

Murrumbidgee Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024



Murrumbidgee Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Murrumbidgee Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

35 Jerilderie Street
Jerilderie NSW 2716

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

- 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.murrumbidgee.nsw.gov.au.

Murrumbidgee Council

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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

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

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

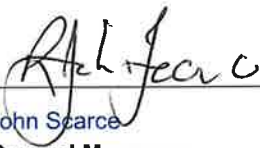
Signed in accordance with a resolution of Council made on 03 October 2024.



Ruth McRae OAM
Mayor
24 October 2024



Robert Black
Councillor
24 October 2024



John Scarce
General Manager
24 October 2024



Kaitlin Salzke
Responsible Accounting Officer
24 October 2024

Murrumbidgee Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
6,184	Rates and annual charges	B2-1	6,591	6,276
1,273	User charges and fees	B2-2	3,338	2,944
2,552	Other revenues	B2-3	285	498
8,024	Grants and contributions provided for operating purposes	B2-4	10,444	13,570
10,279	Grants and contributions provided for capital purposes	B2-4	10,802	3,877
500	Interest and investment income	B2-5	1,595	907
225	Net gain from the disposal of assets	B4-1	–	–
–	Other income	B2-6	203	175
29,037	Total income from continuing operations		33,258	28,247
Expenses from continuing operations				
7,854	Employee benefits and on-costs	B3-1	8,445	7,820
6,602	Materials and services	B3-2	8,237	7,614
101	Borrowing costs		9	–
6,866	Depreciation, amortisation and impairment of non-financial assets	B3-3	8,107	7,173
–	Net loss from the disposal of assets	B4-1	112	1,075
742	Other expenses	B3-4	665	629
22,165	Total expenses from continuing operations		25,575	24,311
6,872	Operating result from continuing operations		7,683	3,936
6,872	Net operating result for the year attributable to Council		7,683	3,936
(3,408)	Net operating result for the year before grants and contributions provided for capital purposes		(3,119)	59

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

Murrumbidgee Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		7,683	3,936
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain on revaluation of IPP&E	C1-7	23,393	46,533
Gain on revaluation of intangible assets	C1-8	(172)	21
Total items which will not be reclassified subsequently to the operating result		23,221	46,554
Total other comprehensive income for the period		23,221	46,554
Total comprehensive income for the year attributable to Council		30,904	50,490

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

Murrumbidgee Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	12,096	3,399
Investments	C1-2	20,036	33,741
Receivables	C1-4	1,816	1,655
Inventories	C1-5	4,052	1,407
Contract assets and contract cost assets	C1-6	3,554	1,372
Other	C1-9	103	53
Total current assets		41,657	41,627
Non-current assets			
Inventories	C1-5	810	882
Infrastructure, property, plant and equipment (IPPE)	C1-7	372,878	346,590
Intangible assets	C1-8	1,763	1,935
Total non-current assets		375,451	349,407
Total assets		417,108	391,034
LIABILITIES			
Current liabilities			
Payables	C3-1	1,698	2,018
Contract liabilities	C3-2	2,259	6,677
Employee benefit provisions	C3-4	3,003	3,082
Provisions	C3-5	124	119
Total current liabilities		7,084	11,896
Non-current liabilities			
Employee benefit provisions	C3-4	68	67
Provisions	C3-5	206	225
Total non-current liabilities		274	292
Total liabilities		7,358	12,188
Net assets		409,750	378,846
EQUITY			
Accumulated surplus		306,260	298,577
IPPE revaluation reserve		103,490	80,269
Total equity		409,750	378,846

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

Murrumbidgee Council

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		298,577	80,269	378,846	294,641	33,715	328,356
Restated opening balance		298,577	80,269	378,846	294,641	33,715	328,356
Net operating result for the year		7,683	–	7,683	3,936	–	3,936
Restated net operating result for the period		7,683	–	7,683	3,936	–	3,936
Other comprehensive income							
Gain on revaluation of IPP&E	C1-7	–	23,393	23,393	–	46,533	46,533
Gain on revaluation of intangible assets	C1-8	–	(172)	(172)	–	21	21
Restated other comprehensive income		–	23,221	23,221	–	46,554	46,554
Total comprehensive income		7,683	23,221	30,904	3,936	46,554	50,490
Closing balance at 30 June		306,260	103,490	409,750	298,577	80,269	378,846

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

Murrumbidgee Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
6,184	Rates and annual charges		6,545	6,262
1,272	User charges and fees		3,207	2,883
501	Interest received		1,614	657
11,529	Grants and contributions		14,603	18,083
–	Bonds, deposits and retentions received		–	34
5,900	Other		2,679	1,824
<i>Payments:</i>				
(7,883)	Payments to employees		(8,820)	(7,649)
(9,851)	Payments for materials and services		(8,183)	(7,707)
–	Borrowing costs		(32)	–
–	Bonds, deposits and retentions refunded		(34)	–
(856)	Other		(2,891)	(825)
6,796	Net cash flows from operating activities	G1-1	8,688	13,562
Cash flows from investing activities				
<i>Receipts:</i>				
–	Sale of investments		33,741	16,700
–	Redemption of term deposits		13,705	–
–	Sale of real estate assets		367	300
1,598	Proceeds from sale of IPPE		768	624
–	Sale of intangible assets		–	44
<i>Payments:</i>				
–	Purchase of investments		(33,741)	(16,700)
–	Acquisition of term deposits		–	(17,041)
(18,642)	Payments for IPPE		(12,146)	(7,341)
–	Purchase of real estate assets		(2,685)	(334)
(17,044)	Net cash flows from/(used in) investing activities		9	(23,748)
Cash flows from financing activities				
<i>Payments:</i>				
101	Repayment of borrowings		–	–
101	Net cash flows from financing activities		–	–
(10,147)	Net change in cash and cash equivalents		8,697	(10,186)
–	Cash and cash equivalents at beginning of year		3,399	13,585
(10,147)	Cash and cash equivalents at end of year	C1-1	12,096	3,399
–	plus: Investments on hand at end of year	C1-2	20,036	33,741
(10,147)	Total cash, cash equivalents and investments		32,132	37,140

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

Murrumbidgee Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 03 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these consolidated financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

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

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 C1-7
- ii. estimated fair values of intangible assets - refer Note C1-8
- iii. employee benefit provisions – refer Note C3-4
- iv. asset remediation provisions – refer Note C3-5

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

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.

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

- general purpose operations
- water service
- sewerage service
- section 355 committees

The Trust Fund

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

A1-1 Basis of preparation (continued)

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

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2024 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

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

New accounting standards adopted during the year

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

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

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

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

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

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Governance and Administration	12,528	12,699	6,944	7,277	5,584	5,422	6,351	7,258	43,719	50,583
Public Order and Safety	168	150	804	683	(636)	(533)	160	146	3,779	3,584
Health	9	23	19	33	(10)	(10)	–	10	1,025	986
Environmental Protection	2,242	711	1,566	1,699	676	(988)	1,738	239	23,508	21,868
Community Services and Education	605	327	742	184	(137)	143	358	129	3,892	3,602
Housing and Community Amenities	604	412	452	657	152	(245)	332	191	7,065	6,517
Recreation and Cultural	2,768	1,136	2,726	2,384	42	(1,248)	2,740	1,104	43,606	36,997
Mining, Manufacturing and Construction	39	21	16	–	23	21	–	–	621	632
Transport and Communications	7,847	7,834	7,798	6,704	49	1,130	7,847	7,834	231,920	214,553
Economic Affairs	3,822	2,685	2,262	2,417	1,560	268	1,645	536	7,394	3,526
Water Supply	1,666	1,386	1,307	1,236	359	150	75	–	22,830	21,564
Sewerage Services	960	863	939	1,037	21	(174)	–	–	27,749	26,622
Total functions and activities	33,258	28,247	25,575	24,311	7,683	3,936	21,246	17,447	417,108	391,034

B1-2 Components of functions or activities

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

Governance and Administration

Governance and administration functions of Council, Council depot and general purpose revenue.

Public Order and Safety

Animal control, fire and emergency services.

Health

Health, food control and medical services.

Environmental Protection

Noxious plants, environmental protection, solid waste management, street cleaning, drainage and stormwater management.

Community Services and Education

Community services administration, aged and disabled services and children's services.

Housing and Community Amenities

Public cemeteries, public conveniences, street lighting, town planning and other community amenities.

Recreation and Cultural

Public libraries, museum, community centres and halls, other cultural activities, sports grounds and venues, swimming pools, parks and gardens, other sport and recreation.

Mining, Manufacturing and Construction

Building control, quarries and gravel pits.

Transport and Communications

Roads, bridges, footpaths, car parks, aerodrome, tree maintenance and radio communications.

Economic Affairs

Caravan parks, industrial development and promotion, real estate development, saleyards, tourism and area promotion, share farming, private works including State Road maintenance contracts and other business activities.

Water Supply

Provision of water supply to towns.

Sewerage Services

Provision of sewerage services to towns.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	453	434
Farmland	4,071	3,934
Business	246	236
Less: pensioner rebates (mandatory)	(30)	(32)
Rates levied to ratepayers	4,740	4,572
Pensioner rate subsidies received	17	17
Total ordinary rates	4,757	4,589
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	387	227
Water supply services	765	716
Waste management services (non-domestic)	2	114
Sewerage services	709	659
Less: pensioner rebates (mandatory)	(65)	(62)
Annual charges levied	1,798	1,654
Pensioner annual charges subsidies received:		
– Water	11	10
– Sewerage	10	10
– Domestic waste management	15	13
Total annual charges	1,834	1,687
Total rates and annual charges	6,591	6,276

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
Specific user charges (per s502 - specific 'actual use' charges)			
Water supply services	2	608	457
Sewerage services	2	4	4
Waste management services (non-domestic)	2	88	34
Total specific user charges		700	495
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Building regulation	2	36	20
Building services – other	2	5	3
Planning and building regulation	2	72	89
Private works – section 67	2	248	229
Regulatory/statutory fees	2	8	11
Section 10.7 certificates (EP&A Act)	2	17	13
Section 603 certificates	2	11	9
Total fees and charges – statutory/regulatory		397	374
(ii) Fees and charges – other (incl. general user charges (per s608))			
Child care	2	213	–
Community centres	2	8	10
Leaseback fees – Council vehicles	2	28	24
Library	2	1	1
Park rents	2	4	5
Transport for NSW works (state roads not controlled by Council)	2	1,893	1,891
Saleyards	2	11	9
Waste disposal tipping fees	2	8	4
Cemetery	2	42	74
Community care services	2	1	2
Other	2	32	55
Total fees and charges – other		2,241	2,075
Total other user charges and fees		2,638	2,449
Total user charges and fees		3,338	2,944
Timing of revenue recognition for user charges and fees			
User charges and fees recognised at a point in time		3,338	2,944
Total user charges and fees		3,338	2,944

Material accounting policy information

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

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

\$ '000	Timing	2024	2023
Commissions and agency fees	2	80	86
Diesel rebate	2	97	56
Recycling income (non-domestic)	2	20	8
Insurance rebates	2	26	24
Miscellaneous sales	2	1	4
Other	2	61	315
Contributions to long service leave	2	-	5
Total other revenue		285	498
Timing of revenue recognition for other revenue			
Other revenue recognised at a point in time (2)		285	498
Total other revenue		285	498

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
Financial Assistance Grant					
– Relating to current year	2	336	1,507	–	–
– Prepayment received in advance for subsequent year	2	5,360	5,846	–	–
Other grants	2	23	10	–	–
Amount recognised as income during current year		5,719	7,363	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Water supplies	2	75	27	–	–
Economic development	2	28	195	–	–
Environmental programs	1	14	–	–	–
FOGO Implementation	1	–	–	39	78
Heritage and cultural	2	6	–	–	–
Library	2	72	74	–	–
Noxious weeds	2	90	91	–	–
NSW Rural Fire Service	2	148	145	12	–
Recreation and culture	1	–	28	–	–
Storm/flood damage	1	1,594	148	–	–
Stronger Communities Fund - Round 2	1	–	14	1,617	1,095
Community services	1	222	–	–	–
Stronger Country Communities	1	–	5	1,342	620
Street lighting	2	48	48	–	–
Drought Communities	1	–	–	–	–
Transport (roads to recovery)	2	1,131	885	–	–
Transport (other roads and bridges funding)	1	21	3,558	5,128	1,337
Local Roads and Community Infrastructure	1	–	–	1,156	495
Planning Portal	2	33	12	–	–
Other specific grants	2	96	42	124	–
Solar farm contribution	2	40	40	–	–
Recreation and culture	2	–	–	1,232	57
Transport for NSW contributions (regional roads, block grant)	2	1,107	895	–	131
Total special purpose grants and non-developer contributions (tied)		4,725	6,207	10,650	3,813
Total grants and non-developer contributions		10,444	13,570	10,650	3,813
Comprising:					
– Commonwealth funding		6,827	8,387	1,156	495
– State funding		3,554	5,139	9,315	3,870
– Other funding		63	44	179	(552)
		10,444	13,570	10,650	3,813

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):				
Cash contributions				
S 7.11 – contributions towards amenities/services	–	–	152	64
Total developer contributions – cash	–	–	152	64
Total developer contributions	–	–	152	64
Total contributions	–	–	152	64
Total grants and contributions	10,444	13,570	10,802	3,877
Timing of revenue recognition for grants and contributions				
Grants and contributions recognised over time	1,851	–	9,282	–
Grants and contributions recognised at a point in time	8,593	13,570	1,520	3,877
Total grants and contributions	10,444	13,570	10,802	3,877

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and contributions				
Unspent funds at 1 July	3,385	125	9,666	10,748
Add: operating grants recognised as income in the current period but not yet spent	4,192	3,327	1,559	87
Add: funds received and not recognised as revenue in the current year	2,989	–	–	2,210
Less: capital grants recognised in a previous reporting period now spent	(1,333)	(67)	(2,989)	(589)
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(5,977)	(2,790)
Unspent funds at 30 June	9,233	3,385	2,259	9,666
Contributions				
Unspent funds at 1 July	490	873	550	486
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	152	64
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(490)	(383)	(35)	–
Unspent contributions at 30 June	–	490	667	550

B2-4 Grants and contributions (continued)

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include milestones within AASB 15 grants. Payment terms vary depending on the terms of the grant: cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	60	38
– Cash and investments	<u>1,535</u>	<u>869</u>
Total interest and investment income	<u>1,595</u>	<u>907</u>

B2-6 Other income

Rental income	<u>203</u>	<u>175</u>
Total other income	<u>203</u>	<u>175</u>

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	6,633	6,327
Employee leave entitlements (ELE)	1,120	1,164
Superannuation	893	797
Workers' compensation insurance	116	202
Fringe benefits tax (FBT)	136	105
Other	1	10
Total employee costs	8,899	8,605
Less: capitalised costs	(454)	(785)
Total employee costs expensed	8,445	7,820

Material accounting policy information

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

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

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		17,667	11,616
Contractor and consultancy costs:			
– Waste collection		34	117
– Other		3,512	1,852
Audit Fees	F2-1	125	45
Advertising		14	31
Bank charges		18	16
Councillor and Mayoral fees and associated expenses	F1-2	206	197
Electricity and heating		300	324
Fire control expenses		125	87
Printing and stationery		1	–
Insurance		665	597
Street lighting		60	55
Subscriptions – shires association		–	24
Subscriptions and publications – other		129	64
Telephone and communications		71	78
Training costs (other than salaries and wages)		147	57
Travel expenses		–	1
Other		–	1
Legal expenses:			
– Planning and development		10	–
– Other		17	25
Total materials and services		23,101	15,187
Less: capitalised costs		(14,864)	(7,573)
Total materials and services		8,237	7,614

B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		1,416	1,315
Office equipment		63	61
Furniture and fittings		24	15
Land improvements (depreciable)		132	140
Infrastructure:	C1-7		
– Buildings		920	786
– Other structures		184	145
– Roads		3,574	3,180
– Bridges		103	96
– Footpaths		73	79
– Other road assets		271	248
– Stormwater drainage		182	159
– Water supply network		410	379
– Sewerage network		484	498
– Swimming pools		85	78
– Other open space/recreational assets		276	243
– Other infrastructure		27	24
Other assets:			
– Library books		16	17
– Landfill assets		52	48
Total gross depreciation and amortisation costs		8,292	7,511
Less: capitalised costs		(185)	(338)
Total depreciation, amortisation and impairment for non-financial assets		8,107	7,173

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

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

B3-4 Other expenses

\$ '000	2024	2023
Contributions/levies to other levels of government		
– Emergency Services Levy: State Emergency Service	18	10
– Emergency Services Levy: Fire & Rescue NSW	29	24
– Emergency Services Levy: Rural Fire Service	455	444
Mobile book library contribution	105	104
Donations, contributions and assistance to other organisations (Section 356)	58	47
Total other expenses	665	629

B4 Gains or losses

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of plant and equipment	C1-7		
Proceeds from disposal – plant and equipment		768	495
Less: carrying amount of plant and equipment assets sold/written off		(367)	(232)
Gain (or loss) on disposal		401	263
Gain (or loss) on disposal of infrastructure	C1-7		
Proceeds from disposal – infrastructure		–	129
Less: carrying amount of infrastructure assets sold/written off		(777)	(1,210)
Gain (or loss) on disposal		(777)	(1,081)
Gain (or loss) on disposal of real estate assets held for sale	C1-5		
Proceeds from disposal – real estate assets		367	300
Less: carrying amount of real estate assets sold/written off		(103)	(85)
Gain (or loss) on disposal		264	215
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		33,741	16,700
Less: carrying amount of investments sold/redeemed/matured		(33,741)	(16,700)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of intangible assets	C1-8		
Proceeds from disposal – intangible assets		–	44
Less: carrying amount of intangible assets sold/written off		–	(360)
Gain (or loss) on disposal		–	(316)
Gain (or loss) on disposal of land improvements	C1-7		
Proceeds from disposal – land improvements		–	–
Less: carrying amount of land improvement assets sold/written off		–	(154)
Gain (or loss) on disposal		–	(154)
Gain (or loss) on disposal of office equipment	C1-7		
Proceeds from disposal – office equipment		–	–
Less: carrying amount of office equipment assets sold/written off		–	(2)
Gain (or loss) on disposal		–	(2)
Net gain (or loss) from disposal of assets		(112)	(1,075)

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 -----	
Revenues				
User charges and fees	1,273	3,338	2,065	162% F
The 2024 budget as originally adopted included approximately \$2.3m at 'other revenues' which should have been included at 'user charges and fees', most significantly RMCC income and private works income. This was identified as part of the September 2024 Quarterly Budget Review and an adjustment made at that time.				
Other revenues	2,552	285	(2,267)	(89)% U
The 2024 budget as originally adopted included approximately \$2.3m at 'other revenues' which should have been included at 'user charges and fees', most significantly RMCC income and private works income. It also included approximately \$185,000 at 'other revenues' which should have been included at 'other income', predominantly relating to lease income. These amounts were identified as part of the September 2024 Quarterly Budget Review and an adjustment made at that time.				
Operating grants and contributions	8,024	10,444	2,420	30% F
Disaster Recovery Grant Funding amounts were not reflected in the original budget as the quantum of works was unknown at the time of preparation. A portion of these works were added in the September 2024 Quarterly Budget Review, and have been recognised as works are completed. During the year other grant funds were also received, and some amounts recognised over time were carried forward to the 2025 financial year where works remained incomplete at 30 June 2024.				
Interest and investment revenue	500	1,595	1,095	219% F
A conservative budget for interest and investment revenue was originally set, and as interest rates have remained favourable Council's income has exceeded the budgeted amount.				
Net gains from disposal of assets	225	-	(225)	(100)% U
Gains on the disposal of two of Councils previously-rented properties were contemplated in the originally-prepared 2024 budget. The sale of these properties did not eventuate in this financial year. All other asset disposals are assumed to be at the fair value recognised in Council's financial statements during budget preparations. While some assets, particularly plant and equipment items, were disposed with a gain, these amounts were offset by losses on disposal below.				
Other income	-	203	203	∞ F
The 2024 budget as originally adopted included approximately \$185,000 at 'other revenues' which should have been included at 'other income', predominantly relating to lease income. This was identified as part of the September 2024 Quarterly Budget Review and an adjustment made at that time				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Expenses				
Materials and services	6,602	8,237	(1,635)	(25)% U
Variances at this line relate to expenditure on prior year operating grants carried forward subsequent to preparation of the 2024 budget, and additional funds allocated to projects during the year. Notably, Disaster Recovery Grant Funding amounts were not reflected in the original budget as the quantum of works was unknown at the time of preparation. A portion of these works were added in the September 2024 Quarterly Budget Review, and have been recognised as works are completed.				
Borrowing costs	101	9	92	91% F
Council's budget as originally adopted included borrowing costs in relation to Stronger Communities Fund Round 2 funds. All of the Round 2 funds have now been expended and as such no interest expenditure was recognised in relation to these. The amount of \$9,000 included at borrowing costs relates to the unwinding of the discount for the provision for asset remediation which was not originally reflected in the budget figures.				
Depreciation, amortisation and impairment of non-financial assets	6,866	8,107	(1,241)	(18)% U
Revaluations and indexations of assets were undertaken as part of the preparation of the 2023 financial statements, which were finalised subsequent to the preparation of Council's 2024 budget. As such, the increased depreciation amounts were not reflected in the budgeted figure.				
Net losses from disposal of assets	-	112	(112)	∞ U
Council assumes that asset disposals will be at the fair value recognised in Council's financial statements during budget preparations. The loss ultimately recognised includes the previously-recognised fair value of road and infrastructure assets renewed during the financial year.				
Statement of cash flows				
Cash flows from operating activities	6,796	8,688	1,892	28% F
Variances at this line substantially relate to items already identified above at 'Revenue' and 'Expenses'.				
Cash flows from investing activities	(17,044)	9	17,053	(100)% F
This variance largely stems from the treatment of Council's term deposit holdings, which is considered as cash during Council's annual budgeting process and is hence not reflected in the budget statement of cash flows. It also reflects timing differences in relation to payments for IPPE which related to projects not completed during the 2023 or 2024 year as originally budgeted, and instead carried forward to the following year.				
Cash flows from financing activities	101	-	(101)	(100)% U
Council's budget as originally adopted included borrowing costs in relation to Stronger Communities Fund Round 2 funds. All of the Round 2 funds have now been expended and as such no interest expenditure was recognised in relation to these.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash on hand and at bank	6,930	1,296
Short-term deposits	5,166	2,103
Total cash and cash equivalents	12,096	3,399

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost				
Long-term deposits	20,036	-	33,741	-
Total cash assets, cash equivalents and investments	32,132	-	37,140	-

Material accounting policy information

Amortised cost

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

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

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

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	32,132	37,140
Less: Externally restricted cash, cash equivalents and investments	(19,135)	(22,820)
Cash, cash equivalents and investments not subject to external restrictions	12,997	14,320
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific-Purpose Unexpended Grants Reserve - component recognised as liability	2,259	6,677
External restrictions – included in liabilities	2,259	6,677
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Water Fund	4,188	3,509
Sewer Fund	2,209	4,665

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

\$ '000	2024	2023
Developer Contributions Reserve	667	550
Coleambally Town Development Reserve	505	481
Domestic Waste Management Reserve	74	74
Specific-Purpose Unexpended Grants Reserve - component recognised as revenue	9,233	6,374
Transport for NSW contributions	-	490
External restrictions – other	16,876	16,143
Total external restrictions	19,135	22,820

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

Cash, cash equivalents and investments not subject to external restrictions	12,997	14,320
Less: Internally restricted cash, cash equivalents and investments	(12,852)	(12,197)
Unrestricted and unallocated cash, cash equivalents and investments	145	2,123

Internal allocations

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

Infrastructure Replacement Reserve	2,051	1,934
Employee Leave Entitlement Reserve	1,096	1,096
Carry Over Works Reserve	2,119	750
Plant Replacement Reserve	958	1,615
Financial Assistance Grant Advance Payment	5,360	5,846
Jerilderie Real Estate Development Reserve	610	335
Caravan Park Reserve	64	190
Risk Management Reserve	109	-
Energy Saving Initiatives Reserve	118	-
Jerilderie Monash Committee Reserve	163	158
Deposits, Retentions & Bonds Reserve	24	60
Local Environmental Plan	-	20
Section 355 Committee Funds Reserve	165	178
State Emergency Service	15	15
Total internal allocations	12,852	12,197

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

\$ '000	2024	2023
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(c) Unrestricted and unallocated

Unrestricted and unallocated cash, cash equivalents and investments	145	2,123
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C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	597	–	541	–
Interest and extra charges	83	–	53	–
User charges and fees	668	–	537	–
Accrued revenues				
– Interest on investments	209	–	258	–
– Other income accruals	1	–	–	–
Government grants and subsidies	148	–	105	–
Net GST receivable	80	–	161	–
Other debtors	61	–	31	–
Total	1,847	–	1,686	–
Less: provision for impairment				
User charges and fees	(31)	–	(31)	–
Total provision for impairment – receivables	(31)	–	(31)	–
Total net receivables	1,816	–	1,655	–

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 estimating ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

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

When considering the ECL for rates and annual charges debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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

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

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

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

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Real estate for resale (refer below)	3,604	810	950	882
Stores and materials	448	–	457	–
Total inventories	4,052	810	1,407	882

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Costs are assigned to individual items of inventory on the basis of weighted average costs.

Land held for resale

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	3,554	–	1,372	–

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period									At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Gross carrying amount (adj) ²	Accumulated depreciation and impairment (adj) ²	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	4,269	–	4,269	1,009	2,109	–	–	(3,463)	–	–	–	–	3,924	–	3,924
Plant and equipment	15,716	(9,608)	6,108	2,435	507	(367)	(1,416)	13	–	–	–	–	16,776	(9,496)	7,280
Office equipment	1,033	(888)	145	42	45	–	(63)	–	–	–	–	–	882	(713)	169
Furniture and fittings	360	(221)	139	31	23	–	(24)	–	–	–	–	–	427	(258)	169
Land:															
– Crown land	2,253	–	2,253	–	–	–	–	–	–	–	–	–	2,253	–	2,253
– Operational land	5,684	–	5,684	124	–	–	–	–	–	–	–	–	5,808	–	5,808
– Community land	2,490	–	2,490	–	–	–	–	–	–	–	–	–	2,490	–	2,490
Land improvements – depreciable	8,868	(405)	8,463	–	–	–	(132)	–	–	–	–	701	9,438	(406)	9,032
Infrastructure:															
– Buildings	57,915	(16,894)	41,021	582	159	–	(920)	510	–	–	–	4,796	64,388	(18,240)	46,148
– Other structures	7,525	(2,350)	5,175	–	922	(9)	(184)	688	–	–	–	148	9,463	(2,723)	6,740
– Roads	209,623	(88,854)	120,769	2,707	957	(625)	(3,574)	2,231	–	4,643	(4,643)	8,704	229,652	(98,483)	131,169
– Bridges	8,302	(5,383)	2,919	–	–	–	(103)	–	–	285	(285)	161	9,077	(6,100)	2,977
– Footpaths	4,822	(1,694)	3,128	369	30	(28)	(73)	–	–	90	(90)	173	5,531	(1,932)	3,599
– Other road assets	16,081	(6,413)	9,668	94	–	(47)	(271)	–	–	365	(365)	533	17,425	(7,448)	9,977
– Bulk earthworks (non-depreciable)	72,928	–	72,928	–	–	–	–	–	–	–	–	4,157	77,085	–	77,085
– Stormwater drainage	18,254	(6,979)	11,275	45	30	(9)	(182)	–	–	–	–	949	19,865	(7,757)	12,108
– Water supply network	31,488	(15,950)	15,538	74	–	(37)	(410)	–	–	–	–	765	33,086	(17,156)	15,930
– Sewerage network	42,127	(20,664)	21,463	–	4	(1)	(484)	7	–	–	–	1,064	44,265	(22,212)	22,053
– Swimming pools	5,067	(1,754)	3,313	–	–	–	(85)	–	–	–	–	228	5,389	(1,933)	3,456
– Other open space/recreational assets	8,733	(2,215)	6,518	8	35	(20)	(276)	14	–	–	–	769	9,749	(2,701)	7,048
– Other infrastructure	2,041	(495)	1,546	–	–	–	(27)	–	–	–	–	129	2,212	(564)	1,648
Other assets:															
– Library books	78	(48)	30	11	–	–	(16)	–	–	–	–	–	80	(55)	25
– Landfill and quarry assets	2,374	(626)	1,748	–	–	–	(52)	–	(22)	–	–	116	2,524	(734)	1,790
Total infrastructure, property, plant and equipment	528,031	(181,441)	346,590	7,531	4,821	(1,143)	(8,292)	–	(22)	5,383	(5,383)	23,393	571,789	(198,911)	372,878

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

(2) Subsequent to the finalisation of the financial statements for the financial year ended 30 June 2023, it was identified that the allocation of the net carrying amount of transport assets between the 'gross carrying amount' and 'accumulated depreciation and impairment' was incorrect. The net effect of this error was nil, and it has been corrected in the note above.

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period								At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Reclassification	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	6,108	–	6,108	2,478	240	–	–	(4,557)	–	–	–	4,269	–	4,269
Plant and equipment	15,230	(8,753)	6,477	1,086	103	(232)	(1,315)	–	–	(11)	–	15,716	(9,608)	6,108
Office equipment	949	(852)	97	39	72	(2)	(61)	–	–	–	–	1,033	(888)	145
Furniture and fittings	440	(315)	125	7	27	–	(15)	–	–	(5)	–	360	(221)	139
Land:														
– Operational land	3,142	–	3,142	–	–	–	–	–	14	(40)	2,568	5,684	–	5,684
– Community land	2,174	–	2,174	–	–	–	–	–	–	(552)	868	2,490	–	2,490
– Crown land	778	–	778	–	–	–	–	–	–	592	883	2,253	–	2,253
Land improvements – depreciable	16,707	(3,258)	13,449	–	–	(154)	(140)	–	–	(5,253)	561	8,868	(405)	8,463
Infrastructure:														
– Buildings	–	–	–	378	440	(98)	(786)	1,358	108	26,890	12,731	57,915	(16,894)	41,021
– Buildings – non-specialised	9,773	(3,630)	6,143	–	–	(3)	–	–	–	(6,140)	–	–	–	–
– Buildings – specialised	37,917	(15,299)	22,618	–	–	(21)	–	–	–	(22,597)	–	–	–	–
– Other structures	2,649	(199)	2,450	–	44	–	(145)	10	14	2,287	515	7,525	(2,350)	5,175
– Roads	199,284	(78,095)	121,189	1,062	66	(571)	(3,180)	1,862	–	–	341	209,623	(88,854)	120,769
– Bridges	8,041	(5,212)	2,829	–	–	–	(96)	–	–	–	186	8,302	(5,383)	2,919
– Footpaths	4,608	(1,597)	3,011	–	5	–	(79)	–	–	–	191	4,822	(1,694)	3,128
– Other road assets (including bulk earthworks)	14,835	(6,118)	8,717	–	372	(5)	(248)	–	–	–	832	16,081	(6,413)	9,668
– Bulk earthworks (non-depreciable)	67,734	–	67,734	551	–	–	–	–	–	–	4,643	72,928	–	72,928
– Stormwater drainage	13,821	(5,769)	8,052	–	9	(473)	(159)	1,093	–	442	2,311	18,254	(6,979)	11,275
– Water supply network	20,550	(11,953)	8,597	25	4	(15)	(379)	–	–	(409)	7,715	31,488	(15,950)	15,538
– Sewerage network	29,185	(14,958)	14,227	–	–	–	(498)	–	–	60	7,674	42,127	(20,664)	21,463
– Swimming pools	2,326	(161)	2,165	–	–	–	(78)	–	–	(222)	1,448	5,067	(1,754)	3,313
– Other open space/recreational assets	1,835	(468)	1,367	–	204	(24)	(243)	234	–	3,965	1,015	8,733	(2,215)	6,518
– Other infrastructure	–	–	–	–	–	–	(24)	–	–	782	788	2,041	(495)	1,546
Other assets:														
– Library books	68	(31)	37	10	–	–	(17)	–	–	–	–	78	(48)	30
– Landfill and quarry assets	–	–	–	–	–	–	(48)	–	322	211	1,263	2,374	(626)	1,748
Total infrastructure, property, plant and equipment	458,154	(156,668)	301,486	5,636	1,586	(1,598)	(7,511)	–	458	–	46,533	528,031	(181,441)	346,590

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

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

Material accounting policy information

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:

Asset class	Useful Life (years)	Asset class	Useful Life (years)
Plant and equipment	3-20	Bulk earthworks	∞
Office equipment	3-20	Stormwater drainage	15-200
Furniture and fittings	5-20	Water supply network	15-120
Land improvements - depreciable	28-130	Sewerage network	15-200
Buildings	6-143	Swimming pools	45-80
Other structures	10-143	Other open space / recreational assets	10-143
Roads	15-360	Other infrastructure	25-150
Bridges	80-150	Library books	4
Footpaths	10-80	Landfill and quarry assets	40
Other road assets	10-120		

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

Revaluation model

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

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

Increases in the carrying amounts arising on revaluation are credited to the IPPE Revaluation Surplus. 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 Surplus to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Land under roads

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

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

Crown reserves

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

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

Rural Fire Service assets

Council recognises the land and buildings used by the Rural Fire Service situated within the Local Government area, however, it does not account for Rural Fire Service plant or other equipment.

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
Water licenses		
Opening values at 1 July		
Gross book value	1,935	2,274
Net book value – opening balance	1,935	2,274
Movements for the year		
Revaluation	(172)	21
Gross book value written off	–	(360)
Closing values at 30 June		
Gross book value	1,763	1,935
Total water licenses – net book value	1,763	1,935
Total intangible assets – net book value	1,763	1,935

Material accounting policy information

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

The water licences are individually tradeable on the open water licence sales market.

Water licences are individually separated from the land and can be sold on a permanent or temporary transfer basis.

At present, Council only trades the water entitlement associated with the water licences on a temporary basis, with income received from the sales of water entitlements disclosed as other revenue.

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

Water licences purchased are initially recorded at cost and are valued at least every 5 years based on market evidence. Water licences are tested for impairment annually based on market sales evidence. If the recoverable amount is less than carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recovered against the revaluation reserve.

Licences have been revalued at 30 June 2024 at the water exchange market cost.

C1-9 Other

Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	98	–	48	–
Work in progress	5	–	5	–
Total other assets	103	–	53	–

C2 Leasing activities

C2-1 Council as a lessee

Material accounting policy information

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

Exceptions to lease accounting

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of housing properties to staff and other properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in IPP&E (refer in this note below) in the Statement of Financial Position.

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

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

Assets held as property, plant and equipment

Council provides operating leases on Council houses and for community groups, the table below relates to operating leases on assets disclosed in C1-7.

Lease income (excluding variable lease payments not dependent on an index or rate)	203	175
Total income relating to operating leases for Council assets	203	175

Amount of IPPE leased out by Council under operating leases

Land	1,203	1,357
Buildings	4,307	3,374
Total amount of IPPE leased out by Council under operating leases	5,510	4,731

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

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

< 1 year	153	164
1–2 years	128	139
2–3 years	89	129
3–4 years	82	97
4–5 years	67	97
> 5 years	–	89
Total undiscounted lease payments to be received	519	715

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Goods and services	1,282	–	1,237	–
Accrued salaries and wages	91	–	388	–
Security bonds, deposits and retentions	26	–	60	–
Prepaid rates	105	–	95	–
Jerilderie Monash Committee funds	163	–	158	–
Other payables	31	–	80	–
Total payables	1,698	–	2,018	–

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

C3-2 Contract Liabilities

\$ '000	Notes	2024		2023	
		Current	Non-current	Current	Non-current
Grants and contributions received in advance:					
Funds to construct Council-controlled assets	(i)	2,259	–	6,677	–
Total contract liabilities		2,259	–	6,677	–

Notes

(i) Council has received funding to construct assets including sporting facilities 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.

Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2024	2023
Grants and contributions received in advance:		
Funds to construct Council controlled assets	4,783	3,380
Total revenue recognised that was included in the contract liability balance at the beginning of the period	4,783	3,380

Significant changes in contract liabilities

Council spent \$4.783m from previously held grants including approximately \$775,000 for Local Roads & Community Infrastructure programs, \$401,000 from Fixing Local Roads, \$698,000 from Stronger Country Communities programs, \$1,617,000 of Stronger Communities Fund programs, \$1,178,000 of Public Spaces Legacy Program funding together with other small various grants.

An additional \$365,000 was transferred to contract liabilities for grants received but remaining unspent. The majority of these funds relate to the Local Roads and Community Infrastructure Phase 4 funding.

C3-3 Borrowings

Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
- Credit cards/purchase cards	20	20
Total financing arrangements	20	20
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
- Credit cards/purchase cards	15	11
Total undrawn financing arrangements	15	11

C3-4 Employee benefit provisions

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Annual leave	745	-	806	-
Long service leave	2,061	64	2,041	63
On-costs	197	4	235	4
Total employee benefit provisions	3,003	68	3,082	67

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employee benefits	2,015	2,200
	2,015	2,200

Material accounting policy information

Long-term employee benefit obligations

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

C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Asset remediation/restoration (future works)	124	206	119	225
Total provisions	124	206	119	225

C3-5 Provisions (continued)

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	344	344
Changes to provision:		
– Revised costs	9	9
– Revised discount rate	(32)	(32)
Unwinding of discount	9	9
Total other provisions at end of year	330	330
2023		
Changes to provision:		
– Revised costs	–	–
– Revised discount rate	–	–
Additional provisions	344	344
Unwinding of discount	–	–
Total other provisions at end of year	344	344

Nature and purpose of provisions

Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate its tips and quarries as a result of past operations.

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation, including intangible assets.

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	5,353	498	740
User charges and fees	2,341	986	11
Interest and investment revenue	1,119	221	255
Other revenues	284	1	–
Grants and contributions provided for operating purposes	10,369	75	–
Grants and contributions provided for capital purposes	10,802	–	–
Other income	203	–	–
Total income from continuing operations	30,471	1,781	1,006
Expenses from continuing operations			
Employee benefits and on-costs	7,884	323	238
Materials and services	7,490	526	221
Borrowing costs	9	–	–
Depreciation, amortisation and impairment of non-financial assets	7,193	428	486
Other expenses	665	–	–
Net losses from the disposal of assets	74	37	1
Total expenses from continuing operations	23,315	1,314	946
Operating result from continuing operations	7,156	467	60
Net operating result for the year	7,156	467	60
Net operating result for the year before grants and contributions provided for capital purposes	(3,646)	467	60

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	7,332	3,691	1,073
Investments	18,403	497	1,136
Receivables	1,251	400	165
Inventories	4,026	26	–
Contract assets and contract cost assets	3,457	97	–
Other (including internal loan)	103	–	300
Total current assets	34,572	4,711	2,674
Non-current assets			
Inventories	810	–	–
Infrastructure, property, plant and equipment	333,327	17,176	22,375
Intangible assets	820	943	–
Other	–	–	2,700
Total non-current assets	334,957	18,119	25,075
Total assets	369,529	22,830	27,749
LIABILITIES			
Current liabilities			
Payables	1,698	–	–
Contract liabilities	2,209	50	–
Borrowings - internal	300	–	–
Employee benefit provision	3,003	–	–
Other provisions	124	–	–
Total current liabilities	7,334	50	–
Non-current liabilities			
Borrowings - internal	2,700	–	–
Employee benefit provision	68	–	–
Other provisions	206	–	–
Total non-current liabilities	2,974	–	–
Total liabilities	10,308	50	–
Net assets	359,221	22,780	27,749
EQUITY			
Accumulated surplus	276,213	12,511	17,536
Revaluation reserves	83,008	10,269	10,213
Total equity	359,221	22,780	27,749

D1-3 Details of internal loans

(in accordance with s410(3) of the *Local Government Act 1993*)

Details of individual internal loans	Wunnamurra Estate Stage 2	Young Street Subdivision
Borrower (by purpose)	General Fund - Real Estate Development	General Fund - Real Estate Development
Lender (by purpose)	Sewer Fund	Sewer Fund
Date of Minister's approval	4 Sept 2013	27 Jun 2024
Date raised	1 April 2014	27 Jun 2024
Term years	10	10
Dates of maturity	1 Apr 2024	27 Jun 2034
Rate of interest (%)	variable	4.90%
Amount originally raised (\$'000)	250	3,000

D2 Interests in other entities

D2-1 Interests in associates

On 12 September 2023, Council passed a resolution to take over all assets, liabilities and staff of the Jerilderie Early Learning Centre. At the time of preparing the financial statements, Council is awaiting licencing requirements before taking over operations of the centre in their entirety.

In the intervening time, Council has had significant influence over, but not sole control of, the centre. At such time as control of the centre passes fully to Council, it will cease to have significant influence and instead will directly operate the centre.

The assets and liabilities of the centre, excluding the committee's fundraising account (which will not pass to Council), have been recognised at fair value as at 12 September 2023 as 'Other income'.

Subsequent income and expenditure relating to the centre by both entities has been consolidated into Council's operating income and expenditure, given its immaterial amount and its future accounting treatment.

D2-2 Subsidiaries, joint arrangements and associates not recognised

Name of entity/operation	Principal activity/type of entity	2024 (\$'000) Net profit	2024 (\$'000) Net assets
Western Riverina Libraries	Provision of library services to member local government areas	26	962

Reasons for non-recognition

Council holds an 15% share of equity in Western Riverina Libraries, and has assessed this as not material, hence not recognised.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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'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. 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.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance team under policies approved by the Councillors.

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

The risks associated with the financial instruments held are:

- market risk - interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

(a) Market risk – interest rate risk

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	320	371

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

There are no significant concentrations of credit risk other than Council having significant risk exposures in its local area given the nature of Council activities.

Council makes suitable provision for doubtful receivables as required.

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

Credit risk profile

Receivables – rates and annual charges

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

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2024				
Gross carrying amount	–	510	87	597
2023				
Gross carrying amount	–	472	69	541

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	3,814	209	61	75	645	4,804
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	4.80%	0.64%
ECL provision	–	–	–	–	31	31
2023						
Gross carrying amount	2,211	23	25	17	239	2,515
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	13.00%	1.24%
ECL provision	–	–	–	–	31	31

(c) Liquidity risk

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

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

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

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Subject to no maturity	payable in:			Contractual cash flows	Actual carrying values
		≤ 1 Year	1 - 5 Years	> 5 Years		
2024						
Payables	26	1,664	–	–	1,690	1,698
Total financial liabilities	26	1,664	–	–	1,690	1,698
2023						
Payables	60	1,960	–	–	2,020	2,018
Total financial liabilities	60	1,960	–	–	2,020	2,018

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Intangible assets

Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that Council 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: Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Infrastructure, property, plant and equipment							
	C1-7						
Plant and equipment		7,280	6,108	–	–	7,280	6,108
Office equipment		169	145	–	–	169	145
Furniture & fittings		169	139	–	–	169	139
Crown land		–	–	2,253	2,253	2,253	2,253
Operational land		–	–	5,808	5,684	5,808	5,684
Community land		–	–	2,490	2,490	2,490	2,490
Land improvements – depreciable		–	–	9,032	8,463	9,032	8,463
Buildings		2,687	2,788	43,461	38,233	46,148	41,021
Other structures		–	–	6,740	5,175	6,740	5,175
Roads		–	–	131,169	120,769	131,169	120,769
Bridges		–	–	2,977	2,919	2,977	2,919
Footpaths		–	–	3,599	3,128	3,599	3,128
Other road assets		–	–	9,977	9,668	9,977	9,668
Bulk earthworks (non depreciable)		–	–	77,085	72,928	77,085	72,928
Stormwater drainage		–	–	12,108	11,275	12,108	11,275
Water supply network		–	–	15,930	15,538	15,930	15,538
Sewerage network		–	–	22,053	21,463	22,053	21,463
Swimming pools		–	–	3,456	3,313	3,456	3,313
Other open space/recreational		–	–	7,048	6,518	7,048	6,518
Other infrastructure		–	–	1,648	1,546	1,648	1,546
Library books		25	30	–	–	25	30
Landfill and quarry assets		–	–	1,790	1,748	1,790	1,748
Total infrastructure, property, plant and equipment		10,330	9,210	358,624	333,111	368,954	342,321
Intangible assets							
Water licences		1,763	1,935	–	–	1,763	1,935
Total intangible assets		1,763	1,935	–	–	1,763	1,935

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Level 2 measurements

Plant and equipment, office equipment, furniture and fittings, and library books

Council officers undertook a re-valuation for these assets as at 30 June 2017. Subsequently, these assets have been held at depreciated historical cost, which is expected to provide a reasonable approximation of fair value.

Examples of assets within these classes are as follows:

- Plant and equipment – graders, trucks, rollers, tractors & motor vehicles
- Office equipment – computers, photocopiers, phone systems etc.
- Furniture and fittings – chairs, desks, cabinets etc.

Buildings (residential)

Building values are based on desktop valuations provided by APV Valuers dated 31 March 2024, following a comprehensive valuation dated 1 July 2022 and subsequent indexation to 30 June 2023. A market approach was used to determine the value of residential properties where the relevant inputs were able to be observed from current market evidence. The fair value of residential properties has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size.

Level 3 measurements

Operational, community, and crown land

Land values are based on the values provided by the NSW Valuer General for rating purposes. The latest valuations were applied based on 1 July 2022 valuations.

Land improvements, buildings, other structures, swimming pools, other open space/recreational assets, landfill and quarry assets, and other infrastructure

Values for these assets are based on desktop valuations provided by APV Valuers dated 31 March 2024, following a comprehensive valuation dated 1 July 2022 and subsequent indexation to 30 June 2023. A cost approach was used to determine the value of these assets where there was no evidence to support a market approach.

Under this approach the cost to replace the asset is calculated and then adjusted to take account of any obsolescence. The valuer disaggregated the building into different components to aid with asset management planning. The components were further split into the short-life and long-life parts representing the estimated cost of renewal and the balance of the component. The value of each part was determined based on the inter-relationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and useful life.

Roads, bridges, footpaths, bulk earthworks, and other road assets

Council's roads, footpaths, and other road assets were inspected and valued by Tonkin Consulting as at 1 July 2021, who also carried out a desktop valuation for earthworks and bridges.

A cost approach was used to determine the value of these assets where there was no evidence to support a market approach and no market for Council to use to determine the fair value of its road assets.

A componentisation methodology was developed as part of this valuation.

To reflect increases to fair value as a result of higher input costs subsequent to the valuation date, indexation was applied to these assets to 30 June 2024. The index factor used was ABS series 3101 (road and bridge construction NSW).

During the 2022-23 financial year, Council's roads were impacted by AGRN 1030 (Southern and Central West NSW Flooding from 4 August 2022 onwards) and AGRN 1034 (NSW Flooding from 14 September 2022 onwards). Hence, in the previous

E2-1 Fair value measurement (continued)

financial year Council conducted an assessment to determine whether recent natural disasters materially affected the assets' fair value.

To inform this assessment, consideration was given to the outcomes of the condition survey of Council's road network which was carried out by Shephard Services. Based on the data collected by Shephard Services and review by Transport for NSW, estimated reconstruction costs (to restore the roads to the currently accepted technical standards appropriate to their pre-disaster function) totalled \$7.696m. This included costs for grading, re-sheeting, insitu stabilisation, patch repair, resealing, and reconstruction. It was considered that this was a reasonable approximation of the reduction in fair value applicable to Council's roads.

To reflect this, the fair value of the roads asset class in Council's 2023 financial statements was adjusted by this amount.

For the current financial year, the fair value decrement has been reversed by the amount of works undertaken prior to 30 June 2024.

Stormwater drainage, water supply network, and sewerage network

Values for these assets are based on valuations provided by Tonkin Consulting as at 1 July 2022.

A cost approach was used to determine the value of these assets where there was no evidence to support a market approach and no market for Council to use to determine the fair value of its road assets.

To reflect increases to fair value as a result of higher input costs subsequent to the valuation date, indexation was applied to these assets to 30 June 2024.

Water supply network and sewerage network rates are indexed each year in line with the NSW Reference Rates Manual. To reflect increases to fair value as a result of higher input costs subsequent to the valuation date, indexation was also applied to the stormwater drainage asset class to 30 June 2024; the index factor used was ABS series 3109 (other heavy and civil engineering construction Australia).

Intangible assets

Water access licences

Council values water access licences based on prices recognised in a water trading market. These were revalued at 30 June 2024.

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

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Crown land, operational land, and community land	Market approach. Land values obtained from the NSW Valuer-General.	Land value, land area, level of restriction.
Buildings, land improvements, other structures, swimming pools, other open space/recreational assets, and other infrastructure	Cost approach [Note: Level 2 buildings were valued using a market approach.]	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, split between short-life and long-life parts.
Roads, bridges, footpaths, bulk earthworks, and other road assets	Cost approach	Asset condition, remaining lives using componentisation.
Stormwater drainage, water supply network, and sewerage network	Cost approach	Asset condition, remaining lives using componentisation
Landfill and quarry assets	Cost approach	Asset condition, remaining lives, timing of expected cash outflows for remediation

E2-1 Fair value measurement (continued)

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

\$ '000	2024	2023
Opening balance	333,111	282,499
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	23,449	46,002
Other movements		
Transfers from/(to) level 2 FV hierarchy	–	3,863
Purchases	6,140	3,167
Disposals	(776)	(1,361)
Depreciation and impairment	(6,728)	(6,061)
Transfers from/(to) WIP	3,450	4,557
Remediation provision	(22)	322
Other adjustments	–	123
Closing balance	358,624	333,111

Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

Buildings previously recognised as non-specialised now valued on a cost approach basis (e.g. office and depot buildings)	–	3,847
Plant and equipment and furniture and fitting assets reclassified and now belonging to classes measured using the level 3 fair valuation hierarchy	–	16
Total	–	3,863

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members). As such, there is not sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer-sponsored defined benefit plan.

Description of the funding arrangements.

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

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

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times 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, the next of which is due effective 30 June 2024, and monitored annually between triennials.

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

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

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

E3-1 Contingencies (continued)

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

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

Council's expected contribution to the plan for the next annual reporting period is \$45,384.93.

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	6.0% for FY 22/23 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.

Based on a Past Services Liabilities methodology, the share of any funding surplus or deficit that can be attributed to Council is 0.24%.

An employer's past service contribution per annum as a percentage of the total past service contributions for all Pooled Employers (\$20m for each year from 1 January 2022 to 31 December 2024) provides an indication of the level of participation of that employer compared with other employers in the Pooled Employer sub-group.

It is estimated that there are \$23,931.57 past service contributions remaining.

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 \$69,960.23. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

(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.

E3-1 Contingencies (continued)

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.

2. Other

(i) Third party claims

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

(iii) Western Riverina Libraries

Council is a member of the Western Riverina Libraries and has a 1/5th proportion of voting power of the organisation. Council's share in the assets, liabilities and outputs of the organisation is based on the proportional population share and is considered immaterial in amount.

(iv) Rural Fire Service assets

Consistent with prior reporting periods, Council has recognised only the land and buildings used by the Rural Fire Service, situated within the Local Government area, however, it does not account for Rural Fire Service plant or other equipment.

Refer to note C1-7.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	1,019	1,092
Post-employment benefits	99	104
Other long-term benefits	67	17
Total	1,185	1,213

Other transactions with KMP and their related parties

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

Council also incurs a number of employee expenses in respect of close family members of KMP. These employees are recruited in the same manner, and their employment is subject to the same terms and conditions, as other employees performing similar roles.

Nature of the transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000					
2024					
Related Parties, which are Suppliers of Council, supplying goods and services, such as plumbing works and veterinary services, procured utilising Council's procedures & plans for procurement.	77	–	30 days payment	–	–
2023					
Related Parties, which are Suppliers of Council, supplying goods and services, such as plumbing works and veterinary services, procured utilising Council's procedures & plans for procurement.	220	–	30 days payment	–	–

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	28	28
Councillors' fees	128	122
Other Councillors' expenses (including Mayor)	50	47
Total	206	197

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
Audit and other assurance services: Auditors of Council - NSW Auditor-General		
Audit of financial statements	125	45
Total audit fees	125	45

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	7,683	3,936
Add / (less) non-cash items:		
Depreciation and amortisation	8,107	7,173
(Gain) / loss on disposal of assets	112	1,075
Unwinding of discount rates on reinstatement provisions	(23)	–
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(161)	648
Increase / (decrease) in provision for impairment of receivables	–	1
(Increase) / decrease of inventories	9	406
(Increase) / decrease of other current assets	(50)	(8)
(Increase) / decrease of contract asset	(2,182)	182
Increase / (decrease) in payables	45	258
Increase / (decrease) in other accrued expenses payable	(297)	88
Increase / (decrease) in other liabilities	(68)	(43)
Increase / (decrease) in contract liabilities	(4,418)	(581)
Increase / (decrease) in employee benefit provision	(78)	83
Increase / (decrease) in other provisions	9	344
Net cash flows from operating activities	8,688	13,562

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Plant and equipment	317	1,275
Buildings - Residential Housing	390	-
Buildings - Recreational Facilities	649	-
Other structures - Brolga Place redevelopment	-	1,141
Other	-	334
Total commitments	1,356	2,750
These expenditures are payable as follows:		
Within the next year	1,356	2,750
Total payable	1,356	2,750
Sources for funding of capital commitments:		
Unrestricted general funds	390	468
Future grants and contributions	-	1,474
Unexpended grants	649	-
Internally restricted reserves	317	808
Total sources of funding	1,356	2,750

G3 Statement of developer contributions

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
S7.12 levies – under a plan	239	152	–	–	–	–	–	391	–	
Total S7.11 and S7.12 revenue under plans	239	152	–	–	–	–	–	391	–	
S7.4 planning agreements	311	–	–	–	–	(35)	–	276	–	
Total contributions	550	152	–	–	–	(35)	–	667	–	

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.

S7.12 Levies – under a plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
MURRUMBIDGEE COUNCIL DEVELOPER CONTRIBUTION PLAN										
Community facilities	239	152	–	–	–	–	–	391	–	
Total	239	152	–	–	–	–	–	391	–	

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicator 2023	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(3,007)	(13.39)%	4.65%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	22,456			
2. Own source operating revenue ratio *				
Total continuing operating revenue excluding all grants and contributions ¹	12,012	36.12%	38.23%	> 60.00%
Total continuing operating revenue ¹	33,258			
3. Unrestricted current ratio				
Current assets less all external restrictions	18,257	6.50x	5.80x	> 1.50x
Current liabilities less specific purpose liabilities	2,810			
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	5,109	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement) ³	-			
5. Rates, annual charges, interest and extra charges outstanding percentage *				
Rates and annual charges outstanding	680	9.39%	8.61%	< 10.00%
Rates and annual charges collectable	7,245			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	32,132	19.32 months	27.54 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	1,663			

(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

(3) Borrowing costs of \$9,000 relating to the unwinding of Council's asset remediation provision have been excluded from this calculation to present a more realistic representation of Council's debt service cover ratio.

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ¹		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{2,3}	(17.97)%	5.24%	26.22%	10.71%	5.96%	(20.14)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ²							
2. Own source operating revenue ratio *							
Total continuing operating revenue excluding capital grants and contributions ²	30.52%	32.95%	95.79%	98.07%	100.00%	100.00%	> 60.00%
Total continuing operating revenue ²							
3. Unrestricted current ratio							
Current assets less all external restrictions	6.50x	5.80x	94.22x	∞	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ²	∞	∞	∞	∞	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement) ⁴							
5. Rates, annual charges, interest and extra charges outstanding percentage *							
Rates and annual charges outstanding	11.32%	10.36%	0.00%	0.00%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	16.45 months	22.69 months	∞	∞	∞	∞	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

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

(2) 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

(3) 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

(4) Borrowing costs of \$9,000 have been excluded from this calculation to present a more realistic representation of Council's debt service cover ratio.

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Murrumbidgee Council

To the Councillors of Murrumbidgee Council

Opinion

I have audited the accompanying financial statements of Murrumbidgee 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. The description forms part of my auditor's report.

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

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



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

30 October 2024
SYDNEY



Cr Ruth McRae
 Mayor
 Murrumbidgee Council
 PO Box 96
 Jerilderie NSW 2716

Contact: Aubrey Perez
 Phone no: 02 9275 7251
 Our ref: R008-2124742775-7437

30 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024 \$m	2023 \$m	Variance %
Rates and annual charges revenue	6.6	6.3	↑ 4.8
Grants and contributions revenue	21.2	17.4	↑ 21.8
Operating result from continuing operations	7.7	3.9	↑ 97.4
Net operating result before capital grants and contributions	(3.1)	0.1	↓ 100

Rates and annual charges revenue (\$6.6 million) increased by \$0.3 million (4.8 per cent) in 2023–24 due to the rate peg increase of 3.7 per cent.

Grants and contributions revenue (\$21.2 million) increased by \$3.8 million (21.8 per cent) in 2023–24 mainly due to increase of \$5.4 million in state funding capital grants recognised during the year.

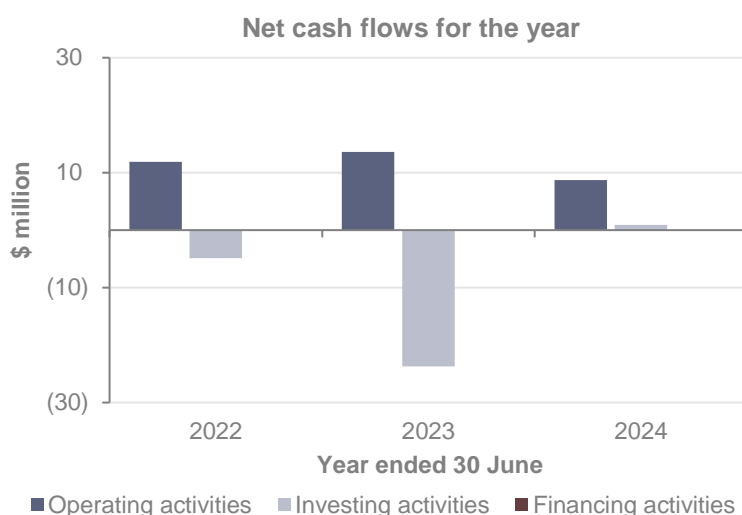
Council’s operating result from continuing operations was \$7.7 million (including depreciation, amortisation and impairment expense of \$8.1 million) was \$3.8 million higher than the 2022–23 result. This was mainly due to an increase in grants and contributions.

The net operating result before capital grants and contributions (-\$3.1 million) was \$3.1 million lower than the 2022–23 result. This is mainly due to the increase in employee benefits and on-costs and materials and services.

STATEMENT OF CASH FLOWS

Cash flows from operating activities decreased by \$4.9 million mainly due to a reduction in grants and contributions cash received.

Cash flows from/(used in) investing activities increased by \$23.7 million mainly due to sale of investments.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	32.1	37.1	Externally restricted balances comprise mainly of specific purpose unexpended grants, developer contributions, water and sewer funds, Coleambally town development reserve and domestic waste management. Externally restricted funds have decreased due to a reduction in specific purpose unexpended grants.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	19.1	22.8	
• Internal allocations	12.9	12.2	Internal allocations are determined by council policies or decisions, which are subject to change. Internal allocations have remained steady when compared to the prior year.

PERFORMANCE

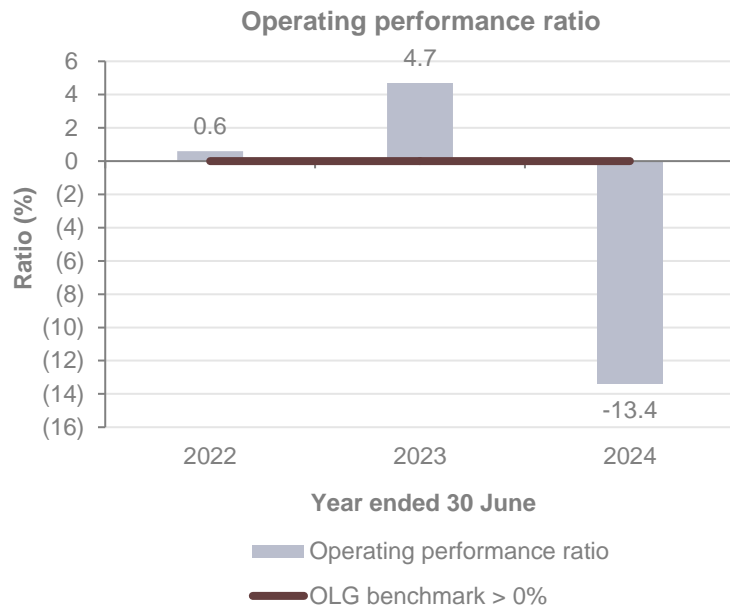
Performance measures

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

Operating performance ratio

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

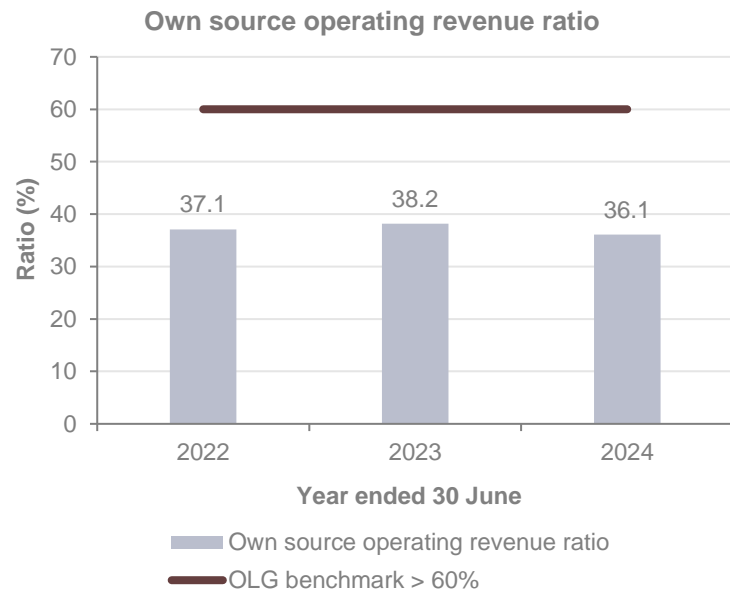
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

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

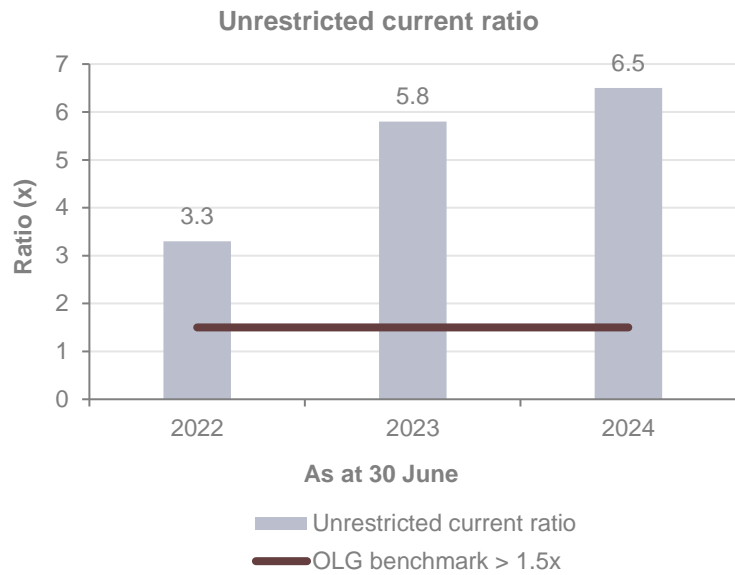
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

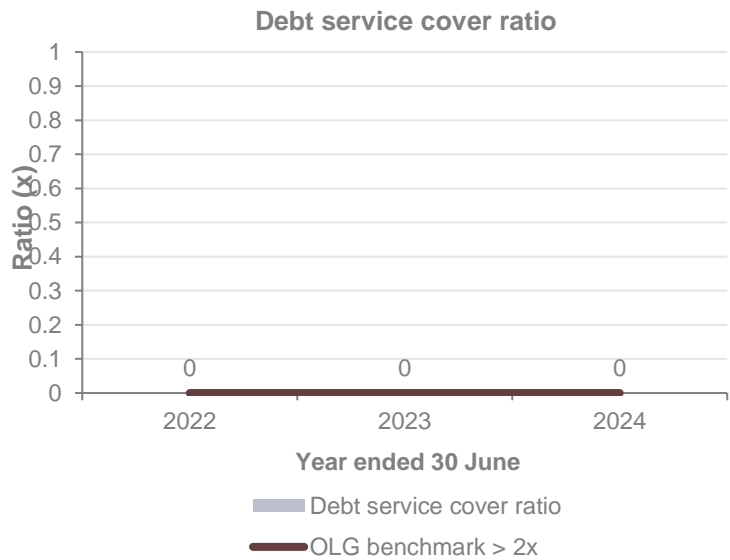
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

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

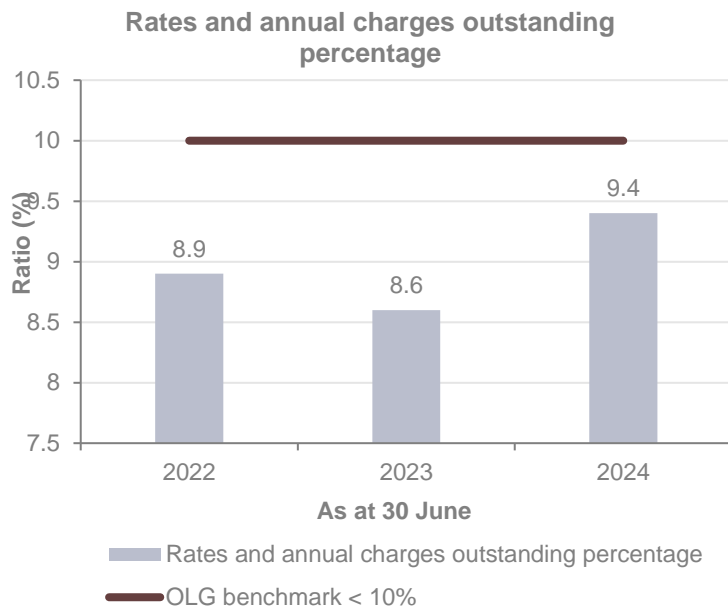
Council does not have external borrowings. Therefore, the debt service cover ratio is not relevant to Council for the 2024 year.



Rates and annual charges outstanding percentage

Council exceeded the benchmark for the current reporting period.

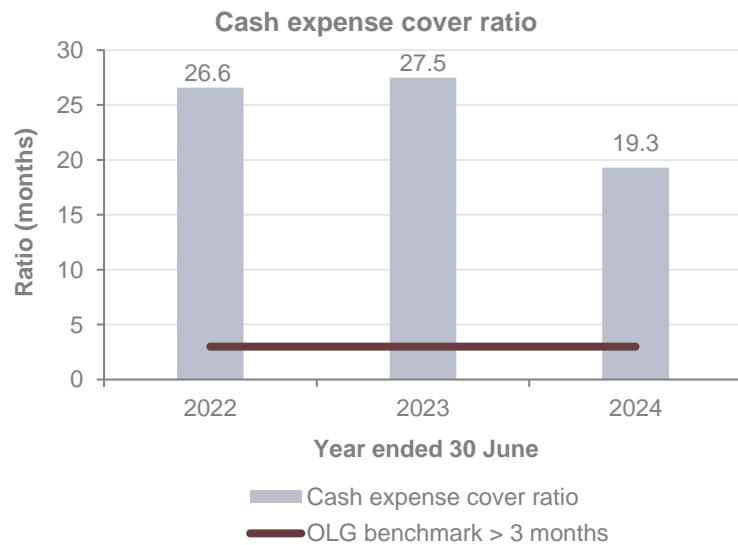
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$7.5 million of infrastructure, property, plant and equipment during the 2023–24 financial year (\$5.6 million in 2022–23). This was mainly spent on roads and repairing assets damaged by natural disasters. A further \$4.8 million was spent on new assets (\$1.6 million in 2022–23), including \$957,000 of finished roads and an additional \$2.1 million on capital work in progress.

OTHER MATTERS

Legislative compliance

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

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



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

Murrumbidgee Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Murrumbidgee 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).

Murrumbidgee Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 03 October 2024.



Ruth McRae OAM
Mayor
24 October 2024



Robert Black
Councillor
24 October 2024



John Scarce
General Manager
24 October 2024



Kaitlin Salzke
Responsible Accounting Officer
24 October 2024

Murrumbidgee Council

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	498	470
User charges	658	472
Fees	328	304
Interest and investment income	221	128
Grants and contributions provided for operating purposes	75	27
Other income	1	–
Total income from continuing operations	1,781	1,401
Expenses from continuing operations		
Employee benefits and on-costs	323	297
Materials and services	526	543
Depreciation, amortisation and impairment	428	396
Net loss from the disposal of assets	37	15
Total expenses from continuing operations	1,314	1,251
Surplus (deficit) from continuing operations before capital amounts	467	150
Surplus (deficit) from continuing operations after capital amounts	467	150
Surplus (deficit) from all operations before tax	467	150
Less: corporate taxation equivalent (25%) [based on result before capital]	(116)	(38)
Surplus (deficit) after tax	351	112
Opening accumulated surplus	12,043	11,893
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	117	38
Less:		
Closing accumulated surplus	12,511	12,043
Return on capital %	2.7%	0.9%
Subsidy from Council	272	521
Calculation of dividend payable:		
Surplus (deficit) after tax	351	112
Surplus for dividend calculation purposes	351	112
Potential dividend calculated from surplus	176	56

Murrumbidgee Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	740	690
User charges	4	4
Liquid trade waste charges	7	6
Interest and investment income	255	164
Total income from continuing operations	1,006	864
Expenses from continuing operations		
Employee benefits and on-costs	238	266
Materials and services	221	271
Depreciation, amortisation and impairment	486	501
Net loss from the disposal of assets	1	–
Total expenses from continuing operations	946	1,038
Surplus (deficit) from continuing operations before capital amounts	60	(174)
Surplus (deficit) from continuing operations after capital amounts	60	(174)
Surplus (deficit) from all operations before tax	60	(174)
Less: corporate taxation equivalent (25%) [based on result before capital]	(15)	–
Surplus (deficit) after tax	45	(174)
Opening accumulated surplus	17,476	17,650
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	15	–
Less:		
Closing accumulated surplus	17,536	17,476
Return on capital %	0.3%	(0.8)%
Subsidy from Council	902	1,050
Calculation of dividend payable:		
Surplus (deficit) after tax	45	(174)
Surplus for dividend calculation purposes	45	–
Potential dividend calculated from surplus	23	–

Murrumbidgee Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	3,691	3,012
Investments	497	497
Receivables	400	288
Contract assets and contract cost assets	97	23
Inventories	26	28
Total current assets	4,711	3,848
Non-current assets		
Infrastructure, property, plant and equipment	17,176	16,681
Intangible assets	943	1,035
Total non-current assets	18,119	17,716
Total assets	22,830	21,564
LIABILITIES		
Current liabilities		
Contract liabilities	50	–
Total current liabilities	50	–
Total liabilities	50	–
Net assets	22,780	21,564
EQUITY		
Accumulated surplus	12,511	12,043
Revaluation reserves	10,269	9,521
Total equity	22,780	21,564

Murrumbidgee Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	1,073	3,529
Investments	1,136	1,136
Receivables	165	147
Internal loan receivable	300	19
Total current assets	2,674	4,831
Non-current assets		
Infrastructure, property, plant and equipment	22,375	21,792
Internal loan receivable	2,700	–
Total non-current assets	25,075	21,792
Total assets	27,749	26,623
Net assets	27,749	26,623
EQUITY		
Accumulated surplus	17,536	17,476
Revaluation reserves	10,213	9,147
Total equity	27,749	26,623

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

Nil

Category 2

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

a. Murrumbidgee Council Water Funds

Comprising the whole of the water supply operations and net assets servicing the Council area.

b. Murrumbidgee Council Sewerage Funds

Comprising the whole of the sewerage reticulation and treatment operations and net assets servicing the Council area.

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

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 (%)

Note – Material accounting policy information (continued)

Corporate income tax rate – **25%** (LY 25%)

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

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

In accordance with section 4 of Department of Planning and Environment (DPE) – Water's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

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

Achievement of substantial compliance to sections 3 and 4 of DPE – Water's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the relevant corporate income tax rate, currently 25% (LY 25%).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the '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.

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

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.

Note – Material accounting policy information (continued)

(iii) Dividends

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

A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with section 4 of DPE – Water's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with section 4 of DPE – Water's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DPE – Water.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Murrumbidgee Council

To the Councillors of Murrumbidgee Council

Opinion

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

The Declared Business Activities of the Council are:

- Water supply
- Sewerage.

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. 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.



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

30 October 2024
SYDNEY

Murrumbidgee Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Murrumbidgee Council

Special Schedules

for the year ended 30 June 2024

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Murrumbidgee Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	4,655	4,816
Plus or minus adjustments ²	b	(12)	(1)
Notional general income	c = a + b	4,643	4,815
Permissible income calculation			
Percentage increase	d	3.70%	4.50%
Plus percentage increase amount ³	f = d x (c + e)	172	217
Sub-total	g = (c + e + f)	4,815	5,032
Plus (or minus) last year's carry forward total	h	2	1
Sub-total	j = (h + i)	2	1
Total permissible income	k = g + j	4,817	5,033
Less notional general income yield	l	4,816	5,032
Catch-up or (excess) result	m = k - l	-	-
Carry forward to next year ⁶	p = m + n + o	-	-

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).
- (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

Murrumbidgee Council

To the Councillors of Murrumbidgee Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Murrumbidgee 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. 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.



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

30 October 2024
SYDNEY

Murrumbidgee Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		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	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Buildings	–	–	323	238	46,148	64,388	26.5%	29.9%	37.6%	5.3%	0.7%
	Sub-total	–	–	323	238	46,148	64,388	26.5%	29.9%	37.6%	5.3%	0.7%
Other structures	Other structures	–	–	3	3	6,740	9,463	36.0%	24.5%	37.8%	1.5%	0.2%
	Sub-total	–	–	3	3	6,740	9,463	36.0%	24.5%	37.8%	1.5%	0.2%
Roads	Roads	–	6,069	1,644	3,963	131,169	229,652	6.2%	15.3%	55.8%	15.7%	7.1%
	Bulk earthworks	–	–	–	–	77,085	77,085	0.0%	0.0%	100.0%	0.0%	0.0%
	Bridges	–	–	15	–	2,977	9,077	0.0%	2.9%	27.2%	69.9%	0.0%
	Footpaths	–	–	15	–	3,599	5,531	23.3%	18.7%	37.1%	12.2%	8.7%
	Other road assets	–	–	2	–	9,977	17,425	12.7%	14.4%	43.1%	26.5%	3.4%
	Sub-total	–	6,069	1,676	3,963	224,807	338,770	5.3%	11.5%	64.1%	14.0%	5.1%
Water supply network	Water supply network	–	–	273	434	15,930	33,086	0.2%	5.5%	71.1%	20.1%	3.1%
	Sub-total	–	–	273	434	15,930	33,086	0.2%	5.5%	71.1%	20.1%	3.1%
Sewerage network	Sewerage network	–	–	229	306	22,053	44,265	0.0%	6.3%	67.6%	16.8%	9.2%
	Sub-total	–	–	229	306	22,053	44,265	0.0%	6.3%	67.6%	16.8%	9.3%
Stormwater drainage	Stormwater drainage	–	–	31	72	12,108	19,865	9.7%	13.4%	48.5%	28.5%	0.0%
	Sub-total	–	–	31	72	12,108	19,865	9.7%	13.4%	48.5%	28.5%	0.0%
Open space / recreational assets	Swimming pools	–	–	–	–	3,456	5,389	9.3%	56.4%	34.3%	0.0%	0.0%
	Open space/recreational assets	–	–	–	–	7,048	9,749	39.8%	44.2%	10.8%	5.1%	0.0%
	Sub-total	–	–	–	–	10,504	15,138	29.0%	48.5%	19.2%	3.3%	0.0%

Murrumbidgee Council

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

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		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	\$ '000	\$ '000	\$ '000	\$ '000					
Other infrastructure assets	Other infrastructure	–	–	9	–	1,648	2,212	21.6%	73.4%	5.0%	0.0%	0.0%
	Sub-total	–	–	9	–	1,648	2,212	21.6%	73.4%	5.0%	0.0%	0.0%
	Total – all assets	–	6,069	2,544	5,016	339,938	527,187	8.6%	14.5%	59.0%	13.5%	4.4%

(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

Murrumbidgee Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicator 2023	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals ¹	5,023	76.23%	75.98%	> 100.00%
Depreciation, amortisation and impairment	6,589			
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	-	0.00%	0.00%	< 2.00%
Net carrying amount of infrastructure assets	343,862			
Asset maintenance ratio				
Actual asset maintenance	5,016	197.17%	115.72%	> 100.00%
Required asset maintenance	2,544			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	6,069	1.15%	1.59%	
Gross replacement cost	527,187			

(*) 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.

Murrumbidgee Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	88.20%	89.20%	0.00%	0.00%	0.00%	0.00%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	209.40%	120.86%	158.97%	80.49%	133.62%	122.39%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	1.35%	1.87%	0.00%	0.00%	0.00%	0.00%	

(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.