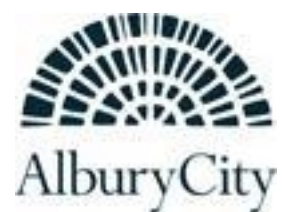


Albury City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



General Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
Statement by Councillors and Management	3
Primary Financial Statements:	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Contents for the notes to the Financial Statements	9
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	76
On the Financial Statements (Sect 417 [3])	77

Overview

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

553 Kiewa Street
Albury NSW 2640

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

Albury City Council

General Purpose Financial Statements

for the year ended 30 June 2024

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

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

- the *Local Government Act 1993* 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 Albury City Council's operating result and financial position for the year
- accord with Albury City 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 28 October 2024.



Kevin Mack

Mayor

29 October 2024



Jessica Kellahan

Deputy Mayor

29 October 2024



Frank Zaknich

Chief Executive Officer

29 October 2024



Justin Finlayson

Responsible Accounting Officer

29 October 2024

Albury City Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
Income from continuing operations				
80,012	Rates and annual charges	B2-1	80,379	76,670
45,575	User charges and fees	B2-2	51,802	46,437
5,947	Other revenues	B2-3	5,128	5,970
10,812	Grants and contributions provided for operating purposes	B2-4	11,120	14,805
14,841	Grants and contributions provided for capital purposes	B2-4	22,708	31,020
6,159	Interest and investment income	B2-5	10,594	6,303
2,165	Other income	B2-6	917	624
166,410	Total income from continuing operations		182,648	181,829
Expenses from continuing operations				
48,715	Employee benefits and on-costs	B3-1	56,139	53,837
58,710	Materials and services	B3-2	66,500	58,606
2,577	Borrowing costs	B3-3	3,225	3,244
45,616	Depreciation, amortisation and impairment of non-financial assets	B3-4	42,294	42,448
4,787	Other expenses	B3-5	2,711	1,816
—	Net loss from the disposal of assets	B4-1	567	1,557
160,405	Total expenses from continuing operations		171,436	161,508
6,005	Net operating result for the year attributable to Council		11,212	20,321
Net operating result for the year before grants and contributions provided for capital purposes				
(8,834)			(11,496)	(10,699)

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

Albury City Council

Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
Net operating result for the year (from Income Statement)		11,212	20,321
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<u>68,289</u>	<u>138,614</u>
Total items that will not be reclassified subsequently to the operating result		<u>68,289</u>	<u>138,614</u>
Amounts that will be reclassified subsequently to the operating result when specific conditions are met			
Water licence market adjustment		<u>375</u>	<u>(375)</u>
Total items that will be reclassified subsequently to the operating result when specific conditions are met		<u>375</u>	<u>(375)</u>
Total other comprehensive income for the year		<u>68,664</u>	<u>138,239</u>
Total comprehensive income for the year attributable to Council		<u>79,876</u>	<u>158,560</u>

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

Albury City Council

Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	27,540	12,875
Investments	C1-2	133,109	139,344
Receivables	C1-4	30,558	25,397
Inventories	C1-5	8,458	8,261
Other	C1-8	1,390	1,035
Total current assets		201,055	186,912
Non-current assets			
Investments	C1-2	55,254	69,509
Infrastructure, property, plant and equipment (IPPE)	C1-6	1,987,654	1,889,718
Intangible assets	C1-7	5,625	5,250
Right of use assets	C2-1	1,885	2,195
Total non-current assets		2,050,418	1,966,672
Total assets		2,251,473	2,153,584
LIABILITIES			
Current liabilities			
Payables	C3-1	18,906	19,388
Contract liabilities	C3-2	19,663	11,943
Lease liabilities	C2-1	316	353
Borrowings	C3-3	5,708	5,039
Employee benefit provisions	C3-4	9,293	9,848
Total current liabilities		53,886	46,571
Non-current liabilities			
Lease liabilities	C2-1	1,735	1,983
Borrowings	C3-3	58,280	54,047
Employee benefit provisions	C3-4	774	586
Provisions	C3-5	22,637	16,112
Total non-current liabilities		83,426	72,728
Total liabilities		137,312	119,299
Net assets		2,114,161	2,034,285
EQUITY			
Accumulated surplus	C4-1	937,198	925,986
IPPE revaluation reserve	C4-1	1,176,963	1,108,299
Total equity		2,114,161	2,034,285

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

Albury City Council

Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		925,986	1,108,299	2,034,285	905,665	970,060	1,875,725
Net operating result for the year		11,212	–	11,212	20,321	–	20,321
Net operating result for the year		11,212	–	11,212	20,321	–	20,321
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant & equipment	C1-6	–	68,289	68,289	–	138,614	138,614
Gain (loss) on revaluation of Water Licence		–	375	375	–	(375)	(375)
Total comprehensive income		11,212	68,664	79,876	20,321	138,239	158,560
Closing balance as at 30 June		937,198	1,176,963	2,114,161	925,986	1,108,299	2,034,285

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

Albury City Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
Cash flows from operating activities				
Receipts:				
80,022	Rates and annual charges		80,635	75,985
45,290	User charges and fees		49,840	46,778
6,133	Interest received		8,902	4,151
26,402	Grants and contributions		29,638	33,770
–	Bonds, deposits and retentions received		518	18
7,233	Other		14,355	6,553
Payments:				
(48,097)	Payments to employees		(56,506)	(53,560)
(58,327)	Payments for materials and services		(66,966)	(58,430)
(2,577)	Borrowing costs		(9,998)	(2,157)
(4,501)	Other		(652)	(1,461)
51,578	Net cash from operating activities	G1-1	49,766	51,647
Cash flows from investing activities				
Receipts:				
3,000	Sale of investments		20,490	–
1,644	Sale of real estate assets		–	1,385
–	Proceeds from sale of IPPE		431	247
Payments:				
–	Acquisition of term deposits		–	(13,276)
(62,858)	Payments for IPPE		(60,430)	(38,698)
–	Purchase of real estate inventory		(149)	–
(58,214)	Net cash from investing activities		(39,658)	(50,342)
Cash flows from financing activities				
Receipts:				
27,500	Proceeds from borrowings		10,000	–
Payments:				
(5,408)	Repayment of borrowings		(5,098)	(4,862)
(285)	Principal component of lease payments		(345)	(382)
21,807	Net cash flow from financing activities		4,557	(5,244)
15,171	Net change in cash and cash equivalents		14,665	(3,939)
14,600	Cash and cash equivalents at the beginning of reporting year		12,875	16,814
29,771	Cash and cash equivalents at the end of reporting year	C1-1	27,540	12,875
181,984	plus: Investments on hand at end of year	C1-2	188,363	208,853
211,755	Total cash, cash equivalents and investments		215,903	221,728

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

Albury City Council

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

A About Council and these financial statements	11
A1-1 Basis of preparation	11
B Financial Performance	13
B1 Functions or activities	13
B1-1 Functions or activities – income, expenses and assets	13
B1-2 Components of functions or activities	14
B2 Sources of income	15
B2-1 Rates and annual charges	15
B2-2 User charges and fees	16
B2-3 Other revenues	17
B2-4 Grants and contributions	18
B2-5 Interest and investment income	21
B2-6 Other income	21
B3 Costs of providing services	22
B3-1 Employee benefits and on-costs	22
B3-2 Materials and services	23
B3-3 Borrowing costs	23
B3-4 Depreciation, amortisation and impairment of non-financial assets	24
B3-5 Other expenses	25
B4 Gains or losses	25
B4-1 Gain or loss from disposal, replacement and de-recognition of assets	25
B5 Performance against budget	26
B5-1 Material budget variations	26
C Financial position	28
C1 Assets we manage	28
C1-1 Cash and cash equivalents	28
C1-2 Financial investments	28
C1-3 Restricted and allocated cash, cash equivalents and investments	29
C1-4 Receivables	30
C1-5 Inventories	31
C1-6 Infrastructure, property, plant and equipment	32
C1-7 Intangible assets	35
C1-8 Other	35
C2 Leasing activities	36
C2-1 Council as a lessee	36
C2-2 Council as a lessor	38
C3 Liabilities of Council	39
C3-1 Payables	39
C3-2 Contract Liabilities	39
C3-3 Borrowings	40
C3-4 Employee benefit provisions	42
C3-5 Provisions	42

Albury City Council

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

C4 Reserves	44
C4-1 Nature and purpose of reserves	44
D Council structure	45
D1 Results by fund	45
D1-1 Income Statement by fund	45
D1-2 Statement of Financial Position by fund	46
D2 Interests in other entities	47
D2-1 Interests in associates	47
E Risks and accounting uncertainties	48
E1-1 Risks relating to financial instruments held	48
E2-1 Fair value measurement	51
E3-1 Contingencies	60
F People and relationships	63
F1 Related party disclosures	63
F1-1 Key management personnel (KMP)	63
F1-2 Councillor and Mayoral fees and associated expenses	65
F1-3 Other related parties	66
F2 Other relationships	67
F2-1 Audit fees	67
G Other matters	68
G1-1 Statement of Cash Flows information	68
G2-1 Commitments	69
G3-1 Events occurring after the reporting date	69
G4 Statement of developer contributions	70
G4-1 Summary of developer contributions	70
G5 Statement of performance measures	71
G5-1 Statement of performance measures – consolidated results	71
G5-2 Statement of performance measures by fund	72
H Additional Council disclosures (unaudited)	74
H1-1 Statement of performance measures – consolidated results (graphs)	74

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Albury City Council ('the Council') on 29 October 2024.

Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

The 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 financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and real estate assets held for sale which are accounted for at fair value.

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 real estate assets held for sale – refer Note C1-5,
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6,
- (iii) estimated fair value of intangible assets (water licence) – refer Note C1-7,
- (iv) estimated landfill remediation provisions – refer Note C3-5,
- (v) employee benefit provisions – refer Note C3-4,

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993 (NSW)*, all money and other assets 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 financial statements.

A1-1 Basis of preparation (continued)

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

- General purpose operations
- Water supply
- Sewerage service

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 other assets received by the Council in trust which must be applied only for the purposes of, or in accordance with the trusts relating to those monies. Trust monies and other assets subject to Council's control have been included in these reports.

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

Volunteer services

Volunteer Services received are recognised as revenue when the fair value of the services can be reliably measured and the services would be purchased by Council had they not been donated. Council relies on local community members to assist with the hosting of community events throughout the year. This service is on a volunteer basis and as such the service income can't be reliably measured and not material to disclose in financial statement.

New accounting standards and interpretations issued but not yet effective

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

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

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

New accounting standards adopted during the year

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2024.

None of these standards had a significant impact on reported position or performance.

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.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Functions or activities										
A Growing Sustainable Economy	134,822	134,511	111,728	100,030	23,094	34,481	21,891	30,808	1,794,547	1,734,758
An Enhanced Natural Environment	28,229	25,316	22,726	24,169	5,503	1,147	2,334	1,951	43,266	32,429
A Caring Community	10,960	11,604	18,811	22,964	(7,851)	(11,360)	4,053	5,513	269,008	245,997
A Leading Community	8,637	10,635	18,171	14,583	(9,534)	(3,948)	5,550	7,553	144,652	140,400
Total functions and activities	182,648	182,066	171,436	161,746	11,212	20,320	33,828	45,825	2,251,473	2,153,584

B1-2 Components of functions or activities

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

A Growing Sustainable Economy

- Increase visitors to Albury and the surrounding region
- Improve visitor and residents' experiences
- Plan and cater for increased population growth
- Albury has a secure and well managed water supply
- Promote Albury for industry and business
- Integrated transport network for Albury
- Increase usage of bicycle and pedestrian networks
- Albury's infrastructure and assets are well managed and maintained

An Enhanced Natural Environment

- Albury has improved environmental outcomes
- Albury is prepared for changing environmental conditions
- An increased awareness in sustainability and environmental issues

A Caring Community

- Albury offers access to a diverse range of educational opportunities
- Albury's key community safety indicators continuously improve
- The health and wellbeing of the Albury community improves
- Albury offers a diverse and accessible range of facilities and activities for all ages
- Improved health, employment and education for the Aboriginal community in Albury
- The improved settlement of people from diverse cultures
- Increased participation in a diverse range of art and cultural activities in Albury

A Leading Community

- The community is consulted on all major changes that will affect them
- Regional issues are addressed through an integrated approach
- The Albury community provides resources and opportunities to develop future leaders
- Albury plans and leads with good governance

B2 Sources of income

B2-1 Rates and annual charges

	2024 \$ '000	2023 \$ '000
Ordinary rates		
Residential	36,522	34,380
Farmland	597	808
Business	12,506	11,901
Less: Pensioner rebates (statutory)	(714)	(725)
Less: Early payment discount (Council policy)	(296)	(175)
Rates levied to ratepayers	48,615	46,189
Pensioner rate subsidies received	499	479
Total ordinary rates	49,114	46,668
Special rates		
Parking	145	277
CBD Promotional levy	174	166
Rates levied to ratepayers	319	443
Total special rates	319	443
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	8,405	7,206
Water supply services	4,696	4,715
Sewerage services	18,594	18,307
Less: Pensioner rebates (statutory)	(795)	(771)
Less: Early payment discount (Council policy)	(50)	(26)
Less: Pensioner rebates domestic waste (Council policy)	(242)	(210)
Annual charges levied	30,608	29,221
Pensioner annual charges subsidies received:		
– Water	170	170
– Sewerage	168	168
Total annual charges	30,946	29,559
Total rates and annual charges	80,379	76,670

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 which is 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

	2024 \$ '000	2023 \$ '000
User charges		
Water supply services	14,799	12,060
Sewerage services	4,015	3,980
Waste management services (non-domestic)	15,820	15,149
Total user charges	34,634	31,189
Fees		
Planning and building regulation	2,196	2,724
Section 603 certificates	165	150
Airport	7,146	5,222
Cemeteries	1,118	1,117
Child care	3,257	2,938
Community centres	664	459
Sporting ground fees	145	218
Water sales and charges	322	479
Other	2,155	1,941
Total fees	17,168	15,248
Total user charges and fees	51,802	46,437
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	34,634	30,595
User charges and fees recognised at a point in time	17,168	15,842
Total user charges and fees	51,802	46,437

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

	2024 \$ '000	2023 \$ '000
Fines – parking	434	147
Real estate inventory sale	–	671
Albury Entertainment Centre	3,661	4,169
Workers compensation	130	143
Retro cafe	305	250
MAMA	167	134
Other	431	456
Total other revenue	5,128	5,970

Timing of revenue recognition for other revenue

Other revenue recognised over time	–	–
Other revenue recognised at a point in time	5,128	5,970
Total other revenue	5,128	5,970

Material accounting policy information for other revenue

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

B2-4 Grants and contributions

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	235	1,388	–	–
Financial assistance – local roads component	93	466	–	–
Payment in advance - future year allocation				
Financial assistance – general component	5,149	5,848	–	–
Financial assistance – local roads component	1,657	1,831	–	–
Amount recognised as income during current year	7,134	9,533	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Child care	128	83	–	(79)
Community centres	86	164	604	–
Environmental programs	35	–	–	–
Heritage and cultural	462	1,070	–	672
NEXUS Industrial Precinct	3	310	–	–
Recreation and culture	125	25	1,314	2,121
Airport Grants	128	706	–	–
Roads	1,997	1,307	1,844	3,181
Other specific grants	1,022	1,607	2,058	1,056
Total special purpose grants and non-developer contributions – cash	3,986	5,272	5,820	6,951
Non-cash contributions				
Bridges	–	–	1,272	–
Child care	–	–	848	–
Crown land	–	–	406	–
Donated artwork	–	–	188	213
Subdivision dedications (other than by s7.11) (General Fund)	–	–	7,502	13,175
Subdivision dedications (other than by s7.11) (Water Fund)	–	–	739	1,217
Subdivision dedications (other than by s7.11) (Sewer Fund)	–	–	1,184	2,092
Total other contributions – non-cash	–	–	12,139	16,697
Total special purpose grants and non-developer contributions (tied)	3,986	5,272	17,959	23,648
Total grants and non-developer contributions	11,120	14,805	17,959	23,648
Comprising:				
– Commonwealth funding	7,711	9,513	1,442	2,648
– State funding	2,690	3,362	4,395	4,838
– Other funding	719	1,930	12,122	16,162
	11,120	14,805	17,959	23,648

B2-4 Grants and contributions (continued)

	Notes	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services	G4	–	–	2,229	3,540
S 64 – water supply contributions		–	–	978	1,626
S 64 – sewerage service contributions		–	–	1,542	2,206
Total developer contributions – cash		–	–	4,749	7,372
Total developer contributions		–	–	4,749	7,372
Total grants and contributions		11,120	14,805	22,708	31,020
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		–	–	12,813	14,148
Grants and contributions recognised at a point in time		11,120	14,805	9,895	16,872
Total grants and contributions		11,120	14,805	22,708	31,020

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Unspent grants and contributions				
Unspent funds at 1 July	–	423	8,958	3,560
Add: grants recognised as income in the current period that were received for the provision of goods and services in a future period	–	–	9,327	8,958
Less: grants recognised in previous reporting periods that have been spent in the current reporting period	–	(423)	(1,799)	(3,560)
Unspent funds at 30 June	–	–	16,486	8,958
Contributions				
Unspent funds at 1 July	–	–	6,464	2,249
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	3,486	5,190
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(2,190)	(975)
Unspent contributions at 30 June	–	–	7,760	6,464

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. 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.

Where control is transferred over time, generally the input methods of 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 s 7.4, 7.11 and 7.12 of the Environmental Planning and Assessment Act 1979 (EP&A Act).

B2-4 Grants and contributions (continued)

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

	2024 \$ '000	2023 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges	303	188
– Cash and investments	10,291	6,115
Total interest and investment income	10,594	6,303

Material accounting policy information

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

B2-6 Other income

	Notes	2024 \$ '000	2023 \$ '000
Rental income			
Other lease income			
Commercial leases		360	150
Room/Facility Hire		103	76
Leaseback fees - council vehicles		403	398
Other		51	–
Total other lease income		917	624
Total rental income	C2-2	917	624
Total other income		917	624

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2024 \$ '000	2023 \$ '000
Salaries and wages	46,998	45,894
Employee leave entitlements	4,560	3,868
Superannuation	5,744	5,063
Workers' compensation insurance	929	787
Fringe benefit tax	200	274
Payroll tax	388	284
Less: capitalised costs	(2,680)	(2,333)
Total employee costs expensed	56,139	53,837

Material accounting policy information

Superannuation plans

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

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

B3-2 Materials and services

	Notes	2024 \$ '000	2023 \$ '000
Raw materials and consumables		18,604	17,616
Street Lighting LED upgrade		258	153
Contractor costs		31,980	27,004
Audit Fees	F2-1	187	214
Councillor and Mayoral fees and associated expenses	F1-2	382	375
Advertising		378	236
Election expenses		201	113
Electricity and Gas		5,236	4,302
Electricity – street lighting		614	718
Insurance		1,432	1,461
Conferences and seminars		94	68
Equipment purchases		322	164
Marketing		744	625
Rent and hire charges		571	495
Training Costs		680	664
Telephone and communications		624	581
Legal expense		262	176
Other expenses		3,931	3,641
Total materials and services		66,500	58,606

B3-3 Borrowing costs

Interest on leases		126	64
Interest on loans		2,484	2,720
Amortisation of rehabilitation provision discount	C3-5	615	460
Total borrowing costs expensed		3,225	3,244

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

	Notes	2024 \$ '000	2023 \$ '000
Depreciation and amortisation			
Plant and equipment		1,728	1,743
Office equipment		133	223
Furniture and fittings		43	43
Land improvements		2,248	2,156
Infrastructure:	C1-6		
– Buildings		11,011	8,584
– Other structures		669	633
– Roads, bridges and footpaths		10,296	13,466
– Stormwater drainage		2,873	2,696
– Water supply network		6,652	6,548
– Sewerage network		5,547	5,179
Right of use assets	C2-1	370	382
Other assets:			
– Library books		192	179
– Other		21	21
Landfill rehabilitation and cell assets		511	595
Total depreciation and amortisation costs		42,294	42,448
TOTAL DEPRECIATION AND AMORTISATION		42,294	42,448

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

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

B3-5 Other expenses

	Notes	2024 \$ '000	2023 \$ '000
Impairment of receivables			
Other		360	(151)
Total impairment of receivables	C1-4	360	(151)
Other			
Contributions/levies to other levels of government			
– NSW fire brigade levy		618	525
– NSW rural fire service levy		291	278
- SES levy		235	134
Donations, contributions and assistance to other organisations (Section 356)		1,207	1,030
Total other expenses		2,711	1,816

B4 Gains or losses

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

	Notes	2024 \$ '000	2023 \$ '000
Infrastructure, property, plant and equipment			
Proceeds from disposal – plant and equipment and Infrastructure	C1-6	431	247
Less: carrying amount of plant and equipment and Infrastructure assets sold/written off		(998)	(1,804)
Net gain (or loss) from disposal of assets		(567)	(1,557)

B5 Performance against budget

B5-1 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				
Rates and annual charges	80,012	80,379	367	0% F
User charges and fees	45,575	51,802	6,227	14% F
Additional user fees and charges compared to budget include Non-Domestic Waste Management Services \$2.6M, Water \$2.4M and the Albury Airport \$1.8M.				
Other revenues	5,947	5,128	(819)	(14)% U
This variance partly relates to Albury Entertainment Centre income of \$500,000. The balance of the budget variance mainly relates to income accounted for as user fees.				
Operating grants and contributions	10,812	11,120	308	3% F
Capital grants and contributions	14,841	22,708	7,867	53% F
This variance is mainly due to non-cash contributions being the recognition of assets from subdivisions of \$9.4M, which is partially offset by the timing of recognition of capital grants received.				
Interest and investment revenue	6,159	10,594	4,435	72% F
The increase in interest earned reflects the increase in market rates for new and renewed term deposits.				
Net gains from disposal of assets	899	–	(899)	(100)% U
This variance mainly relates to the timing of real estate inventory settlements.				
Other income	2,165	917	(1,248)	(58)% U
This variance relates to budgeted internal fleet charges that have been net off with internal fleet charge expenses within the financial statements.				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
---------	----------------	----------------	------------------------------	--

Expenses

Employee benefits and on-costs 48,715 56,139 (7,424) (15)% U

This overall variance mainly relates to the budgeted time spent by AlburyCity employees maintaining facilities, infrastructure and open spaces amounting to \$7 million, which are budgeted as part of maintenance program budgets. Actual employee costs also include \$1.3M for AlburyCity MAMA employees, which was budgeted for as financial assistance as part of the planned transition to MAMA Ltd.

Materials and services 58,710 66,500 (7,790) (13)% U

This variance includes the General Fund \$4 million budget savings target, which was largely achieved through increased income from the Albury Waste Management Centre, interest income and the Albury Airport. The variance also includes \$3 million of additional Waste Management operating expenditure funded by additional income.

Borrowing costs 2,577 3,225 (648) (25)% U

This variance relates to the unwinding of the landfill rehabilitation provision discount.

Depreciation, amortisation and impairment of non-financial assets 45,616 42,294 3,322 7% F

Other expenses 4,787 2,711 2,076 43% F

This variance is due to budgeted financial assistance to be provided to MAMA Ltd that did not occur during the financial year.

Net losses from disposal of assets – 567 (567) ∞ U

This reflects the non-cash book value of asset disposals resulting from the renewal of infrastructure.

Statement of cash flows

Cash flows from operating activities 51,578 49,766 (1,812) (4)% U

Cash flows from investing activities (58,214) (39,658) 18,556 (32)% F

This variance is due to the decrease in term deposits held of \$17 million compared to the original budget and also payments for infrastructure, property, plant and equipment being \$9 million less than the original budget.

Cash flows from financing activities 21,807 4,557 (17,250) (79)% U

This variance reflects the difference between the new loans of \$27.5 million included in the original budget, compared to the actual loans drawn down of \$10 million.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
Cash assets		
Cash at Bank and on hand	16	21
Deposits at call	27,524	12,854
Total cash and cash equivalents	27,540	12,875

C1-2 Financial investments

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Term deposits	133,109	55,254	139,344	69,509
Total financial investments	133,109	55,254	139,344	69,509
TOTAL CASH ASSETS AND INVESTMENTS	160,649	55,254	152,219	69,509

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

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

(a) Externally restricted cash, cash equivalents and investments

Total cash, cash equivalents and investments	215,903	221,728
Less: Externally restricted cash, cash equivalents and investments	(185,354)	(162,046)
Cash, cash equivalents and investments not subject to external restrictions	30,549	59,682

External restrictions

External restrictions – included in liabilities

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

Specific purpose unexpended grants – general fund	16,486	8,958
External restrictions – included in liabilities	16,486	8,958

Other external restrictions

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

Developer contributions – general	4,543	3,735
Water supply	66,155	62,764
Sewer fund	96,938	86,187
Domestic waste management	1,232	402
Total external restrictions	185,354	162,046

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.

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

(b) Internal allocations

Internal allocations

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

Employees leave entitlement	2,482	2,609
Project funding	–	9,476
Deposits, retentions and bonds	4,945	4,427
Financial assistance grant received in advance	6,806	7,679
Prepaid burial contributions	2,921	2,555
Elections	374	200
Landfill rehabilitation	6,321	5,639
Tabletop community centre	4	4
Environmental Lands	3,352	3,433
Total internal allocations	27,205	36,022

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

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

(c) Unrestricted and unallocated

Unrestricted and unallocated cash, cash equivalents and investments	3,344	23,660
--	--------------	--------

C1-4 Receivables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	10,873	—	11,081	—
User charges and fees	6,522	—	4,015	—
Interest on investments	4,586	—	2,894	—
Government grants and subsidies	711	—	1,132	—
Net GST receivable	901	—	777	—
Other income accruals	679	—	774	—
Other debtors	7,383	—	5,468	—
Total	31,655	—	26,141	—
Less: provision for impairment				
User charges and fees	(1,097)	—	(744)	—
Total provision for impairment – receivables	(1,097)	—	(744)	—
Total net receivables	30,558	—	25,397	—

Material accounting policy information

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

Impairment

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

At the end of the financial year, AlburyCity's impairment balance is calculated by assessing all receivable balances based on the duration the debtor has been outstanding, industry type and organisation.

C1-5 Inventories

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
(i) Inventories at cost				
Real estate for resale	7,533	–	7,384	–
Stores and materials	925	–	877	–
Total inventories	8,458	–	8,261	–

(ii) Other disclosures

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
(a) Details for real estate development				
Residential	626	–	626	–
Industrial/commercial	6,907	–	6,758	–
Total real estate for resale	7,533	–	7,384	–

Represented by:

Acquisition costs	2,829	–	2,829	–
Development costs	4,704	–	4,555	–
Total costs	7,533	–	7,384	–

Total real estate for resale	7,533	–	7,384	–
-------------------------------------	--------------	----------	--------------	----------

Movements:

Real estate assets at beginning of the year	7,384	–	8,086	–
– Transfer In/Out	149	–	36	–
– Sales	–	–	(738)	–
Total real estate for resale	7,533	–	7,384	–

(b) Current inventories not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

	2024 \$ '000	2023 \$ '000
Real estate for resale	5,377	6,584
	5,377	6,584

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs.

Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period						At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Transfers	Revaluation increments/(de crements to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	45,354	–	45,354	15,526	10,071	–	–	(24,303)	–	46,648	–	46,648
Plant and equipment	30,032	(13,860)	16,172	–	3,654	(197)	(1,728)	–	–	32,294	(14,393)	17,901
Office equipment	7,356	(7,047)	309	–	–	–	(133)	–	–	7,356	(7,180)	176
Furniture and fittings	4,330	(3,899)	431	–	–	–	(43)	–	–	4,330	(3,942)	388
Land:												
Land	205,633	–	205,633	–	8,923	–	–	1	17,877	232,434	–	232,434
Land improvements – non-depreciable	6,462	–	6,462	–	–	–	–	–	–	6,462	–	6,462
Land improvements – depreciable	75,919	(26,951)	48,968	–	12	–	(2,248)	326	3,198	81,000	(30,744)	50,256
Infrastructure:												
– Buildings	328,502	(196,124)	132,378	911	7,384	(127)	(11,011)	25,643	6,980	396,572	(234,414)	162,158
– Other structures	20,955	(9,554)	11,401	–	547	–	(669)	3,490	498	25,814	(10,547)	15,267
– Roads, bridges and footpaths	1,064,273	(399,295)	664,978	5,352	5,293	(535)	(10,296)	(11,816)	8,226	936,436	(275,234)	661,202
– Stormwater drainage	332,764	(90,918)	241,846	491	4,333	(48)	(2,873)	475	8,417	349,866	(97,225)	252,641
– Water supply network	551,155	(283,702)	267,453	1,052	1,346	(76)	(6,652)	689	12,668	576,879	(300,399)	276,480
– Sewerage network	437,413	(215,241)	222,172	206	1,255	(15)	(5,547)	5,495	10,425	460,362	(226,371)	233,991
Other assets:												
– Library books	4,132	(3,014)	1,118	–	–	–	(192)	–	–	4,132	(3,206)	926
– Other	14,460	(258)	14,202	–	303	–	(21)	–	–	14,764	(280)	14,484
Landfill rehabilitation and cell assets	16,852	(6,011)	10,841	–	5,910	–	(511)	–	–	22,761	(6,521)	16,240
Total infrastructure, property, plant and equipment	3,145,592	(1,255,874)	1,889,718	23,538	49,031	(998)	(41,924)	–	68,289	3,198,110	(1,210,456)	1,987,654

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period						At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Transfers	Revaluation increments/(decr ements to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	37,794	—	37,794	21,181	3,715	—	—	(17,336)	—	45,354	—	45,354
Plant and equipment	26,399	(13,135)	13,264	424	3,388	(1,063)	(1,743)	1,902	—	30,032	(13,860)	16,172
Office equipment	7,356	(6,933)	423	—	103	—	(223)	6	—	7,356	(7,047)	309
Furniture and fittings	4,330	(3,855)	475	—	—	—	(43)	—	—	4,330	(3,899)	431
Land:												
Land	158,025	—	158,025	—	563	—	—	—	47,046	205,633	—	205,633
Land improvements – non-depreciable	6,462	—	6,462	—	—	—	—	—	—	6,462	—	6,462
Land improvements – depreciable	67,320	(21,805)	45,515	409	899	—	(2,156)	968	3,332	75,919	(26,951)	48,968
Infrastructure:												
– Buildings	287,492	(160,818)	126,674	1,310	698	(190)	(8,584)	3,758	8,712	328,502	(196,124)	132,378
– Other structures	19,015	(7,929)	11,086	113	31	—	(633)	93	711	20,955	(9,554)	11,401
– Roads, bridges and footpaths	958,995	(335,541)	623,454	5,841	10,836	(595)	(13,466)	4,758	34,148	1,064,273	(399,295)	664,978
– Stormwater drainage	304,941	(76,902)	228,039	1,286	2,773	—	(2,696)	1,248	11,196	332,764	(90,918)	241,846
– Water supply network	499,929	(247,549)	252,380	1,646	1,475	(948)	(6,548)	1,074	18,374	551,155	(283,702)	267,453
– Sewerage network	397,391	(188,646)	208,745	197	434	(114)	(5,179)	2,994	15,095	437,413	(215,241)	222,172
Other assets:												
– Library books	3,905	(2,836)	1,069	—	227	—	(179)	—	—	4,132	(3,014)	1,118
– Other	13,694	(214)	13,480	—	264	—	(21)	479	—	14,460	(258)	14,202
Landfill rehabilitation and cell assets	18,815	(5,438)	13,377	—	(1,997)	—	(595)	56	—	16,852	(6,011)	10,841
Total infrastructure, property, plant and equipment	2,811,863	(1,071,601)	1,740,262	32,407	23,409	(2,910)	(42,066)	—	138,614	3,145,592	(1,255,874)	1,889,718

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

Material accounting policy information

Useful lives of IPPE

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

Plant & equipment	Years		Buildings	Years
Plant & equipment	3 to 25		Buildings	20 to 80
Office equipment	4 to 10			
Furniture & fittings	10			
Water and sewer assets			Stormwater drainage	
Water supply network	20 to 120		Stormwater drainage	100 to 120
Sewerage network	20 to 100			
Transportation assets			Other infrastructure assets	
Roads, bridges & footpaths	15 to 240		Land improvements	30 to 60
			Library books	10
			Other assets	5 to 20
			Other structures	10 to 40

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 3 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

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

Land under roads

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

Crown reserves

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Where the Crown reserves are under a lease arrangement, they are accounted for under AASB 16 Leases.

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

C1-7 Intangible assets

Intangible assets are as follows:

	2024 \$ '000	2023 \$ '000
Water Licences		
Opening gross book value at 1 July	5,250	5,625
Movements for the year		
– Market adjustment	375	(375)
Closing values at 30 June		
Gross book value	5,625	5,250
Total intangible assets – net book value	5,625	5,250

Material accounting policy information

No amortisation costs are applicable, as this asset has an indefinite life.

C1-8 Other

Other assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Prepayments	1,385	–	1,032	–
Other	5	–	3	–
Total other assets	1,390	–	1,035	–

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including land, buildings, office and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Buildings

Council leases land and buildings which are used for various of Council functions; the leases are generally between 5 and 25 years and some of them include a renewal option to allow Council to renew for up to twice the noncancellable lease term at their discretion.

The building leases contain an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Plant & Equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 2 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations and reduce costs of moving premises; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

All potential future lease payments are included in lease liabilities as Council has assessed that the exercise of the options are reasonably certain.

(a) Right of use assets

	Plant & Equipment \$ '000	Land & Buildings \$ '000	Total \$ '000
2024			
Opening balance at 1 July	393	1,802	2,195
Additions	44	–	44
Adjustments	3	10	13
Depreciation charge	(108)	(259)	(367)
Balance at 30 June	333	1,552	1,885
2023			
Opening balance at 1 July	67	2,640	2,707
Additions	393	39	432
Adjustments	12	(563)	(551)
Depreciation charge	(79)	(314)	(393)
Balance at 30 June	393	1,802	2,195

(b) Lease liabilities

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Lease liabilities	316	1,735	353	1,983
Total lease liabilities	316	1,735	353	1,983

C2-1 Council as a lessee (continued)

(c) The maturity analysis

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

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per Statement of Financial Position \$ '000
2024					
Cash flows	387	1,102	1,770	3,259	2,051
2023					
Cash flows	447	1,384	1,830	3,661	2,336

(d) Income Statement

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

	2024 \$ '000	2023 \$ '000
Interest on lease liabilities	126	46
Income from sub-leasing right of use assets	(61)	(61)
Depreciation of right of use assets	370	394
Expenses relating to leases of low-value leases	355	329
	790	709

(e) Statement of Cash Flows

Total cash outflow for leases	762	713
	762	713

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

Council has a number of leases at significantly below market value for land and buildings which are used for:

- tourism
- education
- child care centres
- public amenities

The leases are generally between 10 and 99 years and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

Material accounting policy information

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

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

C2-1 Council as a lessee (continued)

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E in the Statement of Financial Position.

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

	2024 \$ '000	2023 \$ '000
Lease income (excluding variable lease payments not dependent on an index or rate)	917	624
Total income relating to operating leases for Council assets	917	624

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

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

< 1 year	916	977
1–2 years	775	768
2–3 years	652	636
3–4 years	558	573
4–5 years	473	520
> 5 years	2,644	2,999
Total undiscounted lease payments to be received	6,018	6,473

C3 Liabilities of Council

C3-1 Payables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Payables				
Goods and services	5,149	—	5,567	—
Accrued expenses	6,544	—	7,174	—
Bonds, deposits and retentions	4,945	—	4,427	—
Prepaid rates	2,268	—	2,220	—
Total payables	18,906	—	19,388	—
Total payables	18,906	—	19,388	—

Payables

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

C3-2 Contract Liabilities

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Grants and contributions received in advance:				
Unexpended grants (received prior to performance obligation being satisfied)	16,486	—	8,958	—
Total grants received in advance	16,486	—	8,958	—
Prepaid Burials	2,921	—	2,555	—
Other advance payments	256	—	430	—
Total user fees and charges received in advance	3,177	—	2,985	—
Total contract liabilities	19,663	—	11,943	—

Notes

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

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

	2024 \$ '000	2023 \$ '000
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	8,958	3,560
Total revenue recognised that was included in the contract liability balance at the beginning of the period	8,958	3,560

Significant changes in contract liabilities

The contract liabilities have arisen on adoption of AASB 15 and AASB 1058. 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.

C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – secured	5,708	58,280	5,039	54,047
Total borrowings	5,708	58,280	5,039	54,047

(a) Changes in liabilities arising from financing activities

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	59,086	4,902	–	–	–	–	63,988
Lease liability (Note C2-1b)	2,336	(285)	–	–	–	–	2,051
Total liabilities from financing activities	61,422	4,617	–	–	–	–	66,039

	2022		Non-cash movements				2023
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	63,948	(4,862)	–	–	–	–	59,086
Lease liability (Note C2-1b)	2,848	(932)	420	–	–	–	2,336
Total liabilities from financing activities	66,796	(5,794)	420	–	–	–	61,422

C3-3 Borrowings (continued)

(b) Financing arrangements

	2024 \$ '000	2023 \$ '000
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities	1,000	1,000
Corporate credit cards	250	250
Total financing arrangements	1,250	1,250
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Corporate credit cards	62	158
Total drawn financing arrangements	62	158
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	1,000	1,000
– Credit cards/purchase cards	188	92
Total undrawn financing arrangements	1,188	1,092

Additional financing arrangements information

Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

Security over loans

Loans are secured over the general income of Council. Lease liabilities are secured by the underlying leased assets.

Bank overdrafts

The bank overdraft of Council is secured over the general income of Council.

C3-4 Employee benefit provisions

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Annual leave	4,418	–	4,266	–
Long service leave	4,875	774	5,582	586
Total employee benefit provisions	9,293	774	9,848	586

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

	2024 \$ '000	2023 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	4,691	5,081
	4,691	5,081

Material accounting policy information

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 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.

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.

C3-5 Provisions

	2024 Current \$ '000	2024 Non-Current \$ '000	2023 Current \$ '000	2023 Non-Current \$ '000
Other				
Landfill Rehabilitation	–	22,637	–	16,112
Total provisions	–	22,637	–	16,112

C3-5 Provisions (continued)

Movements in provisions

	Other provisions	
	Restated landfill rehabilitation \$ '000	Total \$ '000
2024		
At beginning of year	16,112	16,112
Changes to provision:		
– Revised discount rate	(7,388)	(7,388)
– Revised costs	11,055	11,055
– Revised life	282	282
– Revised inflation rate	2,129	2,129
Unwinding of discount	615	615
Other	(168)	(168)
Total other provisions at end of year	22,637	22,637
2023		
At beginning of year	17,774	17,774
Changes to provision:		
– Revised discount rate	(11,086)	(11,086)
– Revised costs	3,686	3,686
– Revised life	(7)	(7)
– Revised inflation rate	5,285	5,285
Unwinding of discount	460	460
Total other provisions at end of year	16,112	16,112

Material accounting policy information

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

Provision for landfill rehabilitation

Estimated landfill rehabilitation costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of estimated future costs.

Provisions for landfill rehabilitation costs do not include any additional obligations that are expected to arise from future disturbance. At each reporting date rehabilitation costs are reassessed to reflect changes in cost estimates, revisions to the estimated lives of operations and discount rates.

Although the actual cost to be incurred is uncertain, Council estimates the respective costs based on current rehabilitation standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the Income Statement in each accounting period. This amortisation of the discount is disclosed as a borrowing cost in Note B3-3. The discount rate used is the risk free borrowing rate applicable to Council.

Other movements in the provision for landfill rehabilitation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised and disclosed in C3-5. These costs are then depreciated over the lives of the assets to which they relate.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments and decrements of infrastructure, property, plant and equipment values due to their revaluation.

Other reserves

The intangible assets revaluation reserve is used to record increments and decrements in the value of licences due to their revaluation.

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
Income from continuing operations			
Rates and annual charges	57,363	4,558	18,458
User charges and fees	31,801	15,175	4,826
Interest and investment revenue	2,998	3,150	4,446
Other revenues	5,006	29	93
Grants and contributions provided for operating purposes	11,120	–	–
Grants and contributions provided for capital purposes	18,265	1,717	2,726
Other income	917	–	–
Total income from continuing operations	127,470	24,629	30,549
Expenses from continuing operations			
Employee benefits and on-costs	49,167	2,811	4,161
Materials and services	44,651	10,502	11,347
Borrowing costs	2,964	–	261
Depreciation, amortisation and impairment of non-financial assets	29,093	7,259	5,942
Other expenses	2,711	–	–
Net losses from the disposal of assets	475	77	15
Total expenses from continuing operations	129,061	20,649	21,726
Net operating result for the year	(1,591)	3,980	8,823
Net operating result for the year before grants and contributions provided for capital purposes	(19,856)	2,263	6,097

D1-2 Statement of Financial Position by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	27,540	–	–
Investments	25,270	43,155	64,684
Receivables	13,224	6,815	10,519
Inventories	8,111	328	19
Other	1,371	19	–
Total current assets	75,516	50,317	75,222
Non-current assets			
Investments	–	23,000	32,254
Infrastructure, property, plant and equipment	1,451,299	289,473	246,882
Intangible assets	525	5,100	–
Right of use assets	1,885	–	–
Total non-current assets	1,453,709	317,573	279,136
Total assets	1,529,225	367,890	354,358
LIABILITIES			
Current liabilities			
Payables	18,082	435	389
Contract liabilities	19,663	–	–
Lease liabilities	316	–	–
Borrowings	5,141	–	567
Employee benefit provision	8,358	449	486
Total current liabilities	51,560	884	1,442
Non-current liabilities			
Lease liabilities	1,735	–	–
Borrowings	56,090	–	2,190
Employee benefit provision	671	60	43
Provisions	22,637	–	–
Total non-current liabilities	81,133	60	2,233
Total liabilities	132,693	944	3,675
Net assets	1,396,532	366,946	350,683
EQUITY			
Accumulated surplus	500,352	208,321	228,525
Revaluation reserves	896,180	158,625	122,158
Total equity	1,396,532	366,946	350,683

D2 Interests in other entities

D2-1 Interests in associates

Summarised financial information for individually immaterial associates

Council has an interest in the Wonga Wetlands Conservation Association, which is not considered individually material.

The table below summarises the financial information of this immaterial joint venture.

	2024 \$ '000	2023 \$ '000
Carrying amount	(2)	(2)
Council's share in profit/(loss) from continuing operations	(2)	(2)

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including market risk, credit risk and liquidity 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 in accordance with policies approved by the Council.

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

Council's principal objective is to preserve capital, while maintaining an adequate level of liquidity, whilst seeking to optimise its return on cash and investments.

Council has an investment policy which complies with s.625 of the *Local Government Act 1993* and Ministerial Investment Order. This policy is regularly reviewed by Council and a monthly Investment Balances Report is provided to Council setting out the make-up and performance of the portfolio.

Council's investments are mainly represented by fixed interest term deposits.

The risks associated with the financial instruments held are:

- Market risk - interest rate risk – the risk that movements in interest rates could affect returns and income.
- 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.
- Liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.

(a) Market risk – interest rate and price risk

	2024 \$ '000	2023 \$ '000
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	1,884	2,088

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

(b) Credit risk

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

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

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

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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

Receivables – rates and annual charges

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

	Not yet due \$ '000	Overdue < 5 years \$ '000	overdue rates and annual charges - ≥ 5 years \$ '000	Total \$ '000
2024				
Receivables – rates and annual charges	–	10,264	598	10,862
2023				
Receivables – rates and annual charges	–	10,588	493	11,081

Receivables - non-rates and annual charges and contract assets

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

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

	Not yet overdue \$ '000	0 - 30 days \$ '000	Overdue debts 31 - 60 days \$ '000	61 - 90 days \$ '000	> 90 days overdue \$ '000	Total \$ '000
2024						
Gross carrying amount	13,964	2,561	2,752	261	1,244	20,782
Expected loss rate (%)	0.50%	0.62%	1.25%	1.82%	78.16%	5.28%
ECL provision	70	16	34	5	972	1,097
2023						
Gross carrying amount	9,270	3,458	557	268	1,507	15,060
Expected loss rate (%)	0.50%	0.62%	1.25%	1.82%	44.09%	4.94%
ECL provision	46	21	7	5	664	743

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

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2024							
Payables	0.00%	–	19,497	–	–	19,497	18,906
Borrowings	4.06%	–	8,525	29,895	47,271	85,691	63,988
Total financial liabilities		–	28,022	29,895	47,271	105,188	82,894
2023							
Payables	0.00%	–	20,967	–	–	20,967	19,388
Borrowings	4.45%	–	7,599	28,277	47,929	83,805	59,086
Total financial liabilities		–	28,566	28,277	47,929	104,772	78,474

E2-1 Fair value measurement

The Council measures the following assets and liabilities at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Intangible assets

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

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

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

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

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

E2-1 Fair value measurement (continued)

		Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements											
Infrastructure, property, plant and equipment	C1-6										
– Plant and equipment		Various	Various	–	–	–	–	17,901	16,172	17,901	16,172
– Office equipment, furniture & fittings		Various	Various	–	–	–	–	564	1,541	564	1,541
– Land		30/06/20	30/06/20	–	–	–	–	232,434	205,634	232,434	205,634
– Land improvements – non depreciable		Various	Various	–	–	–	–	6,462	6,462	6,462	6,462
– Land improvements – depreciable		Various	Various	–	–	–	–	50,256	48,968	50,256	48,968
– Buildings		30/06/20	30/06/20	–	–	–	–	162,158	132,378	162,158	132,378
– Other structures		30/06/20	30/06/20	–	–	–	–	15,267	11,401	15,267	11,401
– Roads, bridges and footpaths		30/06/24	30/06/20	–	–	–	–	661,202	664,978	661,202	664,978
– Stormwater drainage		30/06/20	30/06/20	–	–	–	–	252,641	241,846	252,641	241,846
– Water supply networks		30/06/24	30/06/20	–	–	–	–	276,480	267,453	276,480	267,453
– Sewerage network		30/06/24	30/06/20	–	–	–	–	233,991	222,172	233,991	222,172
– Landfill rehabilitation and cell assets				–	–	–	–	16,240	11,301	16,240	11,301
– Library books		Various	Various	–	–	–	–	926	1,118	926	1,118
– Other		Various	Various	–	–	–	–	14,484	14,202	14,484	14,202
Total infrastructure, property, plant and equipment				–	–	–	–	1,941,006	1,845,626	1,941,006	1,845,626
Non-recurring fair value measurements											
Intangible Assets											
Water Licence		30/06/2024	30/06/23	5,625	5,250	–	–	–	–	5,625	5,250
Total Intangible Assets				5,625	5,250	–	–	–	–	5,625	5,250

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at depreciated historical cost.

The carrying amount of these assets approximates fair value due to the nature of the items. Council values Plant & Equipment, Office Equipment and Furniture & Fittings using unobservable Level 3 inputs including gross historical cost, estimated useful life of the asset and residual value.

Examples of assets within these classes are as follows:

- Plant & Equipment
- Office Equipment
- Furniture & Fittings

Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993.

During 2023/24 Land - Operational assets have been indexed utilising the average value derived from Herron Todd White's report.

Where direct comparable sales evidence is used to value a parcel of land it is classed as a Level 2 input.

Where direct sales are adjusted to reflect differences between the market evidence and the asset being valued, the adjustment constitutes a Level 3 input. Typically this might be where the Valuer is reflecting zoning differences, lot size and land use.

The majority of land assets are assessed on the basis of Level 3 inputs due to the adjustment of market evidence by the Valuer to reflect fair value.

Under the NSW Local Government Act 1993 land classified as Community Land cannot be sold or used for a purpose other than that described by the plan of land management that it is held under.

During 2023/24 Community Land assets have been indexed utilising the average value derived from Herron Todd White's report.

The valuation of Community Land has been assessed by using Level 3 inputs due to the landholdings being held for civic and public uses which are property types that are rarely traded on the open market.

As direct sales have been adjusted to reflect differences between the market evidence and the asset being valued, the adjustment constitutes a Level 3 input. Typically this might be where the Valuer is reflecting zoning differences, lot size and land use.

During 2023/24 Land under roads assets have been indexed utilising the discounted average value derived from Herron Todd White's report.

Land under roads has been valued using Level 3 inputs including the unit rate per square metre.

Land Improvements - Non Depreciable

This asset class comprises land improvements such as bulk earthworks, which are often in parks forming natural amphitheatres and have an undeterminable life.

Land Improvements are valued using historical cost. Land Improvements - Non Depreciable have been valued using unobservable Level 3 inputs including gross historical cost. During 2023/24 Land Improvements – Non Depreciable assets have been indexed utilising the Australian Bureau of Statistics Price Indexes.

Land Improvements - Depreciable

This asset class comprises land improvements such as landscaping, dams and other costs associated with land that will need to be removed or replaced in future periods.

E2-1 Fair value measurement (continued)

Land Improvements are valued using depreciated historical cost. Council values Land Improvements – Depreciable using unobservable Level 3 inputs including gross historical cost and estimated useful life of the asset. During 2023/24 Land Improvements – Depreciable assets have been indexed utilising the Australian Bureau of Statistics Price Indexes.

Buildings

Buildings were valued at 30 June 2020 by AssetVal Pty Ltd by having regard to the existence of a market, the level of specialisation of the asset and the availability of sales evidence. During 2023/24 Buildings have been indexed utilising Australian Bureau of Statistics Price Indexes.

Where direct comparable sales evidence is available the building is valued using observable Level 2 inputs.

Where buildings are of a type or use that is not normally traded, the Depreciated Replacement Cost valuation method is applied using unobservable Level 3 inputs such as gross replacement cost, asset condition, estimated useful life of the asset and residual value.

Council values the majority of its Buildings by using unobservable Level 3 inputs.

Other Structures

Other Structures include playground equipment, shade structures and bus shelters. This asset class comprises all other structures not included in the category of Buildings that are controlled by the Council.

Other Structures were valued at 30 June 2020 by AssetVal Pty Ltd by having regard to the existence of a market, the level of specialisation of the asset and the availability of sales evidence. During 2023/24 Other Structures have been indexed utilising Australian Bureau of Statistics Price Indexes.

Unobservable Level 3 inputs included gross replacement cost, asset condition and estimated useful life of the asset.

Roads

This asset class comprises road asset components of pavement, seal, footpath and kerb and gutter.

This class of assets is valued by Council using the Depreciated Replacement Cost method.

A full revaluation of Road Assets was undertaken in 2023/24

Council values Roads using Level 3 inputs including gross replacement cost, asset condition and estimated useful life.

Drainage Infrastructure

This asset class comprises structures, pipes, flood pumps, levees and open channels.

During 2023/24 Drainage Infrastructure assets have been indexed utilising the Australian Bureau of Statistics Price Indexes.

Asset dimensions have been derived from a combination of field survey and works as executed plan sets.

Council values Drainage Infrastructure using Level 3 inputs including gross replacement cost, asset condition and estimated useful life of the asset.

Sewerage Infrastructure

This asset class comprises structures, pipes, pump stations and treatment works.

The Water Treatment Plants were valued by Marsh Valuations, which indicate that there was no material variance to the carrying value of council. On that basis all assets were revalued by Council in 2023/2024 using the Department of Primary Industries - Office of Water NSW reference rates manual.

Council values Sewerage Infrastructure using Level 3 inputs including gross replacement cost, asset condition and estimated useful life of the asset.

Water Infrastructure

This asset class comprises meters, pipe network, supply reservoirs, pump stations and filtration plant.

This class of assets was valued by Council in 2023/2024 using the Department of Primary Industries - Office of Water NSW reference rates manual.

Council values Water Infrastructure using Level 3 inputs including gross replacement cost, asset condition and estimated useful life of the asset.

Landfill Rehabilitation & Cell Construction

E2-1 Fair value measurement (continued)

The landfill remediation asset is accounted for using the cost model. The cost of this asset represents the initial estimate to rehabilitate the Albury landfill cells, adjusted to reflect changes to the landfill rehabilitation provision. The carrying amount of these assets approximates fair value due to the nature of the items.

Library Books

Library Books are valued using Depreciated Historical Cost. The carrying amount of these assets approximates fair value due to the nature of the items.

Council values Library Books using Level 3 inputs including gross historical cost and estimated useful life of the asset.

Other

Other assets include specialised sporting and leisure/cultural equipment and community initiatives. The carrying value of these assets is at Depreciated Replacement Cost which approximates fair value.

Council values Other Assets using Level 3 inputs including gross replacement cost, asset condition and estimated useful life of the asset.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

	Plant and equipment		Office equipment, furniture and fittings		Land – operational		Land – community	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	16,172	13,264	741	898	74,500	55,565	129,658	101,272
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	–	–	–	–	6,519	18,935	11,346	28,026
Other movements								
Transfers from/(to) another asset class	–	1,902	–	6	–	–	1	–
Purchases (GBV)	3,656	3,388	–	103	8,068	–	763	360
Newly Realised Assets	–	424	–	–	–	–	–	–
Disposals (WDV)	(197)	(1,063)	–	–	–	–	–	–
Depreciation and impairment	(1,728)	(1,743)	(177)	(266)	–	–	–	–
Closing balance	17,903	16,172	564	741	89,087	74,500	141,768	129,658

	Land under roads		Land improvements – non depreciable		Land improvements – depreciable		Buildings	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	1,476	1,188	6,462	6,462	48,967	45,515	132,378	126,674
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	13	85	–	–	3,199	3,332	6,980	8,712
Other movements								
Transfers from/(to) another asset class	–	–	–	–	326	968	25,644	3,758
Purchases (GBV)	90	203	–	–	12	899	7,384	698
Newly Realised Assets	–	–	–	–	–	409	911	1,310
Disposals (WDV)	–	–	–	–	–	–	(127)	(190)
Depreciation and impairment	–	–	–	–	(2,246)	(2,156)	(11,013)	(8,584)
Closing balance	1,579	1,476	6,462	6,462	50,258	48,967	162,157	132,378

E2-1 Fair value measurement (continued)

	Other structures		Roads		Drainage		Water	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	11,401	11,086	664,976	623,454	241,846	228,039	267,453	252,380
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	498	711	8,227	34,148	8,417	11,196	12,668	18,374
Other movements								
Transfers from/(to) another asset class	3,490	93	(11,815)	4,758	475	1,248	689	1,074
Purchases (GBV)	547	31	5,294	10,836	4,333	2,773	1,346	1,475
Newly Realised Assets	–	113	5,352	5,841	491	1,286	1,052	1,646
Disposals (WDV)	–	–	(535)	(595)	(49)	–	(76)	(948)
Depreciation and impairment	(669)	(633)	(10,296)	(13,466)	(2,873)	(2,696)	(6,653)	(6,548)
Closing balance	15,267	11,401	661,203	664,976	252,640	241,846	276,479	267,453

	Sewer		Landfill rehabilitation		Library books		Other	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	222,172	208,745	10,841	13,377	1,117	1,069	14,201	13,480
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	10,425	15,095	–	–	–	–	–	–
Other movements								
Transfers from/(to) another asset class	5,495	2,994	–	56	–	–	–	479
Purchases (GBV)	1,255	434	5,910	(1,997)	–	227	304	264
Newly Realised Assets	206	197	–	–	–	–	–	–
Disposals (WDV)	(15)	(114)	–	–	–	–	–	–
Depreciation and impairment	(5,547)	(5,179)	(510)	(595)	(191)	(179)	(22)	(22)
Closing balance	233,991	222,172	16,241	10,841	926	1,117	14,483	14,201

E2-1 Fair value measurement (continued)

	Total	
	2024	2023
	\$ '000	\$ '000
Opening balance	1,844,361	1,702,468
Recognised in other comprehensive income – revaluation surplus	68,292	138,614
Transfers from/(to) another asset class	24,305	17,336
Purchases (GBV)	38,962	19,694
Newly Realised Assets	8,012	11,226
Disposals (WDV)	(999)	(2,910)
Depreciation and impairment	(41,925)	(42,067)
Closing balance	1,941,008	1,844,361

E2-1 Fair value measurement (continued)

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

Council has no movements in and out of Level 3

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The 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 standard employer contribution rates are:

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

* for 180 points members, employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9% 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 million per annum for 1 July 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

The amount of 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 \$395,891.84. The last valuation of the Scheme was performed by the Actuary, Mr Richard Boyfield, FIAA on 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$225,340.94.

E3-1 Contingencies (continued)

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.

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 2.5% per annum thereafter

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

2. Other liabilities

(i) Third party claims

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

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

S7 plans

Council levies section 7 contributions upon various development across the Council area through the required contributions plans.

As part of these plans, Council has received funds for which it will be required to expend the monies in accordance with those plans.

E3-1 Contingencies (continued)

As well, these plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's general funds.

These future expenses do not yet qualify as liabilities as of the reporting date, but represent Council's intention to spend funds in the manner and timing set out in those plans.

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

Key management personnel (KMP) of the Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly. This includes Councillors, the Chief Executive Officer and Deputy Chief Executive Officers.

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

	2024	2023
	\$ '000	\$ '000
Compensation:		
Short-term benefits	1,307	1,322
Post-employment benefits	108	98
Other long-term benefits	363	84
Total	1,778	1,504

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

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool) will not be disclosed.

Nature of the transaction	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions ^{#1}
2024				
Vehicle and parts	1	224	–	30 day creditor payment terms
Carpet installation	1	26	–	30 day creditor payment terms
2023				
Vehicle and parts	1	226	–	30 day creditor payment terms
Carpet installation	1	56	–	30 day creditor payment terms

1 30 day creditor payment terms

(#1) Transactions with related parties have been undertaken in the ordinary course of business under the same terms and conditions as transactions with non – related parties.

F1-2 Councillor and Mayoral fees and associated expenses

	2024	2023
	\$ '000	\$ '000

The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	64	63
Councillors' fees	265	256
Other Councillors' expenses (including Mayor)	53	56
Total	382	375

F1-3 Other related parties

	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions ^{#1}
2024			
Expenses			
-Riverina and Murray Joint Organisation membership fees	49	-	-
Income			
-Riverina and Murray Joint Organisation regional waste project	439	-	-
-Rental income from Riverina and Murray Joint Organisation	24	-	-
2023			
Expenses			
-Riverina and Murray Joint Organisation membership fees	48	-	-
Income			
-Riverina and Murray Joint Organisation regional waste project	397	-	-
-Rental income from Riverina and Murray Joint Organisation	23	-	-

(#1) Transactions with related parties have been undertaken in the ordinary course of business under the same terms and conditions as transactions with non – related parties.

F2 Other relationships

F2-1 Audit fees

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

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

Audit and other assurance services: Auditors of the Council - NSW Auditor-General:

Audit and review of financial statements	144	130
Additional fees	–	40
Remuneration for audit and other assurance services	144	170
Total fees paid or payable to the Auditor-General	144	170

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
Net operating result from Income Statement	11,212	20,321
Depreciation and amortisation	42,294	42,448
Losses/(gains) on disposal of assets	567	1,557
Non-cash capital grants and contributions	(12,139)	(16,697)
Unwinding landfill rehabilitation provision discount rate	615	460
Movement in operating assets and liabilities:		
(Increase) / decrease of receivables	(5,514)	(3,152)
Increase / (decrease) in provision for impairment of receivables	353	(163)
(Increase) / decrease of inventories	(48)	161
(Increase) / decrease of other current assets	(355)	(14)
Increase / (decrease) in payables	(418)	253
Increase / (decrease) in other accrued expenses payable	(630)	3,269
Increase / (decrease) in other liabilities	566	86
Increase / (decrease) in contract liabilities	7,720	4,963
Increase / (decrease) in employee benefit provision	(367)	277
Increase / (decrease) in other provisions	5,910	(2,122)
Net cash flows from operating activities	49,766	51,647

(b) Non-cash investing and financing activities

Bridges	1,272	—
Child care	848	—
Crown land	406	—
Donated Artwork	188	213
Developer contributions 'in kind' (General Fund)	7,502	13,175
Developer contributions 'in kind' (Water Fund)	739	1,217
Developer contributions 'in kind' (Sewer Fund)	1,184	2,092
Total non-cash investing and financing activities	12,139	16,697

G2-1 Commitments

Capital commitments (exclusive of GST)

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

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Purchase Orders	–	4,331
Construction and Demolition Material Recovery Facility - Southern Cross Developers	–	2,840
Construction and Demolition Material Recovery Facility - Wastech Eng.	–	894
Horseshoe Lagoon Boardwalk	–	353
Hovell Tree Park Amenities	–	757
Pumphouse Remediation	–	465
Albury Airport - Taxiway Charlie Extension	5,500	–
AWMC Southern Valley Cell Expansion	466	–
Building - Melrose Park Sports Pavilion - Construction	650	–
Lavington Sports Ground – Concourse Upgrade	526	–
LRCI Footpath Construction - South Albury	255	–
Play Space Shade Project	1,161	–
Sarvaas Park Building Upgrade	2,365	–
Thurgoona Drive and Evesham Place Intersection Road Widening	409	–
Total commitments	11,332	9,640

These expenditures are payable as follows:

Within the next year	11,332	9,640
Total payable	11,332	9,640

G3-1 Events occurring after the reporting date

Council is unaware of any events since balance date that would materially affect the disclosures in these financial statements.

G4 Statement of developer contributions

G4-1 Summary of developer contributions

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000				
Drainage	13	39	–	–	–	(52)	–	–
Roads	–	189	–	–	–	(189)	–	–
Parking	429	–	–	–	20	–	–	449
Community facilities	303	99	–	–	17	4	–	423
Open space	(1)	63	–	–	–	(63)	–	(1)
Thurgoona/Wirlinga	2,715	1,062	–	–	153	(1,041)	–	2,889
Nexus	275	–	–	–	13	–	–	288
Hamilton Valley	(1)	–	–	–	–	–	–	(1)
S7.11 contributions – under a plan	3,733	1,452	–	–	203	(1,341)	–	4,047
S7.11 levies not under a plan	–	701	–	–	–	(205)	–	496
Total S7.11 revenue	3,733	2,153	–	–	203	(1,546)	–	4,543
S.64 Contributions	2,742	2,444	–	–	162	(2,132)	–	3,216
Total contributions	6,475	4,597	–	–	365	(3,678)	–	7,759

Council recovers contributions, raises levies and enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The tables detail the receipt, interest and use of the above contributions and levies and the value of all remaining funds which are 'restricted' in their use.

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	2023	Indicators 2022	2021	Benchmark
1. Operating performance ratio						
Total continuing operating revenue excluding capital grants and contributions less operating expenses	(10,569)	(6.6)%	(6.2)%	(2.1)%	(2.6)%	> 0.0%
Total continuing operating revenue excluding capital grants and contributions	159,940					
2. Own source operating revenue ratio						
Total continuing operating revenue excluding all grants and contributions	148,820	81%	75%	73%	73%	> 60%
Total continuing operating revenue inclusive of all grants and contributions	182,648					
3. Unrestricted current ratio						
Current assets less all external restrictions	47,878	1.6x	2.5x	3.2x	2.1x	> 1.5x
Current liabilities less specific purpose liabilities	30,383					
4. Debt service cover ratio						
Operating result before capital excluding interest and depreciation/impairment/amortisation	34,950	4.0x	4.3x	5.5x	3.0x	> 2.0x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	8,668					
5. Rates and annual charges outstanding percentage						
Rates and annual charges outstanding	10,873	11.8%	12.7%	12.3%	12.4%	< 10.0%
Rates and annual charges collectable	91,763					
6. Cash expense cover ratio						
Current year's cash and cash equivalents plus all term deposits X12	215,903	19 months	22 months	22 months	21 months	> 3 months
Payments from cash flow of operating and financing activities	11,630					

G5-2 Statement of performance measures by fund

	General Indicators ¹		Water Indicators		Sewer Indicators		Benchmark
\$ '000	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses	(17.4)%	(15.2)%	10.2%	7.5%	22.0%	21.8%	> 0.0%
Total continuing operating revenue excluding capital grants and contributions							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding all grants and contributions	77%	70%	93%	87%	91%	85%	> 60%
Total continuing operating revenue including all grants and contributions							
3. Unrestricted current ratio							
Current assets less all external restrictions	1.6x	2.3x	56.9x	34.4x	52.2x	38.5x	> 1.5x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation	1.7x	2.2x	∞	∞	15.7x	13.8x	> 2.0x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	4.6%	4.5%	25.9%	26.2%	25.6%	28.3%	< 10.0%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits X12	6 months	9 months	56 months	68 months	68 months	68 months	> 3 months
Payments from cash flow of operating and financing activities							

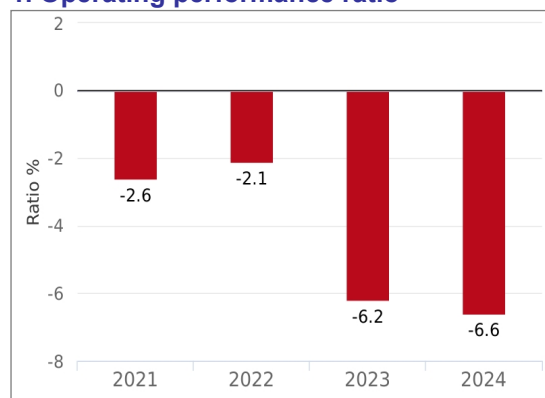
(1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2023/24 result

2023/24 ratio (6.6)%

This trend reflects the increasing cost of service delivery compared to operating income received, particularly materials and services expenses.

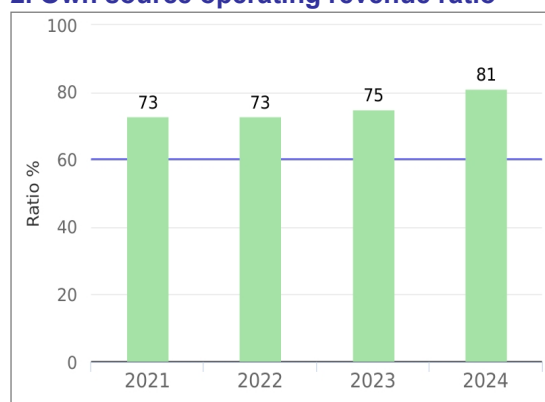
Benchmark: — > 0.0%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2023/24 result

2023/24 ratio 81%

AlburyCity's own source revenue including rates and charges has been maintained above the minimum benchmark. The higher 2024 result reflects the decrease in capital grants and contributions recognised as income.

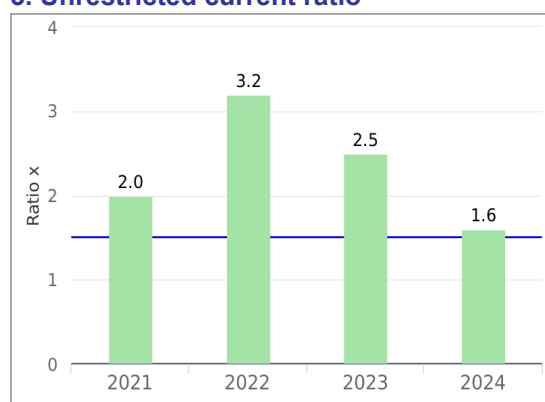
Benchmark: — > 60%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2023/24 result

2023/24 ratio 1.6x

The decreasing trend is partly due to less unexpended project funding held at year end than in prior years. This measure indicates the General Fund is holding more working capital than current liabilities.

Benchmark: — > 1.5x

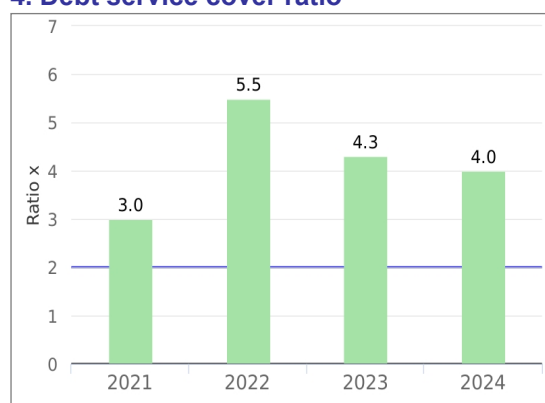
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 4.0x

Sufficient cash is being generated by AlburyCity from operations to fund loan repayments.

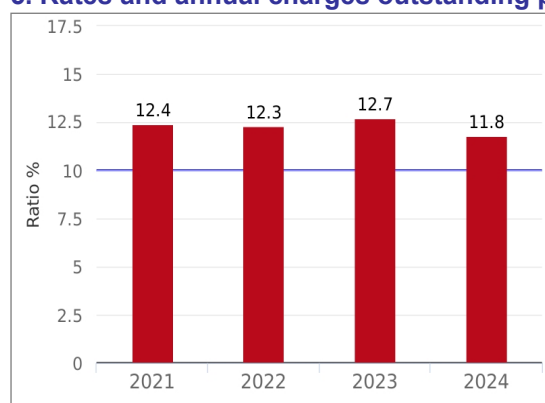
Benchmark: — > 2.0x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2023/24 result

2023/24 ratio 11.8%

The majority of the outstanding balance relates to the third water bill that is not payable until after year end. The General Fund outstanding percentage remains below 5%.

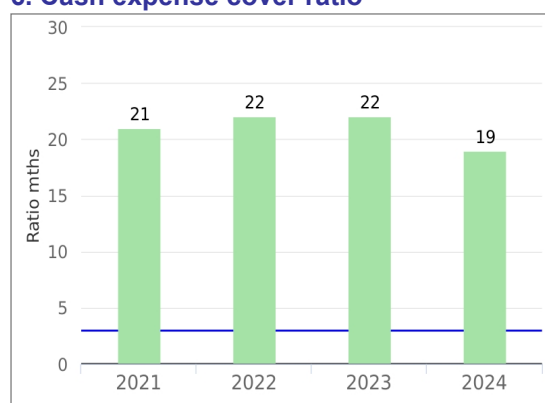
Benchmark: — < 10.0%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 19 months

AlburyCity's overall liquidity is well above the minimum benchmark.

Benchmark: — > 3months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Albury City Council

To the Councillors of Albury City Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Susan Prichard
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY



Cr Kevin Mack
Mayor
Albury City Council
PO Bos 323
ALBURY NSW 2640

Contact: Sue Prichard
Phone no: 02 8280 5637
Our ref: R008-2124742775-6959

30 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	80.4	76.7	4.8
Grants and contributions revenue	33.8	45.8	26.2
Operating result from continuing operations	11.2	20.3	44.8
Net operating result before capital grants and contributions	(11.5)	(10.7)	7.5

Rates and annual charges revenue (\$80.4 million) increased by \$3.7 million (4.8 per cent) in 2023–24 due to rate peg increase of 3.7 per cent and 1.01 per cent increase in rateable properties.

Grants and contributions revenue (\$33.8 million) decreased by \$12 million (26.2 per cent) in 2023–24 due to:

- decrease of \$7.1 million in non-cash contributions for subdivision dedications
- decrease of \$2.4 million in cash contributions for special purpose grants and non-developer contributions
- decrease of \$2.4 million in financial assistance grants.

Council's operating result from continuing operations (\$11.2 million including depreciation, amortisation and impairment expense of \$42.3 million) was \$9.1 million lower than the 2022–23 result. This was mainly due to increase in materials and services expenses of \$7.9 million (13.5 per cent) and increase in employee benefits and on-costs of \$2.3 million (4.3 per cent).

The net operating result before capital grants and contributions (\$11.5 million deficit) was \$0.8 million (7.5 per cent) lower than the 2022–23 result. This was mainly due to the increases in materials and services expenses, other expenses, employee benefits and on-costs, rates and annual charges, user charges and fees, interest and investment income and decrease in operating grants and contributions.

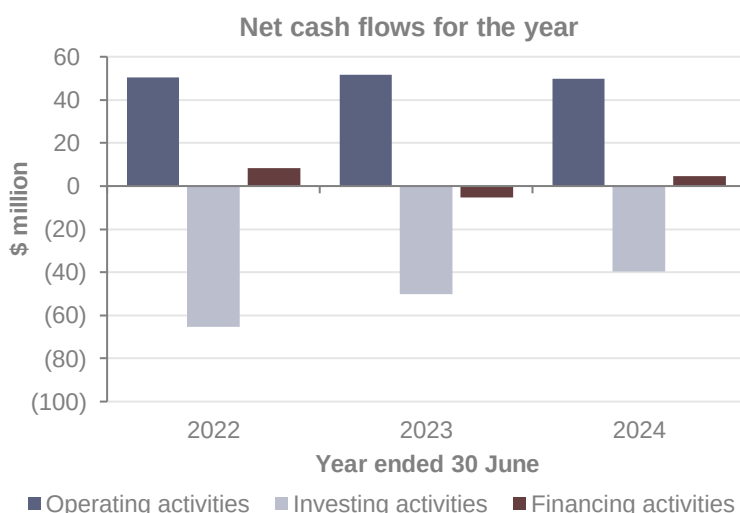
STATEMENT OF CASH FLOWS

The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of the Council during the year.

Net cash inflows from operating activities decreased by \$1.8 million due to higher payments for materials and services, borrowing costs and higher receipts of rates and annual charges, user charges and fees, interest received and other receipts. This was offset by decrease in grants and contributions.

Cash flows from investing activities decreased by \$10.6 million due to higher payments for IPPE offset by nil acquisition of term deposits. This was also due to an increase in receipts from sale of investments offset by lower receipts from sale of real estate assets.

Cash flows from financing activities increased by \$9.8 million mainly due to an increase in proceeds from borrowings.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	215.9	221.7	Total cash, cash equivalents and investments decreased by \$5.8 million.
Restricted and allocated cash, cash equivalents and investments:			Externally restricted cash and investments are restricted in their use by externally imposed requirements. The increase in Council's externally restricted cash and investments is mainly due to increase in the water supply fund.
• External restrictions	185.3	162.0	
• Internal allocations	27.2	36.0	Internal allocations are those cash and investments that Council have allocated by resolution or policy of Council to identified programs of works and any forward plans identified by Council. The decrease in internal allocations is mainly due to the decrease in project funding.

Debt

At 30 June 2024, Council had:

- \$64.0 million in borrowings (2023: \$59.1 million) comprising loan from TCorp (\$48.6 million), ANZ (\$6.5 million), NAB (\$6.0 million), and CBA (\$2.8 million).

- \$1.0 million (2023: \$1.0 million) in approved bank overdraft facility with nil draw downs (2023: nil)
- \$0.3 million (2023: \$0.3 million) in credit card facility with \$0.06 million used (2023: \$0.2 million).

PERFORMANCE

Performance measures

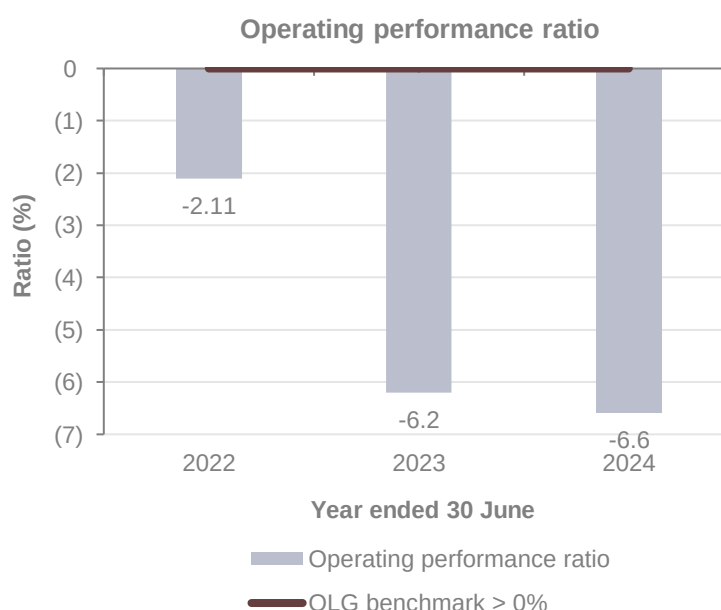
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

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.

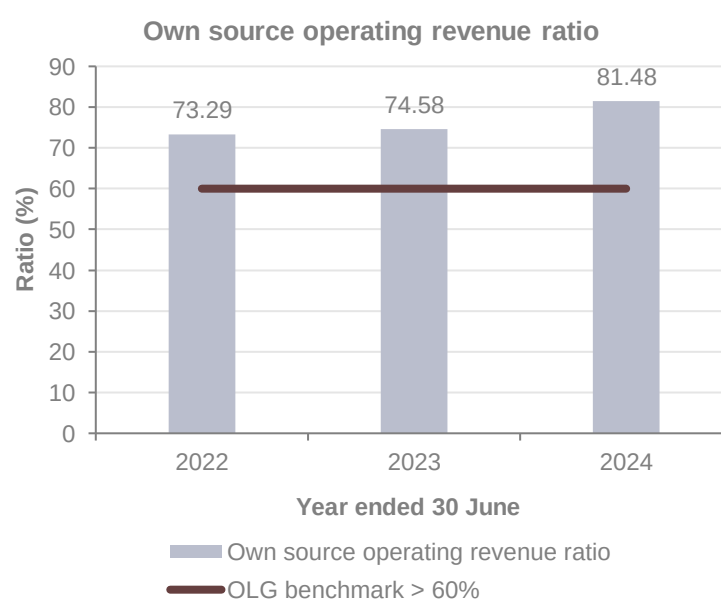
This trend reflects the increasing cost of service delivery compared to operating income received, particularly materials and services expenses.



Own source operating revenue ratio

Council met the benchmark for the current reporting period.

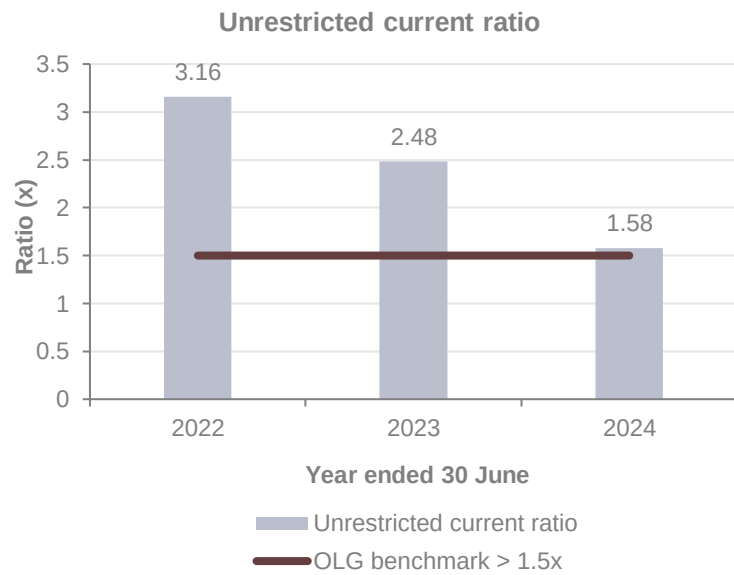
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council met the benchmark for the current reporting period.

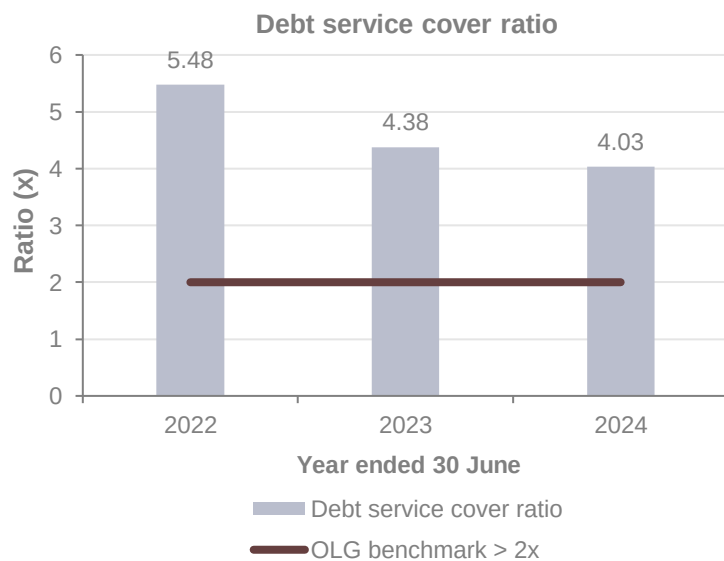
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council met the benchmark for the current reporting period.

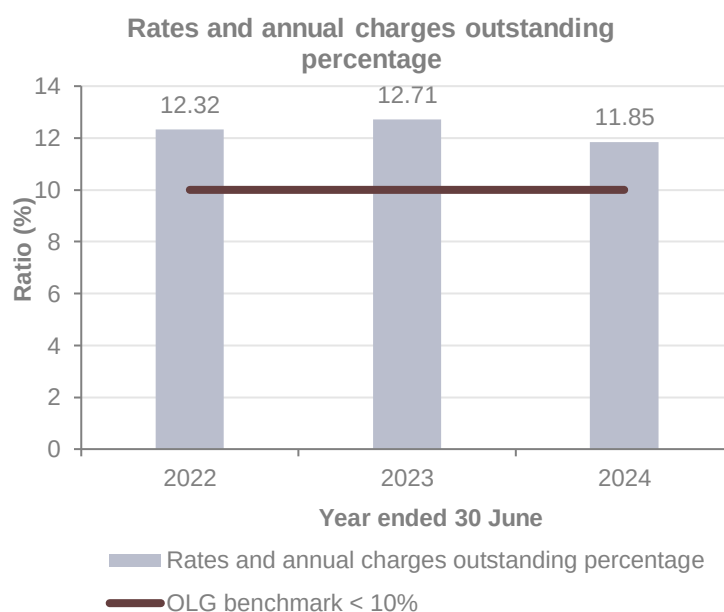
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

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

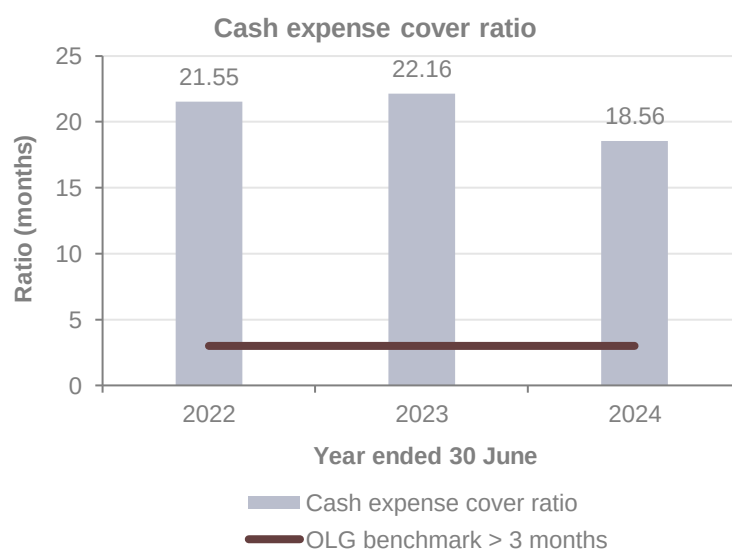
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.



Cash expense cover ratio

Council met 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 \$23.5 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads, bridges and footpaths and capital work-in-progress. A further \$45.3 million (net of developer contributions) was spent on new assets.

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

Cc: Mr Frank Zaknich, Chief Executive Officer
Mr Stephen Coates, Chair of the Audit, Risk and Improvement Committee