1,167
Increase / (decrease) in provision for impairment of receivables	(54)	104
(Increase) / decrease of inventories	(8)	26
(Increase) / decrease of other current assets	(188)	98
Increase / (decrease) in payables	419	1,024
Increase / (decrease) in contract liabilities	(3,016)	2,544
Increase / (decrease) in employee benefit provision	564	(577)
<b>Net cash flows from operating activities</b>	<b>17,273</b>	19,471

### F2-1 Commitments

#### Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Road infrastructure	3,798	2,395
Buildings	219	306
Plant and equipment	813	162
Other community infrastructure	203	208
Other	63	–
<b>Total commitments</b>	<b>5,096</b>	3,071
<b>These expenditures are payable as follows:</b>		
Within the next year	5,096	3,071
<b>Total payable</b>	<b>5,096</b>	3,071

#### Details of capital commitments

Capital commitments represent the committed but unspent component of capital projects that are currently in progress.

### F3-1 Events occurring after the reporting date

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

## F4 Statement of developer contributions

### F4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Parking	426	–	–	–	17	(9)	–	434	–
Community facilities	(537)	1,085	–	–	22	–	–	570	–
Roads and traffic facilities	749	315	–	–	39	(83)	–	1,020	–
Major open space	1,531	4,785	–	–	253	–	–	6,569	–
Local open space	4,799	2,872	–	–	307	–	–	7,978	–
Administration	341	103	–	–	14	(100)	–	358	–
<b>S7.11 contributions – under a plan</b>	7,309	9,160	–	–	652	(192)	–	16,929	–
<b>S7.12 levies – under a plan</b>	8,797	1,360	–	–	406	–	–	10,563	–
<b>Total S7.11 and S7.12 revenue under plans</b>	16,106	10,520	–	–	1,058	(192)	–	27,492	–
S7.11 not under plans	890	–	–	–	36	–	–	926	–
<b>Total contributions</b>	16,996	10,520	–	–	1,094	(192)	–	28,418	–

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.

## F4-2 Developer contributions by plan

	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
\$ '000		Cash	Non-cash Land	Non-cash Other					
CONTRIBUTION PLAN 2010 – DIRECT									
Community facilities	(537)	1,085	–	–	22	–	–	570	–
Administration	341	103	–	–	14	(100)	–	358	–
Roads and traffic facilities	749	315	–	–	39	(83)	–	1,020	–
Major open space	1,531	4,785	–	–	253	–	–	6,569	–
Local open space	4,799	2,872	–	–	307	–	–	7,978	–
Total	6,883	9,160	–	–	635	(183)	–	16,495	–
CONTRIBUTION PLAN 1993									
Parking	426	–	–	–	17	(9)	–	434	–
Total	426	–	–	–	17	(9)	–	434	–

## S7.12 Levies – under a plan

### INDIRECT DEVELOPMENT CONTRIBUTIONS PLAN – 2010

General levy	8,797	1,360	–	–	406	–	–	10,563	–
<b>Total</b>	<b>8,797</b>	<b>1,360</b>	<b>–</b>	<b>–</b>	<b>406</b>	<b>–</b>	<b>–</b>	<b>10,563</b>	<b>–</b>

## F4-3 Contributions not under plans

### CONTRIBUTIONS – NOT UNDER A PLAN

Parking	890	–	–	–	36	–	–	926	–
<b>Total</b>	<b>890</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>36</b>	<b>–</b>	<b>–</b>	<b>926</b>	<b>–</b>

## F4-4 S7.4 planning agreements

### Voluntary Planning Agreements

Other	–	681	–	5,600	7	–	–	688	–
<b>Total</b>	<b>–</b>	<b>681</b>	<b>–</b>	<b>5,600</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>688</b>	<b>–</b>

## F5 Statement of performance measures

### F5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 20232022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	(5,906)	(11.57)%	(16.23)%	(7.87)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	51,056				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	48,206	65.14%	72.40%	76.88%	> 60.00%
Total continuing operating revenue <sup>1</sup>	73,999				
3. Unrestricted current ratio					
Current assets less all external restrictions	30,693	5.13x	4.32x	3.31x	> 1.50x
Current liabilities less specific purpose liabilities	5,981				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	4,065	∞	∞	∞	> 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	2,435	6.28%	4.86%	4.39%	< 5.00%
Rates and annual charges collectable	38,787				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	62,544	17.30	12.77	13.30	> 3.00
Monthly payments from cash flow of operating and financing activities	3,616	months	months	months	months

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

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

**End of the audited general purpose financial statements**

## G Additional Council disclosures (unaudited)

### G1-1 Council information and contact details

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**Principal place of business:**

65 Homebush Rd  
Strathfield NSW 2135

**Contact details****Mailing Address:**

PO Box 120  
Strathfield NSW 2135

**Telephone:** (02) 9748 9999

**Facsimile:** (02) 9764 1034

**Opening hours:**

10:00am - 4:00pm  
Monday to Friday

**Internet:** [www.strathfield.nsw.gov.au](http://www.strathfield.nsw.gov.au)

**Email:** [council@strathfield.nsw.gov.au](mailto:council@strathfield.nsw.gov.au)

**Officers****General Manager**

Michael Mamo

**Responsible Accounting Officer**

Rodney Sanjivi

**Public Officer**

Melissa Mallos

**Auditors**

Audit Office NSW  
Level 19, Darling Park Tower 2,  
201 Sussex Street, Sydney NSW 2000

**Elected members****Elected Members (During the Financial Year)**

- Karen Pensabene (Mayor)
- Sandy Reddy (Deputy Mayor)
- Benjamin Cai
- Raj Datta
- Nella Hall
- Sharangan Maheswaran
- Matthew Blackmore

**Elected Members at the Date of Approval of Financial Statements:**

- John-Paul Baladi (Mayor)
- Benjamin Cai (Deputy Mayor)
- Sandy Reddy
- Esther Kim
- Matthew Blackmore
- Karen Pensabene
- Rory Nosworthy

**Other information**

**ABN:** 52 719 940 263



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Strathfield Municipal Council

To the Councillors of Strathfield Municipal Council

### Opinion

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

In my opinion:

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

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

### Basis for Opinion

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

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

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

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

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

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

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

## **Other Information**

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

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

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

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

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

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

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

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

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

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



Karen Taylor  
Delegate of the Auditor-General for New South Wales

30 October 2024  
SYDNEY





Cr John-Paul Baladi  
Mayor  
Strathfield Municipal Council  
PO Box 120  
STRATHFIELD NSW 2135

Contact: Karen Taylor  
Phone no: 02 9275 7311  
Our ref: R008-2124742775-8228

30 October 2024

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2024  
Strathfield Municipal Council**

I have audited the general purpose financial statements (GPFS) of the Strathfield Municipal 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**

	<b>2024</b>	<b>2023</b>	<b>Variance</b>
	<b>\$m</b>	<b>\$m</b>	<b>%</b>
Rates and annual charges revenue	36.9	33.6	↑ 9.8
Grants and contributions revenue	25.8	16.6	↑ 55.4
Operating result from continuing operations	15.4	3.9	↑ 295
Net operating result before capital grants and contributions	(7.5)	(9.6)	↑ 2.2

Rates and annual charges revenue (\$36.9 million) increased by \$3.3 million (9.8%) in 2023–24 due to special rate variation increase of 35.1%, which was off-set by reduction in the domestic waste management annual charges (DWM).

Grants and contributions revenue (\$25.8 million) increased by \$9.2 million (55.4%) in 2023–24 mainly due to increase of \$9.6 million of developer contributions recognised during the year, which included an in-kind contribution of \$5.6 million relating to eight affordable housing units.

Council's operating result from continuing operations (\$15.4 million including depreciation, amortisation expense of \$10.0 million) was \$11.5 million higher than the 2022–23 result. The improved operating result was mainly attributable to the increase to capital grants and contributions.

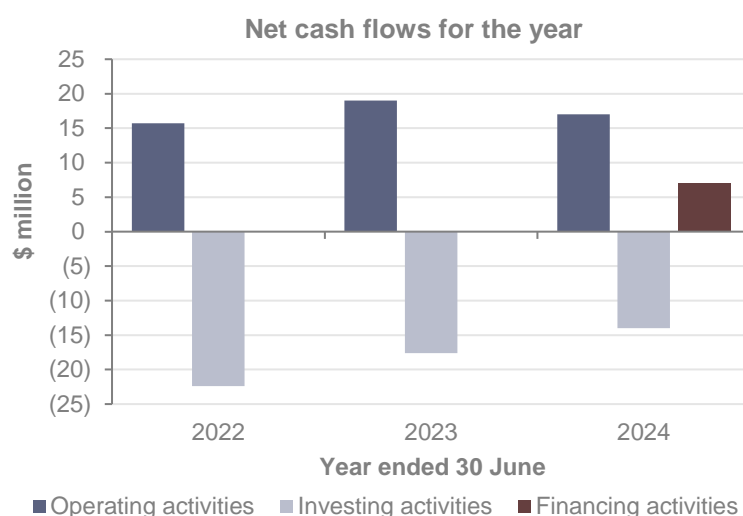
The net operating result before capital grants and contributions (\$7.5 million deficit) was \$2.1 million lower than the 2022–23 deficit, mainly due to increase in rates and annual charges.

## STATEMENT OF CASH FLOWS

No significant movement in the net cash flows generated from operating activities compared to the prior year.

Net cash used in investing activities decreased by \$3.3 million from 2022–23, primarily due to less investment in term deposits.

Net cash flows from financing activities increased by \$7.0 million due to borrowing made during 2023–24.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>62.5</b>	<b>51.6</b>	Externally restricted balances comprise mainly of developer contributions, stormwater and domestic waste funds. These funds increased by \$8.3 million mainly due to higher level of developer contributions collected during the year.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change. The allocations increased by \$3.1 million mainly due to increase in funds allocated to capital works and vehicle replacements.
• External restrictions	37.7	29.4	
• Internal allocations	24.8	21.7	

## Debt

At 30 June 2024, Council had \$7.0 million in secured loans (Nil in 2022–23). There was also \$9,000 used from a \$70,000 credit card facility.

## PERFORMANCE

### Performance measures

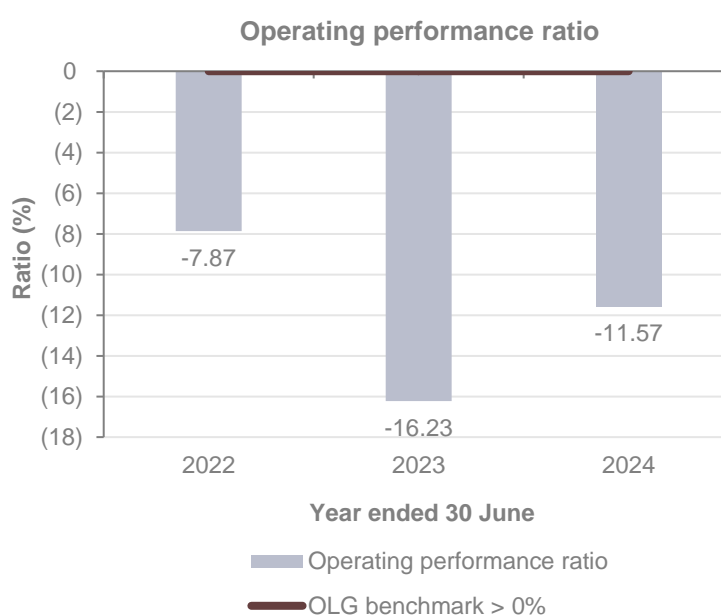
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

#### Operating performance ratio

Council continues to not meet this benchmark for the current reporting period.

The 2024 operating performance ratio has been improved compared to 2022–23 due to special rate variation increasing rates income.

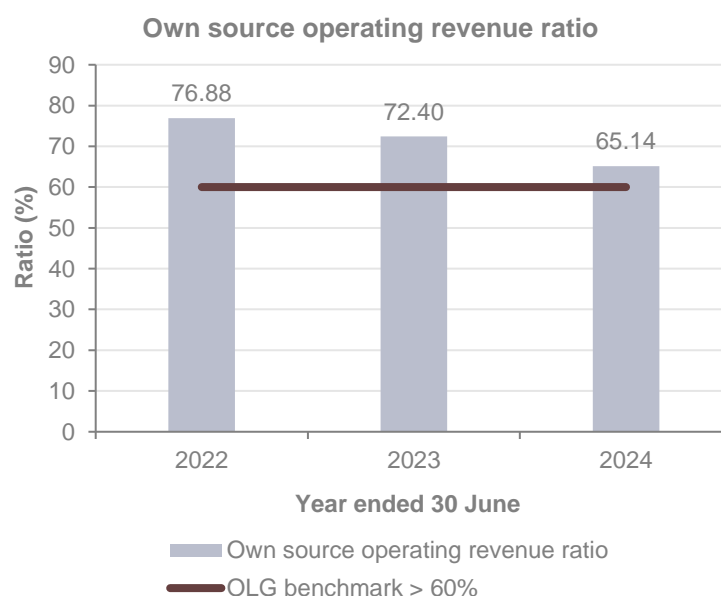
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than 0%.



#### Own source operating revenue ratio

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

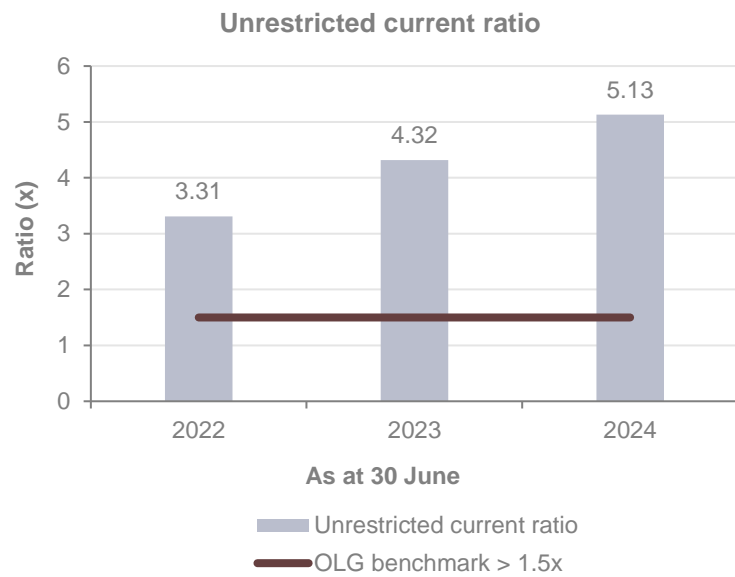
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60%.



### Unrestricted current ratio

Council continues to exceed 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.



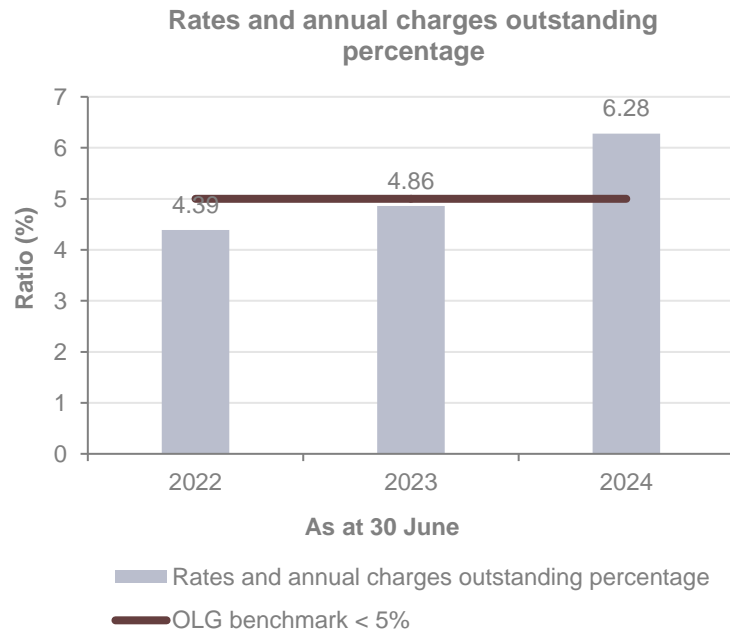
### Debt service cover ratio

Council borrowed \$7 million at end of the financial year 2023–24 and no repayments were made during the year so there is no reported ratio. This ratio measures the operating cash to service debt including interest, principal, and lease payments.

## Rates and annual charges outstanding percentage

Council did not meet the benchmark for the current reporting period. More can be done to improve debt collection. Some of the increase can be attributed to the higher rates income.

The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5% for metropolitan councils.

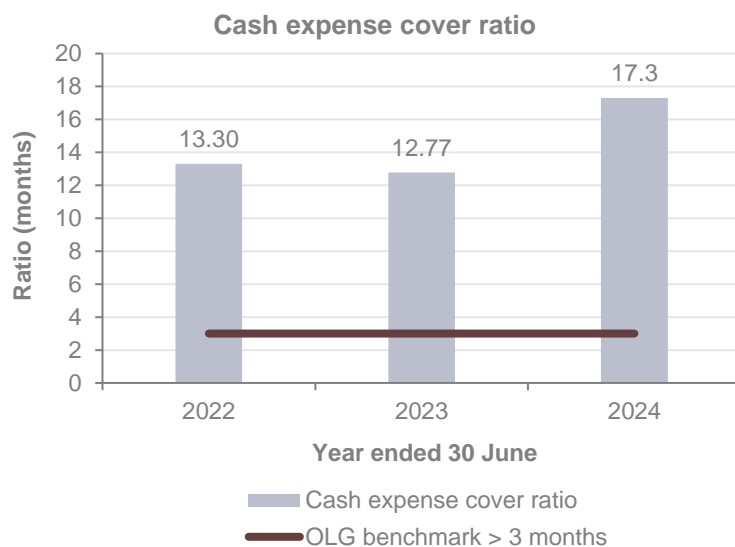


## Cash expense cover ratio

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

The ratio indicates the Council holds enough cash to meet expenditure for the next 17.3 months without additional cash inflow.

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 3 months.



## Infrastructure, property, plant and equipment renewals

Council renewed \$13.5 million of infrastructure, property, plant and equipment during the 2023–24 financial year, primarily related to roads and footpaths renewal projects.

## 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.



Karen Taylor  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

# Strathfield Municipal Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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# Strathfield Municipal 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).



# Strathfield Municipal 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:

- the NSW Government Policy Statement, 'Application of National Competition Policy to Local Government',
- the 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.

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, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 22 October 2024.



John-Paul Baladi

Mayor

22 October 2024



Benjamin Cai

Deputy Mayor

22 October 2024



Michael Mamo

General Manager

22 October 2024



Rodney Sanjivi

Responsible Accounting Officer

22 October 2024

## Strathfield Municipal Council

### Income Statement of the Hudson Park Driving Range

for the year ended 30 June 2024

<b>\$ '000</b>	<b>2024 Category 1</b>	<b>2023 Category 1</b>
<b>Income from continuing operations</b>		
User fees and charges	1,977	1,794
Other income	7	7
<b>Total income from continuing operations</b>	<b>1,984</b>	<b>1,801</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	599	516
Materials and services	185	260
Depreciation, amortisation and impairment	231	78
<b>Total expenses from continuing operations</b>	<b>1,015</b>	<b>854</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>969</b>	<b>947</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>969</b>	<b>947</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>969</b>	<b>947</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(242)	(237)
<b>Surplus (deficit) after tax</b>	<b>727</b>	<b>710</b>
<b>Plus opening accumulated surplus</b>	<b>5,542</b>	<b>4,595</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	242	237
<b>Add:</b>		
<b>Less:</b>		
– Surplus dividend paid	(279)	–
<b>Closing accumulated surplus</b>	<b>6,232</b>	<b>5,542</b>
<b>Return on capital %</b>	<b>15.3%</b>	<b>17.0%</b>

## Strathfield Municipal Council

### Statement of Financial Position of the Hudson Park Driving Range

as at 30 June 2024

<b>\$ '000</b>	<b>2024 Category 1</b>	<b>2023 Category 1</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Inventories	7	5
<b>Total current assets</b>	<b>7</b>	<b>5</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	6,333	5,573
<b>Total non-current assets</b>	<b>6,333</b>	<b>5,573</b>
<b>Total assets</b>	<b>6,340</b>	<b>5,578</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Employee benefit provisions	49	36
<b>Total non-current liabilities</b>	<b>49</b>	<b>36</b>
<b>Total liabilities</b>	<b>49</b>	<b>36</b>
<b>Net assets</b>	<b>6,291</b>	<b>5,542</b>
<b>EQUITY</b>		
Accumulated surplus	6,232	5,542
IPPE revaluation reserves	59	—
<b>Total equity</b>	<b>6,291</b>	<b>5,542</b>

## Note – Material accounting policy information

These special purpose financial statements for the year ended 30 June 2023 and 30 June 2024 were authorised for issue by Council on 22 October 2024. Council has the power to amend and reissue these special purpose financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the special purpose financial statements.

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 accrual 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)

##### Hudson Park Golf Driving Range

A business activity involves the supply of goods and services for a fee or charge for the purposes of making a profit.

#### Category 2

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

Nil

### 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. 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%

## Note – Material accounting policy information (continued)

### 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%.

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.

#### (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**

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**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.

**Strathfield Municipal Council**

**Special Purpose Financial Statements**

for the year ended 30 June 2024

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## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### Strathfield Municipal Council

To the Councillors of Strathfield Municipal Council

### Opinion

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

The Declared Business Activities of the Council are:

- Hudson Park Driving Range.

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

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

### Basis for Opinion

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

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

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

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

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

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

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

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

Without modifying my opinion, I draw attention to the Material accounting policy information note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

## **Other Information**

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

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

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

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

I have nothing to report in this regard.

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

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in the Material accounting policy information note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

My objectives are to:

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

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

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



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

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Karen Taylor  
Delegate of the Auditor-General for New South Wales

30 October 2024  
SYDNEY

# Strathfield Municipal Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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Strathfield Municipal Council

Special Schedules

for the year ended 30 June 2024

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Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2024	4

## Strathfield Municipal Council

### Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	19,903	27,003
Plus or minus adjustments <sup>2</sup>	b	62	405
<b>Notional general income</b>	c = a + b	<b>19,965</b>	<b>27,408</b>
<b>Permissible income calculation</b>			
Percentage increase	d	35.10%	14.11%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	7,008	3,867
<b>Sub-total</b>	g = (c + e + f)	<b>26,973</b>	<b>31,275</b>
Plus (or minus) last year's carry forward total	h	—	2
Less valuation objections claimed in the previous year	i	—	(32)
<b>Sub-total</b>	j = (h + i)	<b>—</b>	<b>(30)</b>
<b>Total permissible income</b>	k = g + j	<b>26,973</b>	<b>31,245</b>
Less notional general income yield	l	27,003	31,331
<b>Catch-up or (excess) result</b>	m = k - l	<b>(31)</b>	<b>(86)</b>
Plus income lost due to valuation objections claimed <sup>4</sup>	n	32	45
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>1</b>	<b>(41)</b>

#### Notes

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



## **INDEPENDENT AUDITOR'S REPORT**

### **Special Schedule – Permissible income for general rates**

#### **Strathfield Municipal Council**

To the Councillors of Strathfield Municipal Council

### **Opinion**

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

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

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

### **Basis for Opinion**

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

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

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

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

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

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

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

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

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

## Other Information

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

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

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

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

## Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

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

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Karen Taylor  
Delegate of the Auditor-General for New South Wales

30 October 2024  
SYDNEY

## Strathfield Municipal Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000									
Buildings	Buildings and other structures	5,435	8,578	1,100	1,586	67,051	90,791	41.2%	23.8%	28.5%	3.7%	2.8%
	Sub-total	5,435	8,578	1,100	1,586	67,051	90,791	41.2%	23.8%	28.5%	3.7%	2.8%
Roads & Car Parks	Roads, bridges, footpaths, kerb & gutter, bulk earthworks (non-depreciable).	10,636	32,526	2,740	1,606	207,457	325,004	17.4%	28.4%	44.2%	9.3%	0.7%
	Sub-total	10,636	32,526	2,740	1,606	207,457	325,004	17.4%	28.4%	44.2%	9.3%	0.7%
Stormwater drainage	Stormwater drainage (Pits, Pipes, & Conduits)	20,878	54,797	1,370	107	58,592	129,697	6.2%	16.0%	35.5%	33.7%	8.6%
	Sub-total	20,878	54,797	1,370	107	58,592	129,697	6.2%	16.0%	35.5%	33.7%	8.6%
Open Space & Recreational Assets	Other open space / recreational assets	1,186	1,981	1,020	3,354	33,035	43,694	33.0%	45.8%	18.5%	2.5%	0.2%
	Swimming pools	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	1,186	1,981	1,020	3,354	33,035	43,694	33.0%	45.8%	18.5%	2.5%	0.2%
	Total – all assets	38,135	97,882	6,230	6,653	366,135	589,186	19.8%	26.3%	38.0%	13.3%	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



## Strathfield Municipal Council

### Report on infrastructure assets as at 30 June 2024

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals <sup>1</sup>	8,402	110.15%	48.75%	70.18%	> 100.00%
Depreciation, amortisation and impairment	7,628				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	38,135	10.29%	6.69%	4.21%	< 2.00%
Net carrying amount of infrastructure assets	370,430				
Asset maintenance ratio					
Actual asset maintenance	6,653	106.79%	69.31%	126.09%	> 100.00%
Required asset maintenance	6,230				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	97,882	16.61%	12.37%	11.15%	
Gross replacement cost	589,186				

(\*) 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.