

The Council of the Municipality of Hunter's Hill

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2024



The Council of the Municipality of Hunter's Hill

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



The Council of the Municipality of Hunter's Hill

General Purpose Financial Statements

for the year ended 30 June 2024

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The Council of the Municipality of Hunter's Hill

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.

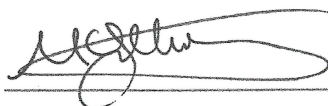
Signed in accordance with a resolution of Council made on 14 October 2024.



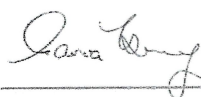
Zac Miles
Mayor
14 October 2024



Julia Prieston
Deputy Mayor
14 October 2024



Mitchell Murphy
General Manager
14 October 2024



Maria Kenny
Responsible Accounting Officer
14 October 2024

The Council of the Municipality of Hunter's Hill

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
14,992	Rates and annual charges	B2-1	14,778	14,192
1,303	User charges and fees	B2-2	1,522	1,859
1,130	Other revenues	B2-3	1,469	1,497
1,371	Grants and contributions provided for operating purposes	B2-4	1,418	1,133
10,323	Grants and contributions provided for capital purposes	B2-4	7,878	2,466
739	Interest and investment income		1,110	775
–	Other income		151	147
130	Net gain from the disposal of assets		–	–
29,988	Total income from continuing operations		28,326	22,069
Expenses from continuing operations				
7,033	Employee benefits and on-costs	B3-1	6,409	6,050
9,575	Materials and services	B3-2	10,027	9,208
4,029	Depreciation, amortisation and impairment of non-financial assets	B3-3	3,867	4,174
1,476	Other expenses		1,087	963
157	Net loss from the disposal of assets		501	305
22,270	Total expenses from continuing operations		21,891	20,700
7,718	Net operating result for the year attributable to Council		6,435	1,369
(2,605)	Net operating result for the year before grants and contributions provided for capital purposes		(1,443)	(1,097)

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

The Council of the Municipality of Hunter's Hill

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		6,435	1,369
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<u>35,523</u>	<u>22,587</u>
Total other comprehensive income for the year		<u>35,523</u>	<u>22,587</u>

The Council of the Municipality of Hunter's Hill

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	12,798	12,673
Investments	C1-2	4,000	13,362
Receivables	C1-4	3,477	2,851
Inventories		3	3
Other		37	39
Total current assets		20,315	28,928
Non-current assets			
Investments	C1-2	3,168	2,522
Receivables	C1-4	-	2
Infrastructure, property, plant and equipment (IPPE)	C1-5	300,793	256,462
Total non-current assets		303,961	258,986
Total assets		324,276	287,914
LIABILITIES			
Current liabilities			
Payables	C2-1	5,910	6,144
Contract liabilities	C2-2	899	6,286
Employee benefit provisions	C2-3	1,139	1,114
Total current liabilities		7,948	13,544
Non-current liabilities			
Employee benefit provisions	C2-3	14	14
Total non-current liabilities		14	14
Total liabilities		7,962	13,558
Net assets		316,314	274,356
EQUITY			
Accumulated surplus		117,383	110,948
IPPE revaluation reserve		198,931	163,408
Council equity interest		316,314	274,356
Total equity		316,314	274,356

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

The Council of the Municipality of Hunter's Hill

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		110,948	163,408	274,356	109,579	140,821	250,400
Opening balance		110,948	163,408	274,356	109,579	140,821	250,400
Net operating result for the year		6,435	–	6,435	1,369	–	1,369
Net operating result for the period		6,435	–	6,435	1,369	–	1,369
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	35,523	35,523	–	22,587	22,587
Other comprehensive income		–	35,523	35,523	–	22,587	22,587
Total comprehensive income		6,435	35,523	41,958	1,369	22,587	23,956
Closing balance at 30 June		117,383	198,931	316,314	110,948	163,408	274,356

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

The Council of the Municipality of Hunter's Hill

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>				
14,992	Rates and annual charges		14,556	14,327
1,303	User charges and fees		337	2,483
739	Interest received		994	408
11,694	Grants and contributions		4,698	4,255
–	Bonds, deposits and retentions received		206	309
1,260	Other		1,571	1,201
<i>Payments:</i>				
(7,033)	Payments to employees		(6,525)	(5,813)
(9,575)	Payments for materials and services		(10,808)	(8,730)
(1,633)	Other		(595)	(881)
11,747	Net cash flows from operating activities	F1-1	4,434	7,559
Cash flows from investing activities				
<i>Receipts:</i>				
–	Redemption of term deposits		8,867	–
–	Proceeds from sale of IPPE		77	49
<i>Payments:</i>				
–	Purchase of investments		–	(1,499)
(16,362)	Payments for IPPE		(13,253)	(3,993)
(16,362)	Net cash flows from investing activities		(4,309)	(5,443)
(4,615)	Net change in cash and cash equivalents		125	2,116
10,557	Cash and cash equivalents at beginning of year		12,673	10,557
5,942	Cash and cash equivalents at end of year	C1-1	12,798	12,673
–	plus: Investments on hand at end of year	C1-2	7,168	15,884
5,942	Total cash, cash equivalents and investments		19,966	28,557

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

The Council of the Municipality of Hunter's Hill

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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 28 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 policies adopted in the preparation of these financial statements are set out below.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (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 investment property.

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- i. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-5.
- ii. employee benefit provisions – refer Note C2-3.

Monies and other assets received by Council

The Consolidated Fund

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

The Consolidated Fund has been included in the Council's financial statements.

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), 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.

Volunteer services

Council does not have material dependence on volunteer services. Volunteers are utilised in Cultural Events & Bushland. These services are not recognised due to their nature as a large percentage would not go ahead should there not be volunteers to undertake the roles and their non-material value.

A1-1 Basis of preparation (continued)

New accounting standards and interpretations issued but not yet effective

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

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

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2024.

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, participation & partnerships	-	-	-	-	-	-	-	-	-	-
Rates	11,380	10,950	149	111	11,231	10,839	-	-	965	719
Financial Management	1,709	1,457	817	804	892	653	395	476	3,450	11,822
Access to Information	-	1	832	640	(832)	(639)	-	-	-	-
Council and Governance	-	-	244	222	(244)	(222)	-	-	279	279
Communications and Engagement	-	-	183	268	(183)	(268)	-	-	-	-
Emergency Services	-	-	678	575	(678)	(575)	-	-	-	-
Office of the General Manager	-	-	813	758	(813)	(758)	-	-	-	-
Proper Management and Strategy	-	-	42	104	(42)	(104)	-	-	-	139
Recruitment and Staff Development	19	-	628	488	(609)	(488)	-	-	105	78
Risk and Insurance	-	16	392	467	(392)	(451)	-	-	175	277
Software and Information Systems	-	3	879	982	(879)	(979)	-	3	468	541
Connected & inclusive infrastructure	-	-	-	-	-	-	-	-	-	-
Asset Management and Planning	-	-	298	430	(298)	(430)	-	-	-	-
Footpaths	162	1	449	391	(287)	(390)	-	-	10,861	10,288
Kerbs and Gutters	-	-	314	310	(314)	(310)	-	-	15,598	14,370
Marine Structures	138	64	993	25	(855)	39	110	47	32,067	10,058
Roads	1,399	1,087	3,652	2,962	(2,253)	(1,875)	745	275	52,594	49,530
Roads restorations	116	465	157	342	(41)	123	-	-	-	-
Stormwater and drainage	-	-	341	380	(341)	(380)	-	-	19,283	17,167
Traffic and transport	471	612	472	394	(1)	218	118	286	1,021	488
Environment, sustainability & open space	-	-	-	-	-	-	-	-	-	-
Biodiversity and waterways	42	70	395	337	(353)	(267)	42	70	15	-
Tree management and protection	9	13	264	287	(255)	(274)	-	-	-	-
Sustainability	-	3	105	157	(105)	(154)	-	3	7,023	1,373
Waste and recycling	3,111	2,972	2,266	2,504	845	468	-	-	2,119	1,732
Community & belonging	-	-	-	-	-	-	-	-	-	-
Community initiatives	12	4	237	173	(225)	(169)	12	4	20	-
Events	91	91	373	305	(282)	(214)	4	22	-	-
Library Services	97	104	414	395	(317)	(291)	96	98	87	91
Character, heritage & places	-	-	-	-	-	-	-	-	-	-

continued on next page ...

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

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
Building control	250	1	206	2	44	(1)	–	–	–	–
Development applications	1,076	651	1,595	1,565	(519)	(914)	648	81	6,023	5,435
Heritage and strategic planning	12	11	310	259	(298)	(248)	13	11	273	–
Public health and safety	738	652	454	420	284	232	–	–	–	–
Buildings - Community	3,274	901	1,318	1,697	1,956	(796)	3,024	554	10,709	10,283
Buildings Reserves	–	–	454	129	(454)	(129)	–	–	45,992	45,656
Parks and gardens	2,297	1,553	799	1,628	1,498	(75)	2,234	1,415	114,949	107,404
Sporting Fields	1,923	387	368	189	1,555	198	1,855	254	200	184
Total functions and activities	28,326	22,069	21,891	20,700	6,435	1,369	9,296	3,599	324,276	287,914

B1-2 Components of functions or activities

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

Hunter's Hill Council mission is to protect and enhance the integrity, character, liveability and residential amenity of Hunters Hill as Australia's oldest garden suburb – through leadership, partnership, community involvement and the pursuit of excellence. This is implemented through the following themes of its Community Strategic Plan, with budgets and actual expenditure monitored and reported to Councils and functions listed below:

Connected & inclusive infrastructure

Our goal is to maintain and enhance our local infrastructure so people can use, walk, drive, cycle and catch public transport safely and easily.

This is delivered through the following functions and activities: Asset Management & Planning; Footpaths; Kerb & Gutters; Marine Structures; Roads & Roads restorations; Street Cleaning, Stormwater & Drainage and Traffic & Transport.

Environment, sustainability & open space

Our goal is to protect and sustain our environment so people can enjoy our outdoor spaces and places.

This is delivered through the following functions and activities: Biodiversity & Waterways; Sustainability Initiatives; Tree Management & Protection; and Waste & Recycling.

Community & belonging

Our goal is to connect people to information and accessible experiences to help them feel included and safe in the community.

This is delivered through the following functions and activities: Community Initiatives (which includes aged & disability, arts & culture and youth programs); Community Events and Library Services.

Character, heritage & places

Our goal is to create a liveable place where everyone can enjoy our heritage, neighbourhoods, thriving village centres, parks, playgrounds and recreational areas.

This is delivered through the following functions and activities: Building & Development; Community & Open Space Buildings; Community Enforcement; Heritage & Strategic Planning; Parks & Gardens; Playgrounds; Public Health & Safety and Sporting Fields.

Governance, participation & partnerships

Our goal is to bring people and local business together to share ideas and engage in collaborative projects.

This is delivered through the following functions and activities: Access to Information; Communications; Council & Governance; Emergency Services; Financial Management; Office of the General Manager; People & Culture; Property; Rating; Risk & Insurance; and Software & Information Systems.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	10,547	9,651
Less: pensioner rebates (mandatory)	(50)	(50)
Business	335	308
Rates levied to ratepayers	10,832	9,909
Pensioner rate subsidies received	28	27
Total ordinary rates	10,860	9,936
Special rates		
Environmental	–	220
Other	–	311
Community facilities	459	420
Rates levied to ratepayers	459	951
Total special rates	459	951
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	3,404	3,262
Section 611 charges	65	53
Less: pensioner rebates (mandatory)	(23)	(24)
Annual charges levied	3,446	3,291
Pensioner annual charges subsidies received:		
– Domestic waste management	13	14
Total annual charges	3,459	3,305
Total rates and annual charges	14,778	14,192

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)			
Waste management services (non-domestic)	2	224	215
Total specific user charges		224	215
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Inspection services	2	119	34
Planning and building regulation	2	572	590
Section 10.7 certificates (EP&A Act)	2	47	41
Section 603 certificates	2	23	20
Total fees and charges – statutory/regulatory		761	685
(ii) Fees and charges – other (incl. general user charges (per s608))			
Community centres	2	107	129
Lease rentals	2	24	35
Leaseback fees – Council vehicles	2	7	14
Reserves and Sporting Fields	2	68	133
Parking fees	2	124	133
Restoration charges	2	67	515
Stand Plant Applications	2	140	–
Total fees and charges – other		537	959
Total other user charges and fees		1,298	1,644
Total user charges and fees		1,522	1,859
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		1,522	1,859
Total user charges and fees		1,522	1,859

Material accounting policy information

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

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

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

B2-3 Other revenues

\$ '000	Timing	2024	2023
Rental income – other council properties	1	261	279
Bus shelter contract - License fee	1	228	193
Fines -other	2	93	75
Fines – parking	2	656	588
Commissions and agency fees	2	8	10
Sundry rents and charges	2	179	318
Other	2	44	34
Total other revenue		1,469	1,497

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	489	472
Other revenue recognised at a point in time (2)	980	1,025
Total other revenue	1,469	1,497

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)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	22	62	–	–
Financial assistance – local roads component	2	2	62	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	373	413	–	–
Financial assistance – local roads component	2	133	156	–	–
Other					
Other grants		–	–	–	554
Amount recognised as income during current year		530	693	–	554
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Community care	2	–	3	–	–
Environmental programs	2	–	5	–	–
Heritage and cultural	2	13	11	–	–
Library – per capita	2	96	98	–	–
Recreation and culture	2	42	90	7,187	982
Traffic route subsidy	2	118	147	–	–
Transport (roads to recovery)	2	–	–	15	–
Transport (other roads and bridges funding)	2	595	77	–	–
Other specific grants	2	–	–	1	–
Roads and bridges	2	–	–	–	139
Tourism	2	3	6	–	–
Other contributions	2	21	3	–	–
Total special purpose grants and non-developer contributions – cash		888	440	7,203	1,121
Total special purpose grants and non-developer contributions (tied)		888	440	7,203	1,121
Total grants and non-developer contributions		1,418	1,133	7,203	1,675

B2-4 Grants and contributions (continued)

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Comprising:					
– Commonwealth funding		530	693	15	–
– State funding		867	416	4,206	1,675
– Other funding		21	24	2,982	–
		1,418	1,133	7,203	1,675

Developer contributions

\$ '000	Notes	Timing	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		2	–	–	27	–
S 7.12 – fixed development consent levies		2	–	–	648	791
Total developer contributions – cash			–	–	675	791
Total developer contributions			–	–	675	791
Total contributions			–	–	675	791
Total grants and contributions			1,418	1,133	7,878	2,466
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			–	–	–	–
Grants and contributions recognised at a point in time (2)			1,418	1,133	7,878	2,466
Total grants and contributions			1,418	1,133	7,878	2,466

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and contributions				
Unspent funds at 1 July	656	148	6,928	5,034
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	55	654	2,589	3,498
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(685)	(146)	(8,849)	(1,604)
Unspent funds at 30 June	26	656	668	6,928
Contributions				
Unspent funds at 1 July	–	–	1,966	1,344
Add: contributions received and not recognised as revenue in the current year	–	–	617	842
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(372)	(220)
Unspent contributions at 30 June	–	–	2,211	1,966

Unspent contributions refer to Section 7.11 contributions received but not yet spent.

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include the completion of specific works or projects. 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).

B2-4 Grants and contributions (continued)

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

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

Other grants and contributions

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

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

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	5,536	5,181
Employee leave entitlements (ELE)	(10)	15
Superannuation	622	571
Workers' compensation insurance	165	174
Fringe benefit tax (FBT)	12	24
Other Employee benefits		
Travel expenses	8	5
Training costs (other than salaries and wages)	65	80
Other - Employee assistance program	11	–
Total employee costs expensed	6,409	6,050

Material accounting policy information

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

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

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

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Consultancy costs		634	214
Advertising		52	54
Raw materials and consumables		1,523	1,132
Contractor costs		5,307	5,680
Audit Fees	E2-1	135	121
Bank charges		46	45
Electricity and heating		116	161
Insurance		325	350
Printing and stationery		69	62
Street lighting		141	148
Subscriptions and publications		629	533
Telephone and communications		44	45
Valuation fees		14	–
Councillor and Mayoral fees and associated expenses	E1-2	209	192
Legal expenses:			
– Legal expenses: planning and development		669	411
– Legal expenses: other		65	25
Other		49	35
Total materials and services		10,027	9,208
Total materials and services		10,027	9,208

Material accounting policy information

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

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		167	146
Office equipment		163	320
Furniture and fittings		27	34
Infrastructure:			
	C1-5		
– Buildings		621	614
– Other structures		943	1,015
– Roads		1,190	1,270
– Footpaths		211	206
– Kerb and guttering		256	240
– Other road assets		106	68
– Stormwater drainage		183	261
Total gross depreciation and amortisation costs		3,867	4,174
Total depreciation and amortisation costs		3,867	4,174
Total depreciation, amortisation and impairment for non-financial assets		3,867	4,174

Material accounting policy information

Depreciation

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

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are 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.

B4 Performance against budget

B4-1 Material budget variations

Council's original budget was adopted by the Council on 26 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	1,303	1,522	219	17% F
This financial year, Council raised additional revenue from Notices and Orders, Building Information Certificates and Food Inspection Fees. Council also received a re-zoning application which was unbudgeted (these applications are not budgeted, as they are rarely received). DA fees were also modestly above budget. Due to increased building activity in the LGA, Council also collected additional revenue over budget from Stand Plant and Driveway applications.				
Other revenues	1,130	1,469	339	30% F
Fine collection (including those for development and building activity) exceeded budget. Events income and sponsorship also exceeded budget. Credit card surcharge fees were also increased in excess of original budget in order to facilitate cost recovery for bank charges.				
Capital grants and contributions	10,323	7,878	(2,445)	(24)% U
The material difference between budget and actual capital grant income being recognised, is due to staging of capital projects being bought forward to the next financial year. Key projects include Bedlam Bay swimming enclosure, funded from the NSW Places to Swim program and Figtree Park Amenities, funded through the NSW Public Spaces Legacy Program.				
Interest and investment revenue	739	1,110	371	50% F
Council implemented a pro-active Investment Strategy. Material income was derived from high interest yielding term deposits, along with Bond and Floating Rate Note income.				
Expenses				
Other expenses	1,476	1,087	389	26% F
The material difference for other expenses includes payment to Lane Cove Council for Shared Library Services being underbudget.				
Net losses from disposal of assets	157	501	(344)	(219)% U
This expense includes civic assets which are near to end of useful asset life, and the corresponding write-off figure from the asset register. Material values came from roads and footpaths.				

B4-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	11,747	4,434	(7,313)	(62)% U
Council's budget included grant income of \$11.7M. Actual income through the cashflow was only \$4.4M as much of the funding was from contract liabilities.				
Cash flows from investing activities	(16,362)	(4,309)	12,053	(74)% F
As per the above comment, funding from term deposit drawdowns were not budgeted to fund the capital works program.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	2,267	1,390
Cash equivalent assets		
– Short-term deposits	10,531	11,283
Total cash and cash equivalents	12,798	12,673

C1-2 Financial investments

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Financial assets at fair value through the profit and loss				
Managed funds	–	2,116	1,487	1,989
NCD's, FRN's (with maturities > 3 months)	–	507	–	–
Total	–	2,623	1,487	1,989
Debt securities at amortised cost				
Long term deposits	4,000	–	11,875	–
Equity securities at fair value through other comprehensive income				
CivicRisk	–	545	–	533
Total	–	545	–	533
Total cash assets, cash equivalents and investments	16,798	3,168	26,035	2,522

Material accounting policy information

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Fair value through other comprehensive income – equity instruments

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in the Other Comprehensive Income Statement.

Financial assets through profit or loss

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

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

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	19,966	28,557
Less: Externally restricted cash, cash equivalents and investments	<u>(5,413)</u>	<u>(8,928)</u>
Cash, cash equivalents and investments not subject to external restrictions	14,553	19,629

External restrictions

External restrictions – included in liabilities

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

External restrictions – other

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

Developer contributions – general	2,211	1,828
Other developer contributions	138	138
Specific purpose unexpended grants (recognised as revenue) – general fund	694	4,825
Domestic waste management	1,023	1,023
Other special levies	1,347	1,114
External restrictions – other	5,413	8,928
Total external restrictions	5,413	8,928

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

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	14,553	19,629
Less: Internally restricted cash, cash equivalents and investments	<u>(12,611)</u>	<u>(9,452)</u>
Unrestricted and unallocated cash, cash equivalents and investments	1,942	10,177

Internal allocations

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

Plant and vehicle replacement	426	426
Employees leave entitlement	801	777
Carry over works Boronia Park	–	2,699
Deposits, retentions and bonds	3,674	3,469
Construction of buildings	195	195
Office equipment	229	343
Road reconstruction	224	465
Elections	279	279
Insurance reserve	138	238
Property strategy	–	49
Sustainability Reserve	197	259
Other	–	163
Council work depot - LC	–	90
Asset Re-purposing	5,479	–
Traffic and transport	71	–
Boronia Park - disposal soil	87	–

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

\$ '000	2024	2023
Safety and welfare expenses - OH&S incentive	34	–
Community initiatives and minor capital works	20	–
Stormwater and marine maintenance reserve	15	–
Community Building Maintenance Reserve	11	–
Depot Operations Strategy	459	–
Gladesville Masterplan	260	–
Contributions for Hillman orchard restoration project	12	–
Total internal allocations	12,611	9,452

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
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	1,942	10,177

C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	910	–	685	2
Interest and extra charges	55	–	34	–
User charges and fees	1,096	–	709	–
Accrued revenues				
– Interest on investments	533	–	438	–
– Other income accruals	638	–	477	–
Other debtors	174	–	430	–
Payroll Debtor	71	–	78	–
Total	3,477	–	2,851	2
Total net receivables	3,477	–	2,851	2

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.

C1-5 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	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	2,073	–	2,073	–	7,307	–	–	–	–	–	9,380	–	9,380
Plant and equipment	1,266	(670)	596	203	–	(47)	(167)	–	–	–	1,301	(716)	585
Office equipment	2,149	(1,951)	198	204	–	–	(163)	–	–	–	2,353	(2,114)	239
Furniture and fittings	495	(319)	176	19	–	–	(27)	–	–	–	514	(346)	168
Land:													
– Operational land	40,611	–	40,611	–	–	–	–	–	–	–	40,611	–	40,611
– Community land	96,391	–	96,391	–	–	–	–	–	–	6,441	102,832	–	102,832
Infrastructure:													
– Buildings – non-specialised	11,300	(4,970)	6,330	92	–	(12)	–	(133)	–	1,719	14,761	(6,765)	7,996
– Buildings – specialised	21,026	(10,862)	10,164	88	25	(6)	(621)	133	(458)	–	17,979	(8,653)	9,326
– Other structures	20,914	(11,201)	9,713	155	3,111	–	(943)	–	–	19,627	54,217	(22,554)	31,663
– Roads	62,459	(16,581)	45,878	1,327	66	(278)	(1,190)	–	–	3,815	68,288	(18,672)	49,616
– Footpaths	15,029	(4,741)	10,288	260	–	(141)	(211)	–	–	665	16,028	(5,167)	10,861
– Kerb and guttering	20,412	(6,042)	14,370	189	–	(56)	(256)	–	–	1,350	22,442	(6,844)	15,598
– Other road assets (including bulk earthworks)	3,402	(895)	2,507	23	31	–	(106)	–	–	179	3,710	(1,075)	2,635
– Stormwater drainage	27,284	(10,117)	17,167	49	100	(35)	(183)	–	–	2,185	30,886	(11,603)	19,283
Total infrastructure, property, plant and equipment	324,811	(68,349)	256,462	2,609	10,640	(575)	(3,867)	–	(458)	35,981	385,302	(84,509)	300,793

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

C1-5 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	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	592	–	592	1,631	–	–	(150)	–	–	–	2,073	–	2,073
Plant and equipment	1,240	(663)	577	188	(23)	(146)	–	–	–	–	1,266	(670)	596
Office equipment	2,492	(2,034)	458	–	60	(320)	–	–	–	–	2,149	(1,951)	198
Furniture and fittings	495	(285)	210	–	–	(34)	–	–	–	–	495	(319)	176
Land:													
– Operational land	33,282	–	33,282	–	–	–	–	–	–	7,329	40,611	–	40,611
– Community land	83,369	–	83,369	–	–	–	–	–	–	13,022	96,391	–	96,391
Infrastructure:													
– Buildings – non-specialised	9,726	(4,368)	5,358	50	(7)	–	–	(737)	–	389	11,300	(4,970)	6,330
– Buildings – specialised	20,600	(9,975)	10,625	82	(13)	(614)	–	737	–	624	21,026	(10,862)	10,164
– Other structures	18,644	(9,180)	9,464	182	(13)	(1,015)	–	–	–	1,095	20,914	(11,201)	9,713
– Roads	71,024	(22,004)	49,020	1,038	(150)	(1,270)	140	–	(2,900)	–	62,459	(16,581)	45,878
– Footpaths	14,731	(4,717)	10,014	431	(77)	(206)	–	–	–	126	15,029	(4,741)	10,288
– Other road assets (including bulk earthworks)	2,316	(435)	1,881	1	–	(68)	10	–	–	683	3,402	(895)	2,507
– Stormwater drainage	25,871	(9,288)	16,583	105	(24)	(261)	–	–	–	764	27,284	(10,117)	17,167
– Kerb and guttering	19,186	(6,209)	12,977	247	(69)	(240)	–	–	–	1,455	20,412	(6,042)	14,370
Total infrastructure, property, plant and equipment	303,568	(69,158)	234,410	3,955	(316)	(4,174)	–	–	(2,900)	25,487	324,811	(68,349)	256,462

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

C1-5 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

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

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

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

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 20
Office furniture	10 to 20	Benches, seats etc.	5 to 10
Vehicles	5 to 8		
Other plant and equipment	5 to 15	Buildings	
		Buildings: masonry	50 to 100
		Buildings: other	50 to 100
Transportation assets		Stormwater assets	
Sealed roads: surface	10 to 25	Drains	60 to 150
Sealed roads: structure	60 to 100		
Kerb, gutter and footpaths	20 to 80		
Other Infrastructure	10 to 70		

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

Land under roads

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

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

C1-5 Infrastructure, property, plant and equipment (continued)

Crown reserves

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

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

C2 Liabilities of Council

C2-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Goods and services – operating expenditure	1,079	–	1,860	–
Accrued expenses:				
– Salaries and wages	55	–	196	–
– Other expenditure accruals	866	–	429	–
Security bonds, deposits and retentions	3,674	–	3,468	–
Government departments and agencies	54	–	10	–
Prepaid rates	182	–	181	–
Total payables	5,910	–	6,144	–

Material accounting policy information

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

C2-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	668	-	5,266	-
Total grants received in advance		668	-	5,266	-
User fees and charges received in advance:					
Other		231	-	1,020	-
Total user fees and charges received in advance		231	-	1,020	-
Total contract liabilities		899	-	6,286	-

Notes

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

Significant changes in contract liabilities

The decrease in a contract liability is primarily due to grants in the scope of AASB 15 and capital grants received by Council to acquire or construct assets which will be under Council's control.

Material accounting policy information

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

C2-3 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	389	–	366	–
Long service leave	648	14	636	14
Other leave	102	–	112	–
Total employee benefit provisions	1,139	14	1,114	14

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	583	574
	583	574

Material accounting policy information

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

C3 Reserves

C3-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

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

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

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

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

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	12,798	12,673	16,798	12,673
Receivables	3,477	2,853	3,477	4,516
Investments				
– Debt securities at amortised cost	4,000	11,875	–	–
Fair value through other comprehensive income				
Investments				
– Equity securities at fair value through other comprehensive income	545	533	533	533
Fair value through profit and loss				
Investments				
– Amortised cost	2,623	3,476	2,623	3,476
Total financial assets	23,443	31,410	23,431	21,198
Financial liabilities				
Payables	5,910	6,144	5,910	6,144
Total financial liabilities	5,910	6,144	5,910	6,144

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- Financial assets classified (i) **'at fair value through profit and loss'** or (ii) **'available-for-sale'** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.

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

- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature. Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	173	246
Impact of a 10% movement in price of investments		
– Equity / Income Statement	50	–

(b) Credit risk

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

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

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, whether through exposure to individual customers, specific industry sectors and/or regions.

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

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2024				
Gross carrying amount	–	887	23	910
2023				
Gross carrying amount	–	671	16	687

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

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	1,071	230	110	115	1,041	2,567
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	-	-	-	-	-	-
2023						
Gross carrying amount	(549)	1,692	206	69	748	2,166
Expected loss rate (%)	0.00%	0.00%	0.00%	10.00%	7.30%	2.84%
ECL provision	-	-	-	7	55	62

(c) Liquidity risk

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

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

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	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	3,674	2,236	-	-	5,910	5,910
Total financial liabilities		3,674	2,236	-	-	5,910	5,910
2023							
Payables	0.00%	3,468	2,721	-	-	6,189	6,144
Total financial liabilities		3,468	2,721	-	-	6,189	6,144

D2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

Level 3: Unobservable inputs for the asset or liability

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2024	2023
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Infrastructure, property, plant and equipment							
	C1-5						
Plant & Equipment		–	–	585	596	585	596
Office Equipment		–	–	239	198	239	198
Furniture & Fittings		–	–	168	176	168	176
Operational Land		40,611	40,611	–	–	40,611	40,611
Community Land		–	–	102,832	83,369	102,832	83,369
Building – Non Specialised		–	–	7,996	5,604	7,996	5,604
Building – Specialised		–	–	9,326	10,511	9,326	10,511
Other Structures		–	–	31,663	9,684	31,663	9,684
Roads		–	–	49,616	45,783	49,616	45,783
Footpaths		–	–	10,861	10,288	10,861	10,288
Kerb & Guttering		–	–	15,598	14,354	15,598	14,354
Other road assets		–	–	2,635	2,092	2,635	2,092
Stormwater Drainage		–	–	19,283	17,167	19,283	17,167
Total infrastructure, property, plant and equipment		40,611	40,611	250,802	199,822	291,413	240,433

Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

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)

This asset class comprises all of Council's land classified as Operational Land and Community Land under the NSW Local Government Act 1993. The key unobservable inputs to the valuation are the price per square metre and market price. The operational Land valuation was undertaken at 30 June 2023 and was performed by APV Valuers and Asset Management. The Community Land valuation was performed by Valuer General at 30 June 2024.

Where there is directly comparable market evidence, Level 2 valuation inputs were used to value land held in freehold title as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size.

D2-1 Fair value measurement (continued)

Land assets that have no comparable observable market evidence were subsequently valued at the Level 3 valuation input hierarchy using the professional judgement of a Registered Valuer adjusted for price per square metre of sales sites not in close proximity which provided only a low level of comparability.

Council's Plant, Office Equipment and Furniture & Fittings include:

- Plant: Truck, tractors, mowers
- Fleet: Cars, Utes
- Office Equipment: Computer hardware/software, document management
- Furniture & Fittings: Desks, chairs, window coverings

Plant, Office Equipment, Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. Level 3 unobservable inputs include consumption pattern, useful life, residual value and asset condition.

Buildings were valued by Brightly Australia at 30 June 2024. Residential properties were valued on Level 3 valuation inputs using comparable properties after adjusting for differences in attributes such as property size.

Specialised buildings were valued using the cost approach by estimating the replacement cost for each building by componentising the buildings and subsequent useful lives. Level 3 valuation inputs required Professional Judgement to estimate unobservable inputs such as residual value, useful life, consumption patterns, asset condition and remaining service potential.

The asset classes comprised of Road, Kerb and Channel, Structure, Car Park, Bridge, Footpath, Traffic Signs, Stormwater Drain, Stormwater Pit and Other structures were valued using Level 3 valuation inputs using the cost approach.

This approach estimates the replacement cost for each asset into component level with differing useful lives. While the unit rates based on square metres or similar capacity could be supported from market evidence (Level 2), other inputs such as estimated residual life, useful life, consumption patterns and asset condition required professional judgement and impacted significantly on the determination of fair value. These assets were valued using Level 3 valuation inputs.

Fair value measurements using significant unobservable inputs (level 3)

The valuation process for level 3 fair value measurements

The council engaged external, independent and qualified valuers to determine the fair value of the infrastructure assets on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

Changes in level 3 fair values are analysed at the end of each reporting period and discussed between the valuation team and Council.

Community Land was valued based on the Land Value provided by the Valuer-General. Where the Valuer-General did not provide Land Value an average unit rate based on the Land Value for similar community land was used.

As at 30 June 2023 a comprehensive valuation was undertaken for Operational Land was performed by Assetic.

As 30 June 2024 a Buildings revaluation was performed by Brightly Australia and Non-Specialised Buildings have been valued at market value from the sales evidence of similar or reference assets. Specialised Buildings have been valued using depreciated replacement cost. The method is based on determine the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors.

Valuation of Roads was undertaken at 30 June 2023 by Brightly Australia. This asset class comprises the Road Carriageway, Suburb Markers and Traffic facilities. The road carriageway is defined as the trafficable portion of a road, between but not including the Kerb and gutter. The Cost Approach using Level 3 inputs was used to value the road and other road infrastructure. Valuation for the road carriageway, comprising surface, pavement and formation were based on calculations undertaken by the external valuation process.

Footpaths and Kerb & Gutter were segmented to match the adjacent road segment where possible and no further componentisation was undertaken. Footpaths and Kerb & Gutter were originally mapped and the condition assessed based on a physical inspection. Condition information is updated as changes in the network are observed through regular inspections. Valuation of the Footpaths and Kerb & Gutter was undertaken at 30 June 2023.

Stormwater Drainage comprise pits, pipes, open channels, headwalls and various types of water quality devices. The Cost Approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes

D2-1 Fair value measurement (continued)

and prices per pit or similar could be supported through extensive professional judgement and market evidence. Valuation of the stormwater drainage was undertaken at 30 June 2023 by Assetic.

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.

\$ '000	Fair value 2024	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Community Land	102,832	Land values obtained from the NSW Valuer General	Land value and land area
Plant & Equipment	585	Cost approach	Gross Replacement Cost, remaining useful life
Office Equipment	239	Cost approach	Gross Replacement Cost, remaining useful life
Furniture & Fittings	168	Cost approach	Gross Replacement Cost, remaining useful life
Buildings	9,326	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, residual value
Other Structures	31,663	Cost approach	Current replacement cost of modern equivalent asset, asset condition, remaining lives, residual value
Roads	49,616	Cost approach	Asset condition, remaining lives using componentisation. Unit rates per m2 or length
Footpaths	10,861	Cost approach	Asset condition, remaining lives using componentisation. Unit rates per m2 or length
Kerb & Gutter	15,598	Cost approach	Asset condition, remaining lives using componentisation. Unit rates per m2 or length
Other Road Assets	2,635	Cost approach	Asset condition and remaining lives using componentisation
Stormwater Drainage	19,283	Cost approach	Asset condition, remaining lives Unit rates per m2 or length

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

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Community Land	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance 1 July	596	577	198	458	176	210	83,369	83,369
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	–	–	–	–	–	–	19,463	–
Other movements								
Purchases (GBV)	203	188	204	–	19	–	–	–
Disposals (WDV)	(47)	(23)	–	60	–	–	–	–
Depreciation and impairment	(167)	(146)	(163)	(320)	(27)	(34)	–	–
Closing balance 30 June	585	596	239	198	168	176	102,832	83,369

\$ '000	Building specialised		Other structures		Roads		Footpaths	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance 1 July	10,511	9,349	9,684	8,667	45,783	47,364	10,288	9,635

continued on next page ...

D2-1 Fair value measurement (continued)

\$ '000	Building specialised		Other structures		Roads		Footpaths	
	2024	2023	2024	2023	2024	2023	2024	2023
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	(671)	1,584	19,656	1,863	3,908	(1,339)	665	505
Other movements								
Purchases (GBV)	113	8	3,266	182	1,393	1,178	260	431
Disposals (WDV)	(6)	(13)	–	(13)	(278)	(150)	(141)	(77)
Depreciation and impairment	(621)	(417)	(943)	(1,015)	(1,190)	(1,270)	(211)	(206)
Closing balance 30 June	9,326	10,511	31,663	9,684	49,616	45,783	10,861	10,288

\$ '000	Kerb and guttering		Other road assets		Stomwater drainage		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance 1 July	14,354	12,624	2,902	1,805	17,167	15,227	195,028	189,285
Recognised in other comprehensive income – revaluation surplus	1,367	1,792	(215)	1,155	2,185	2,120	46,358	7,680
Purchases (GBV)	189	247	54	10	149	105	5,850	2,349
Disposals (WDV)	(56)	(69)	–	–	(35)	(24)	(563)	(309)
Depreciation and impairment	(256)	(240)	(106)	(68)	(183)	(261)	(3,867)	(3,977)
Closing balance 30 June	15,598	14,354	2,635	2,902	19,283	17,167	242,806	195,028

Highest and best use

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

D3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

Pooled Employers are required to pay 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 20 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.

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

D3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$22,382.67. The last valuation of the Scheme was performed by Richard Boyfield FIAA as at 30 June 2023, and covers the period ended 30 June 2024.

Council's expected contribution to the plan for the next annual reporting period is \$13,612.58.

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

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

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of 0.10% as at 30 June 2024.

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

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	3.5% for FY 23/24 and 2.5% per annum thereafter.

* Plus promotional increases

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

(ii) Mutual Management Services Ltd

Mutual Management Services Ltd (MMS) is a company limited by guarantee and was created to provide administration services to the three CivicRisk self-insurance pools CivicRisk West (previously West Pool), CivicRisk Metro (previously Metro Pool) and CivicRisk Mutual (previously United Independent Pools).

MMS operates as a mutual for the benefit of the members who are the sixteen Councils which make up our combined CivicRisk membership being Blacktown, Blue Mountains, Burwood, Bayside, Cumberland, Camden, Hawkesbury, Fairfield, Hunters Hill, Kiama, Lane Cove, Liverpool, Penrith, Parramatta, Shellharbour and Wollongong.

The CivicRisk Self-insurance pools have been operating since the late 1980's when Councils could not purchase insurance in the market and the Councils decided to work together to share the risks and self-fund their claims costs.

MMS was created to move the administration staff and responsibilities from West Pool (now CivicRisk West) to a separate entity that provides the services to all three pools. The creation of obligations rather than a change in the underlying operations.

(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.

D3-1 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.

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

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

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	1,606	1,432
Post-employment benefits	104	98
Other long-term benefits	293	287
Total	2,003	1,817

E1-2 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	47	44
Councillors' fees	153	142
Other Councillors' expenses (including Mayor)	9	6
Total	209	192

E2 Other relationships

E2-1 Audit fees

\$ '000	2024	2023
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	52	52
Remuneration for audit and other assurance services	52	52
Total Auditor-General remuneration	52	52
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Internal auditors	83	69
Remuneration for audit and other assurance services	83	69
Total remuneration of non NSW Auditor-General audit firms	83	69
Total audit fees	135	121

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2024	2023
Net operating result from Income Statement	6,435	1,369
Add / (less) non-cash items:		
Depreciation and amortisation	3,867	4,174
(Gain) / loss on disposal of assets	501	305
Losses/(gains) recognised on fair value re-measurements through the P&L: – Investments classified as 'at fair value' or 'held for trading'	(151)	(147)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(624)	(704)
Increase / (decrease) in provision for impairment of receivables	–	(85)
(Increase) / decrease of other current assets	2	2
(Increase) / decrease of contract asset	–	424
Increase / (decrease) in payables	(781)	478
Increase / (decrease) in other accrued expenses payable	296	299
Increase / (decrease) in other liabilities	251	333
Increase / (decrease) in contract liabilities	(5,387)	1,070
Increase / (decrease) in employee benefit provision	25	41
Net cash flows from operating activities	4,434	7,559

F2-1 Events occurring after the reporting date

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

F3 Statement of developer contributions

F3-1 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					
Other	1,828	648	–	–	107	(372)	–	2,211	–
S7.11 contributions – under a plan	1,828	648	–	–	107	(372)	–	2,211	–
Total S7.11 and S7.12 revenue under plans	1,828	648	–	–	107	(372)	–	2,211	–
Total contributions	1,828	648	–	–	107	(372)	–	2,211	–

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.

F3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
CONTRIBUTION PLAN NUMBER 27 NOVEMBER 2013									
Other	1,828	648	–	–	107	(372)	–	2,211	–
Total	1,828	648	–	–	107	(372)	–	2,211	–

F4 Statement of performance measures

F4-1 Statement of performance measures – consolidated results

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2024	2024	2023	2022	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(1,084)	(5.34)%	(4.81)%	(12.99)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	20,297				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	18,879	67.01%	83.58%	84.85%	> 60.00%
Total continuing operating revenue ¹	28,175				
3. Unrestricted current ratio					
Current assets less all external restrictions	18,070	4.51x	2.30x	2.24x	> 1.50x
Current liabilities less specific purpose liabilities	4,003				
4. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	965	6.21%	4.79%	5.92%	< 5.00%
Rates and annual charges collectable	15,549				
5. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	16,798	11.24 months	19.10 months	18.47 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	1,494				

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

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

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Council of the Municipality of Hunters Hill

To the Councillors of the Council of the Municipality of Hunters Hill

Opinion

I have audited the accompanying financial statements of the Council of the Municipality of Hunters Hill (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 Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. 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 B4-1 '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.



Susan Prichard
Director, Financial Audit

Delegate of the Auditor General for New South Wales

22 October 2024
SYDNEY



Cr Zac Miles
 Mayor
 Council of the Municipality of Hunter's Hill
 PO Box 21
 HUNTER'S HILL NSW 2110

Contact: Sue Prichard
 Phone no: 02 8280 5637
 Our ref: [R008-2124742775-7271](#)

22 October 2024

Dear Mayor

**Report on the Conduct of the Audit
 for the year ended 30 June 2024
 Council of the Municipality of Hunter's Hill**

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

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

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

INCOME STATEMENT

Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	14.8	14.2	↑ 4.1
Grants and contributions revenue	9.3	3.6	↑ 158
Operating result from continuing operations	6.4	1.4	↑ 370
Net operating result before capital grants and contributions	(1.4)	(1.1)	↓ 32

The Council's operating result from continuing operations (\$6.4 million including depreciation, amortisation and impairment expense of \$3.9 million) was \$5.0 million higher than the 2022–23 result. This was primarily due to increases in grants and contributions of \$5.7 million, offset by a \$0.8 million increase to materials and services expenditure.

The net operating result before capital grants and contributions (\$1.4 million) was \$0.3 million lower than the 2022–23 result.

Total income (\$28.3 million) was \$6.3 million higher than 2022–23, reflecting increases in:

- rates and annual charges of \$0.6 million
- grants and contributions of \$5.7 million
- interest and investment income of \$0.3 million.

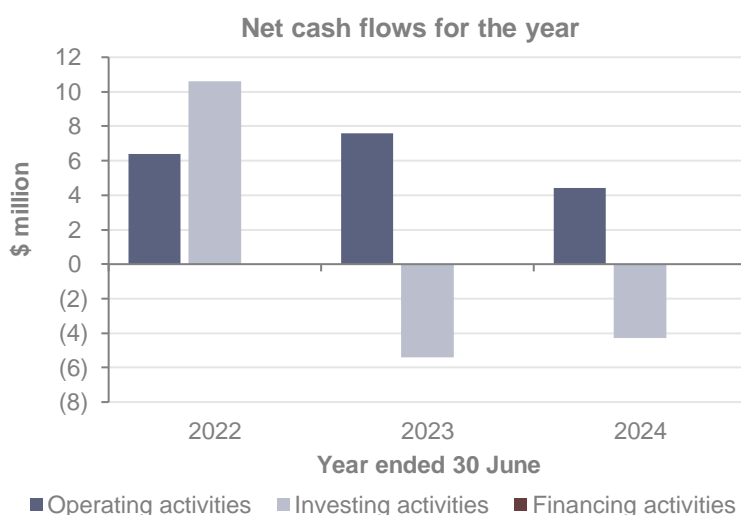
Total expenses (\$21.9 million) was \$1.2 million higher than 2022–23, reflecting increases in:

- materials and services of \$0.8 million
- employee benefits and on-costs of \$0.4 million.

STATEMENT OF CASH FLOWS

Cash inflows from operating activities increased due to increases in grants and contributions and rates and annual charges.

Cash outflows from investing activities increased due to higher payments for infrastructure, property, plant and equipment which was partially offset by redemption of term deposits.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	20.0	28.6	Externally restricted balances comprise mainly of unspent grant funding, developer contributions, domestic waste management and other special levies. Balances are internally allocated due to Council policy or decisions for forward plans including the asset re-purposing program and deposits, retentions and bonds. The increase is primarily attributable to the asset re-purposing program.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	5.4	8.9	
• Internal allocations	12.6	9.5	

PERFORMANCE

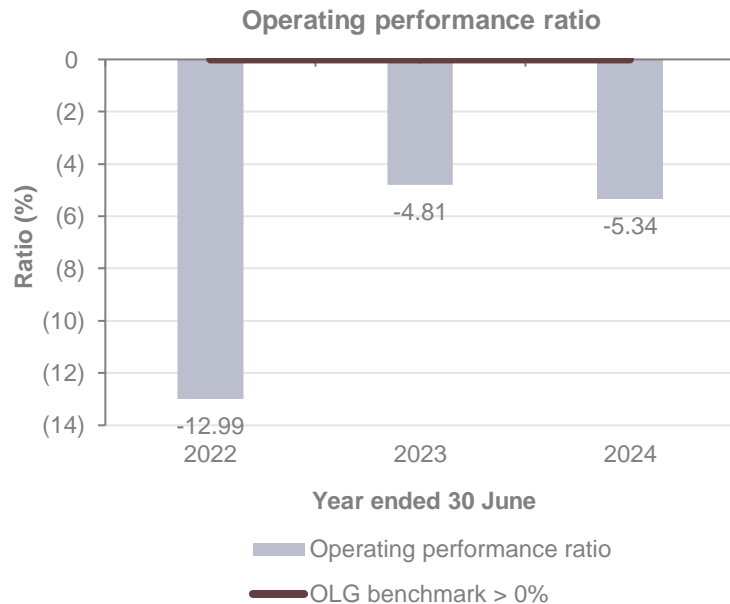
Performance measures

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.

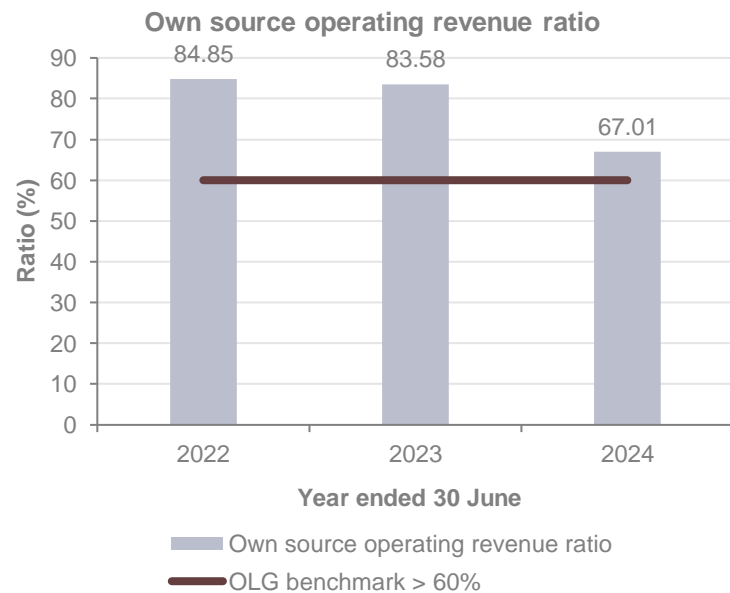
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

Council met the benchmark for the current reporting period.

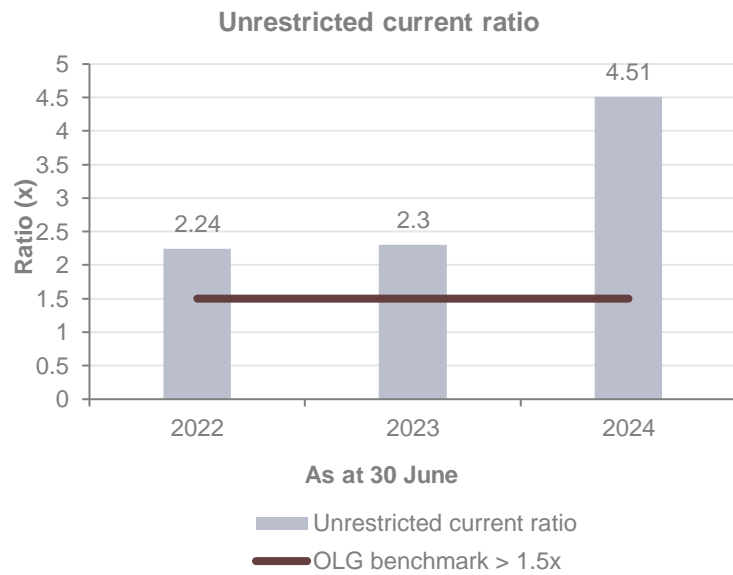
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

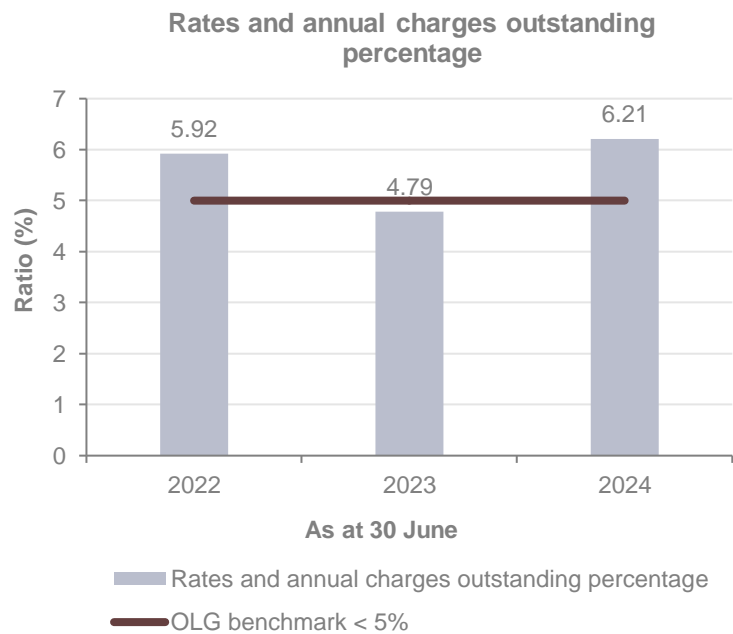
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Rates and annual charges outstanding percentage

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

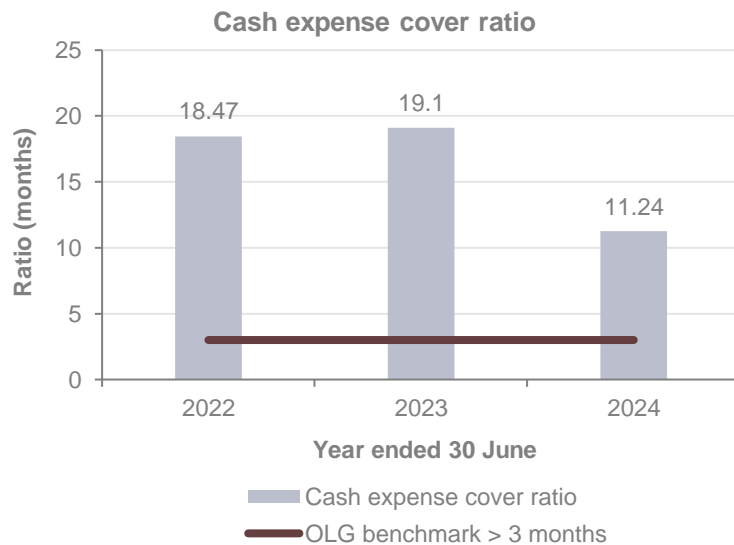
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.



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 \$2.6 million of infrastructure, property, plant and equipment during the 2023-24 financial year. The renewals primarily consisted of roads and footpath assets. A further \$10.6 million was spent on new assets including other structures (Fig Tree Park Public Space Park Equipment) and work in progress (Boronia Park Sports and Community Facility).

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.

Susan Prichard
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

The Council of the Municipality of Hunter's Hill

SPECIAL SCHEDULES
for the year ended 30 June 2024



The Council of the Municipality of Hunter's Hill

Special Schedules

for the year ended 30 June 2024

Contents	Page
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Permissible income for general rates	3
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The Council of the Municipality of Hunter's Hill

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	10,914	11,342
Plus or minus adjustments ²	b	(1)	2
Notional general income	c = a + b	10,913	11,344
Permissible income calculation			
Percentage increase	d	9.24%	5.00%
Less expiring special variation amount	e	(531)	-
Plus percentage increase amount ³	f = d x (c + e)	959	567
Sub-total	g = (c + e + f)	11,341	11,911
Plus (or minus) last year's carry forward total	h	49	44
Less valuation objections claimed in the previous year	i	(5)	-
Sub-total	j = (h + i)	44	44
Total permissible income	k = g + j	11,385	11,955
Less notional general income yield	l	11,342	11,951
Catch-up or (excess) result	m = k - l	44	4
Carry forward to next year ⁶	p = m + n + o	44	4

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

Council of the Municipality of Hunters Hill

To the Councillors of Council of the Municipality of Hunters Hill

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Council of the Municipality of Hunters Hill (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 Schedule 'Report on infrastructure assets as at 30 June 2024.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. 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.



Susan Prichard
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

22 October 2024
SYDNEY

The Council of the Municipality of Hunter's Hill

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	Council Offices/ Administration Centres	–	–	78	101	6,015	10,795	0.0%	64.0%	36.0%	0.0%	0.0%
	Council Works Depot	–	–	18	189	856	1,629	0.0%	46.0%	54.0%	0.0%	0.0%
	Council Public Halls	3,209	1,332	252	327	4,305	10,425	0.0%	25.0%	44.0%	31.0%	0.0%
	Other Buildings	84	–	37	12	6,146	9,891	15.0%	67.0%	17.0%	1.0%	0.0%
	Sub-total	3,293	1,332	385	629	17,322	32,740	4.5%	51.6%	33.7%	10.2%	0.0%
Other structures	Other structures	–	299	883	127	31,663	54,217	8.0%	23.0%	63.0%	5.0%	1.0%
	Sub-total	–	299	883	127	31,663	54,217	8.0%	23.0%	63.0%	5.0%	1.0%
Roads	Roads	2,407	3,247	470	1,652	41,315	59,612	9.0%	60.0%	25.0%	6.0%	0.0%
	Bridges	–	–	7	–	393	592	12.0%	30.0%	58.0%	0.0%	0.0%
	Footpaths	362	64	208	327	10,861	16,028	12.0%	28.0%	57.0%	3.0%	0.0%
	Other road assets	95	–	15	22	2,636	3,710	56.0%	29.0%	12.0%	3.0%	0.0%
	Bulk earthworks	–	–	–	–	6,653	6,653	100.0%	0.0%	0.0%	0.0%	0.0%
	Car Parks	–	–	–	121	1,254	1,431	79.0%	19.0%	2.0%	0.0%	0.0%
	Sub-total	2,864	3,311	700	2,122	63,112	88,026	19.6%	47.5%	28.2%	4.7%	0.0%
Stormwater drainage	Stormwater drainage	63	68	507	211	19,283	30,886	18.0%	1.0%	81.0%	0.0%	0.0%
	Sub-total	63	68	507	211	19,283	30,886	18.0%	1.0%	81.0%	0.0%	0.0%
Kerb and Gutter	Kerb and Gutter	771	138	391	27	15,598	22,442	4.0%	14.0%	78.0%	4.0%	0.0%
	Sub-total	771	138	391	27	15,598	22,442	4.0%	14.0%	78.0%	4.0%	0.0%
Total – all assets		6,991	5,148	2,866	3,116	146,978	228,311	12.9%	32.7%	49.3%	4.9%	0.2%

(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

The Council of the Municipality of Hunter's Hill

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

5 **Very poor** Urgent renewal/upgrading required

The Council of the Municipality of Hunter's Hill

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	2,023	62.17%	55.30%	47.61%	> 100.00%
Depreciation, amortisation and impairment	3,254				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	6,991	4.47%	11.90%	7.26%	< 2.00%
Net carrying amount of infrastructure assets	156,358				
Asset maintenance ratio					
Actual asset maintenance	3,116	108.72%	134.61%	153.74%	> 100.00%
Required asset maintenance	2,866				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	5,148	2.25%	2.07%	2.65%	
Gross replacement cost	228,311				

(*) 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.