



Annual Financial Statements

For the year ended 30 June 2024

Ku-ring-gai Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

"An inclusive and connected community, where our natural environment and heritage are valued, working towards a sustainable future."



Ku-ring-gai Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

*"An inclusive and connected community, where our
natural environment and heritage are valued, working
towards a sustainable future."*



Ku-ring-gai Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Ku-ring-gai Council

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across New South Wales are required to present a set of audited financial statements to their council and community.

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements. Council is required to forward an audited set of financial statements to the Office of Local Government.

Ku-ring-gai Council

General Purpose Financial Statements for the year ended 30 June 2024

Statement by Councillors and Management

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

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

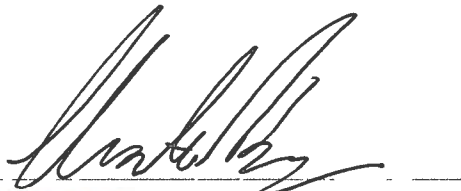
- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board,
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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


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

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

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



Christine Kay
Mayor
22 October 2024



Kim Wheatley
Deputy Mayor
22 October 2024



David Marshall
General Manager
22 October 2024



Angela Apostol
Responsible Accounting Officer
22 October 2024

Ku-ring-gai Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
98,872	Rates and annual charges	B2-1	98,307	94,645
20,871	User charges and fees	B2-2	22,959	21,622
5,629	Other revenues	B2-3	6,330	5,184
9,036	Grants and contributions provided for operating purposes	B2-4	9,982	17,427
15,092	Grants and contributions provided for capital purposes	B2-4	20,176	14,761
6,018	Interest and investment income	B2-5	9,321	7,028
7,869	Other income	B2-6	8,884	7,645
163,387	Total income from continuing operations		175,959	168,312
	Expenses from continuing operations			
50,233	Employee benefits and on-costs	B3-1	49,119	45,896
65,067	Materials and services	B3-2	71,750	67,518
1,275	Borrowing costs	B3-3	1,322	1,443
25,648	Depreciation, amortisation and impairment of non financial assets	B3-4	25,949	22,467
5,035	Other expenses	B3-5	5,062	4,179
–	Net loss from the disposal of assets	B4-1	1,070	1,968
147,258	Total expenses from continuing operations		154,272	143,471
16,129	Operating result from continuing operations		21,687	24,841
16,129	Net operating result for the year attributable to Council		21,687	24,841
1,037	Net operating result for the year before grants and contributions provided for capital purposes		1,511	10,080

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

Ku-ring-gai Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		21,687	24,841
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain on revaluation of IPP&E	C1-7	<u>138,249</u>	474,641
Total other comprehensive income for the year		<u>138,249</u>	<u>474,641</u>
Total comprehensive income for the year attributable to Council		<u>159,936</u>	<u>499,482</u>

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

Ku-ring-gai Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	11,587	13,164
Investments	C1-2	94,697	99,350
Receivables	C1-4	15,063	14,984
Inventories	C1-5	276	269
Non-current assets classified as held for sale	C1-6	2,850	1,400
Other		2,904	3,193
Total current assets		127,377	132,360
Non-current assets			
Investments	C1-2	106,337	100,930
Receivables	C1-4	71	97
Infrastructure, property, plant and equipment (IPPE)	C1-7	2,714,777	2,561,899
Investment property	C1-8	50,734	50,400
Intangible assets		567	658
Right of use assets		1,407	1,598
Total non-current assets		2,873,893	2,715,582
Total assets		3,001,270	2,847,942
LIABILITIES			
Current liabilities			
Payables	C2-1	23,433	25,221
Contract liabilities	C2-2	14,069	15,473
Lease liabilities		36	45
Borrowings	C2-3	3,281	3,227
Employee benefit provisions	C2-4	12,655	12,787
Total current liabilities		53,474	56,753
Non-current liabilities			
Lease liabilities		1,549	1,680
Borrowings	C2-3	24,317	27,598
Employee benefit provisions	C2-4	310	227
Total non-current liabilities		26,176	29,505
Total liabilities		79,650	86,258
Net assets		2,921,620	2,761,684
EQUITY			
Accumulated surplus		994,417	972,730
IPPE revaluation reserve		1,927,203	1,788,954
Total equity		2,921,620	2,761,684

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

Ku-ring-gai Council

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		972,730	1,788,954	2,761,684	947,889	1,314,313	2,262,202
Opening balance		972,730	1,788,954	2,761,684	947,889	1,314,313	2,262,202
Net operating result for the year		21,687	–	21,687	24,841	–	24,841
Net operating result for the period		21,687	–	21,687	24,841	–	24,841
Other comprehensive income							
– Gain on revaluation of IPP&E	C1-7	–	138,249	138,249	–	474,641	474,641
Total comprehensive income		21,687	138,249	159,936	24,841	474,641	499,482
Closing balance at 30 June		994,417	1,927,203	2,921,620	972,730	1,788,954	2,761,684

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

Ku-ring-gai Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
97,888	Rates and annual charges		97,602	94,325
21,871	User charges and fees		24,574	20,997
6,018	Interest received		8,479	5,701
24,508	Grants and contributions		31,398	34,375
–	Bonds, deposits and retentions received		4,444	4,710
7,869	Rental Income		8,875	7,599
3,343	Fines		3,379	2,659
2,269	Other		11,757	10,788
<i>Payments:</i>				
(47,720)	Payments to employees		(49,275)	(45,148)
(60,614)	Payments for materials and services		(78,903)	(74,130)
(1,275)	Borrowing costs		(1,322)	(1,443)
–	Bonds, deposits and retentions refunded		(3,397)	(3,252)
(4,994)	Contributions/levies to other levels of government		(5,062)	(4,138)
(6,859)	Other		(3,923)	(2,842)
42,304	Net cash provided in operating activities	F1-1	48,626	50,201
Cash flows from investing activities				
<i>Receipts:</i>				
67,529	Sale of investments		124,850	103,502
–	Proceeds from sale of IPPE		2,690	1,037
<i>Payments:</i>				
(51,594)	Purchase of investments		(123,195)	(112,994)
–	Transfer of term deposits		(2,400)	5,200
–	Purchase of investment property		(334)	(602)
(54,646)	Payments for IPPE		(48,529)	(52,387)
–	Purchase of intangible assets		(12)	–
(38,711)	Net cash from investing activities		(46,930)	(56,244)
Cash flows from financing activities				
<i>Payments:</i>				
(3,227)	Repayment of borrowings		(3,227)	(3,535)
(65)	Principal component of lease payments		(46)	(42)
(3,292)	Net cash flow from financing activities		(3,273)	(3,577)
301	Net increase (decrease) in cash and cash equivalents		(1,577)	(9,620)
17,959	Cash and cash equivalents at beginning of year		13,164	22,784
18,260	Cash and cash equivalents at end of year	C1-1	11,587	13,164
112,172	plus: Investments on hand at end of year	C1-2	201,034	200,280
130,432	Total cash, cash equivalents and investments		212,621	213,444

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

Ku-ring-gai Council

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A About Council and these financial statements

A1-1 Basis of preparation

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

The 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 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity for the purpose of preparing these financial statements.

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 investment property.

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of investment properties refer Note C1-8,
- (ii) estimated fair values of infrastructure, property, plant and equipment refer Note C1-7,
- (iii) employee benefit provisions refer Note C2-4.

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.

Monies and other assets received by Council

The Consolidated Fund

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

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

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

- general purpose operations
- water service

A1-1 Basis of preparation (continued)

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.

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council makes use of volunteers for library services, community events, programs etc. These services have not been recognised in the Financial Statements as they are not significant and cannot be measured reliably.

New accounting standards and interpretations issued but not yet effective

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

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

New accounting standards adopted during the year

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

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

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

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

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

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Access, Traffic and Transport	3,722	4,998	2,450	2,455	1,272	2,543	982	2,614	8,658	6,660
Community, People and Culture	14,640	13,115	27,467	25,325	(12,827)	(12,210)	3,336	2,530	162,009	77,432
Leadership and Governance	90,407	89,183	29,470	28,524	60,937	60,659	4,673	7,264	414,914	414,890
Local Economy and Employment	3	5	210	177	(207)	(172)	2	4	12,432	12,355
Natural Environment	25,237	22,977	32,204	29,152	(6,967)	(6,175)	777	200	14,118	14,841
Places, Spaces and Infrastructure	41,950	38,034	62,471	57,838	(20,521)	(19,804)	20,388	19,576	2,389,139	2,321,764
Total functions and activities	175,959	168,312	154,272	143,471	21,687	24,841	30,158	32,188	3,001,270	2,847,942

B1-2 Components of functions or activities

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

Access, Traffic and Transport

This theme is about ensuring that access and connection to, from and within Ku-ring-gai provides safe, reliable and affordable public and private travel, transport and infrastructure.

Service provided under this theme - Traffic and transport strategy and research, Road safety, Engineering design, Civil works and maintenance.

Community, People and Culture

This theme is about creating a healthy, safe, and diverse community that respects our history and celebrates our differences in a vibrant culture of learning.

Services provided under this theme – Children's services, Youth services, Aged services, Disability services, Cultural development, Community events, Libraries and Art Centre, Community health, Safety and wellbeing programs, Community facilities and halls management, Sports grounds and parks bookings and Emergency management support.

Leadership and Governance

This theme is about ensuring that Ku-ring-gai is well led, managed and supported by an ethical organisation which delivers projects and services to the community by listening, advocating and responding to their needs.

Services provided under this theme – Financial management, Integrated planning and reporting, Property and asset management, Revenue accounting, Governance, Procurement, Risk management, Customer services, Communication, Community engagement, Human Resources, Information Management, Administration, Records and Civic support.

Local Economy and Employment

This theme is about creating sustainable economic and employment opportunities through vital, attractive local and neighbourhood centres, business innovation and use of technology.

Services provided under this theme – Economic and social development, Marketing and Events coordination.

Natural Environment

This theme is about working together as a community to protect and enhance our special natural environment and resources.

Services provided under this theme – Environment Levy programs and initiatives, Corporate sustainability program, Biodiversity and bushland management programs, Bush fire management program, Water conservation, reuse and water quality management program, Environmental education and sustainable living programs, Environmental volunteering program, Climate change adaptation program, Energy management program, Waste management, recycling and education.

Places, Spaces and Infrastructure

This theme is about creating a range of well planned, clean and safe neighbourhoods and public spaces designed with a strong sense of identity and place.

Services provided under this theme – Urban design and planning, Heritage planning, Development assessment, Development compliance and regulation, Open space projects, Landscape design, Drainage works and maintenance, Strategic asset management, Building asset works and maintenance, Parks and sports field works maintenance, Tree preservation and maintenance.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	34,745	33,738
Business	5,140	4,925
Less: pensioner rebates	(568)	(585)
Pensioner rate subsidies received	215	225
Total ordinary rates	39,532	38,303
Special rates		
Environmental levy	3,325	3,309
Infrastructure levy	31,053	30,307
Less: pensioner rebates	(161)	(162)
Total special rates	34,217	33,454
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	23,711	22,032
Stormwater management services	1,025	1,024
Section 611 charges	65	68
Less: pensioner rebates	(388)	(385)
Pensioner annual charges subsidies received:		
– Domestic waste management	145	149
Total annual charges	24,558	22,888
Total rates and annual charges	98,307	94,645

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 when the Council obtains control over the assets comprising these receipts 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 that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are in substance a rates payment.

B2-2 User charges and fees

\$ '000	Timing	2024	2023
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Building regulation	2	2,663	2,735
Certificates	2	807	782
DA advertising fees	2	2	2
Driveway application fees	2	712	791
Outstanding notices	2	155	173
Regulatory application fees	2	593	567
Tree preservation charges	2	84	89
Total fees and charges – statutory/regulatory		5,016	5,139
(ii) Fees and charges – other (incl. general user charges (per s608))			
Art centre	2	428	450
Golf courses (Gordon and Turramurra)	2	2,653	1,973
Halls	2	491	460
Holiday activities	2	479	655
Leaseback fees – Council vehicles	2	496	446
Library	2	35	58
Restoration charges	2	1,474	1,345
Nursery and wildflower garden	2	46	52
Parks	2	1,484	1,478
Showground	2	168	176
Swimming centre	2	5,352	4,964
Tennis courts	2	936	779
Thomas Carlyle children centre and family day care	2	908	1,038
Trade waste charges	2	2,107	1,997
Other	2	886	612
Total fees and charges – other		17,943	16,483
Total other user charges and fees		22,959	21,622
Total user charges and fees		22,959	21,622
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		22,959	21,622
Total user charges and fees		22,959	21,622

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.

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

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

B2-3 Other revenues

\$ '000	Timing	2024	2023
Fines – parking	2	2,101	1,588
Fines – other	2	1,278	1,071
Legal fees recovery – other	2	228	114
Commissions and agency fees	2	6	11
Credit card surcharge	2	291	195
Dog registration fees	2	114	143
Domestic waste other income	2	246	216
Other	2	647	611
Licence income	2	736	582
Program fees	2	171	146
Recycling income (non-domestic)	2	512	507
Total other revenue		6,330	5,184

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	–	–	–
Other revenue recognised at a point in time (2)		6,330	5,184
Total other revenue		6,330	5,184

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)						
General purpose (untied)						
Current year allocation						
Financial assistance		2	151	1,085	-	-
Payment in advance - future year allocation						
Financial assistance		2	3,980	4,522	-	-
Amount recognised as income during current year			4,131	5,607	-	-
Special purpose grants and non-developer contributions (tied)						
Cash contributions						
Previously specific grants:						
Better waste and recycling fund		1	-	109	-	-
Pensioners' rates subsidies:						
Car Park		2	-	-	-	158
Community care		2	89	126	-	-
Community centres		2	2,170	1,863	-	-
Environmental protection		1	724	30	120	21
Library		2	329	416	605	38
NSW rural fire services		2	141	78	-	-
Recreation and culture		1	352	499	3,452	2,196
Storm/flood damage			-	1,356	50	-
Road repair program and road safety		2	777	5,961	1,189	1,162
Street lighting		2	317	311	-	-
Transport		2	79	40	444	1,124
Contribution to works		2	873	1,031	12	-
Total special purpose grants and non-developer contributions – cash			5,851	11,820	5,872	4,699
Total special purpose grants and non-developer contributions (tied)			5,851	11,820	5,872	4,699
Total grants and non-developer contributions			9,982	17,427	5,872	4,699
Comprising:						
- Commonwealth funding			7,237	2,447	4,855	65
- State funding			2,745	14,980	1,017	4,634
			9,982	17,427	5,872	4,699

B2-4 Grants and contributions (continued)

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
	F5					
Cash contributions						
S 7.11 – contributions towards amenities/services		2	–	–	14,304	10,062
Total developer contributions – cash			–	–	14,304	10,062
Total developer contributions			–	–	14,304	10,062
Total contributions			–	–	14,304	10,062
Total grants and contributions			9,982	17,427	20,176	14,761
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			233	330	1,299	892
Grants and contributions recognised at a point in time (2)			9,749	17,097	18,877	13,869
Total grants and contributions			9,982	17,427	20,176	14,761

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Operating & Capital grants				
Unspent funds at 1 July	14,001	14,076	–	–
Add: operating grants recognised as income in the current period but not yet spent	6,056	10,100	–	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(7,894)	(10,175)	–	–
Unexpended and held as externally restricted assets (operating & capital grants)	12,163	14,001	–	–
Contributions				
Unspent funds at 1 July	107,808	118,976	–	–
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	14,305	13,758	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(6,090)	(24,926)	–	–
Unspent contributions at 30 June	116,023	107,808	–	–

B2-4 Grants and contributions (continued)

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	308	178
– Cash and investments	9,013	6,850
Total interest and investment income	9,321	7,028
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	308	178
General Council cash and investments	2,101	1,850
Restricted investments/funds – external:		
Developer contributions		
– Section 7.11	4,815	3,696
Restricted investments/funds – internal:		
Internally restricted assets	2,097	1,304
Total interest and investment revenue recognised	9,321	7,028

Material accounting policy information

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

B2-6 Other income

\$ '000	2024	2023
Rental income		
Investment properties		
Lease income relating to variable lease payments not dependent on an index or a rate	3,095	2,775
Total Investment properties	3,095	2,775
Other lease income		
Community and Commercial rental	5,780	4,824
Total other lease income	5,780	4,824
Total rental income	8,875	7,599
Fair value increment on investments		
Fair value increment on investments through profit and loss	9	46
Total Fair value increment on investments	9	46
Total other income	8,884	7,645

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	38,278	35,740
Employee leave entitlements (ELE)	6,491	6,794
Superannuation	4,939	4,427
Workers' compensation insurance	1,074	917
Fringe benefit tax (FBT)	262	317
Other	114	104
Total employee costs	51,158	48,299
Less: capitalised costs	(2,039)	(2,403)
Total employee costs expensed	49,119	45,896

Material accounting policy information

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

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

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

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note C2-4 for more information.

B3-2 Materials and services

\$ '000	Notes	2024	2023
Advertising		238	274
Audit Fees	E2-1	105	79
Bank charges		370	340
Commissions and management fees		486	461
Computer software charges		2,743	2,561
Conferences		113	145
Contractor costs		48,558	45,407
Corporate events		72	53
Councillor and Mayoral fees and associated expenses	E1-2	477	443
Family day care (child care assistance)		663	677
Electricity and heating		1,143	1,082
External plant hire		203	162
Insurance		2,128	1,966
Insurance excess		83	100
Lease expense		243	402
Other expenses (Security services, Operating projects)		2,470	2,005
Postage		255	230
Rate issue costs		70	63
Raw materials and consumables		3,619	3,548
Rental rebates		1,840	1,821
Street lighting		1,791	1,920
Subscriptions and publications		365	307
Sydney water		373	340
Telephone and communications		464	479
Training costs (other than salaries and wages)		378	241
Valuation fees		235	227
Vehicle registration		216	188
Legal expenses:			
– Legal expenses: planning and development		1,597	1,680
– Legal expenses: other		174	46
Expenses from leases of low value assets		278	271
Total materials and services		71,750	67,518

Material accounting policy information

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

B3-3 Borrowing costs

\$ '000	2024	2023
Interest bearing liability costs		
Interest on leases	79	77
Interest on loans	1,243	1,366
Total interest bearing liability costs expensed	1,322	1,443
Total borrowing costs expensed	1,322	1,443

Material accounting policy information

Borrowing costs are expensed, except to the extent that they are incurred during the construction of qualifying assets.

B3-4 Depreciation, amortisation and impairment

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		1,553	1,459
Office equipment		169	194
Furniture and fittings		35	37
Land improvements (depreciable)		158	158
Infrastructure:			
	C1-7		
– Buildings – non-specialised		127	164
– Buildings – specialised		3,619	3,402
– Other structures		979	904
– Roads		8,918	8,537
– Bridges		250	240
– Footpaths		1,217	1,144
– Stormwater drainage		4,512	2,237
– Swimming pools		34	33
– Other open space/recreational assets		3,559	3,170
Right of use assets		97	93
Other assets:			
– Library books		619	592
Intangible assets		103	103
Total depreciation and amortisation costs		25,949	22,467
Total depreciation, amortisation and impairment/ revaluation decrement costs expensed		25,949	22,467

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.

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of receivables			
User charges and fees		–	41
Total impairment of receivables	C1-4	–	41
Other			
Contributions/levies to other levels of government			
– Department of planning levy		480	464
– Emergency services levy (includes FRNSW, SES, and RFS levies)		4,349	3,487
Donations, contributions and assistance to other organisations (Section 356)		233	187
Total other expenses		5,062	4,179

Material accounting policy information

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

B4 Gains or losses**B4-1 Gains or losses from the disposal of assets**

\$ '000	Notes	2024	2023
Plant and equipment			
	C1-7		
Proceeds from disposal – plant and equipment		1,190	1,075
Less: carrying amount of plant and equipment assets sold and written off		(1,074)	(642)
Net gain on disposal		116	433
Infrastructure Assets			
	C1-7		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure and other assets sold and written off		(1,261)	(2,403)
Net loss on disposal		(1,261)	(2,403)
Financial Assets			
	C1-2		
Proceeds from disposal/redemptions/maturities – financial assets		124,850	103,502
Less: carrying amount of financial assets sold/redeemed/matured		(124,850)	(103,500)
Net gain on disposal		–	2
Non-current assets classified as ‘held for sale’			
	C1-6		
Proceeds from disposal – non-current assets ‘held for sale’		1,500	–
Less: carrying amount of ‘held for sale’ assets sold/written off		(1,425)	–
Net gain on disposal		75	–
Net loss from disposal of assets		(1,070)	(1,968)

Material accounting policy information

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 20 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					
Other revenues	5,629	6,330	701	12%	F
Mainly due to higher than anticipated license fees, outgoing recoveries, and project income.					
Operating grants and contributions	9,036	9,982	946	10%	F
Favourable mainly due to higher-than-expected unbudgeted grants, partially offset by the anticipated grants and contributions yet to be received.					
Capital grants and contributions	15,092	20,176	5,084	34%	F
Favourable mainly due to unbudgeted grants and developer contributions partly offset by grants and contributions to be received.					
Interest and investment revenue	6,018	9,321	3,303	55%	F
Favourable variance mainly due to a combination of higher than budgeted interest rates and larger investment portfolio.					
Other income	7,869	8,884	1,015	13%	F
Rental income from childcare facilities and commercial leasing.					
Expenses					
Materials and services	65,067	71,750	(6,683)	(10)%	U
Unfavorable primarily due to higher than anticipated contractor and consultancy costs, increased expenses for raw materials and consumables, and additional software license fees.					
Statement of cash flows					
Cash flows from operating activities	42,304	48,626	6,322	15%	F
Favourable due to grants and contributions not anticipated					
Cash flows from investing activities	(38,711)	(46,930)	(8,219)	21%	U
Mainly due to increased investments in new and renewal of infrastructure, Property, Plant and Equipment.					

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash on hand and at bank	11,587	13,164
Total cash and cash equivalents	11,587	13,164

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	11,587	13,164
Balance as per the Statement of Cash Flows	11,587	13,164

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost				
Long term deposits	77,300	63,000	75,800	62,100
FRN's (with maturities > 3 months)	17,397	43,337	23,550	38,830
Total	94,697	106,337	99,350	100,930
Total financial investments	94,697	106,337	99,350	100,930
Total cash assets, cash equivalents and investments	106,284	106,337	112,514	100,930

Material accounting policy information

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

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

Classification

Council classifies its financial assets into the following categories – those measured at:

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

Financial assets are not reclassified subsequent to their initial recognition.

(a) Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

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

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

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	212,621	213,444
Less: Externally restricted cash, cash equivalents and investments	<u>(147,425)</u>	<u>(147,628)</u>
Cash, cash equivalents and investments not subject to external restrictions	65,196	65,816
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	<u>10,905</u>	11,735
External restrictions – included in liabilities	10,905	11,735
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	<u>116,023</u>	107,808
Specific purpose unexpended grants (recognised as revenue) – general fund	<u>1,258</u>	2,266
Environmental levy	<u>4,170</u>	4,029
Other (External Loan)	<u>5,697</u>	10,019
Domestic waste management	<u>9,372</u>	11,771
External restrictions – other	136,520	135,893
Total external restrictions	147,425	147,628

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

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	65,196	65,816
Less: Internally restricted cash, cash equivalents and investments	<u>(60,071)</u>	<u>(60,940)</u>
Unrestricted and unallocated cash, cash equivalents and investments	5,125	4,876
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Employees leave entitlement	<u>3,182</u>	3,097
Carry over works	<u>5,724</u>	5,174
Deposits, retentions and bonds	<u>670</u>	670
Infrastructure and facilities	<u>43,588</u>	45,337
Other	<u>6,907</u>	6,662
Total internal allocations	60,071	60,940

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

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

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

\$ '000	2024	2023
Unrestricted and unallocated cash, cash equivalents and investments	5,125	4,876

C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	4,806	55	4,092	64
Interest and extra charges	468	16	290	33
User charges and fees	2,813	–	2,857	–
Accrued revenues				
– Interest on investments	2,890	–	2,209	–
– Other income accruals	1,738	–	993	–
Government grants and subsidies	1,205	–	3,251	–
Net GST receivable	1,181	–	1,312	–
Other debtors	–	–	18	–
Total	15,101	71	15,022	97
Less: provision for impairment				
User charges and fees	(38)	–	(38)	–
Total provision for impairment – receivables	(38)	–	(38)	–
Total net receivables	15,063	71	14,984	97

There are no restrictions applicable to the above assets.

Material accounting policy information

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Please refer to Note D1-1 for issues concerning credit risk and fair value disclosures.

Impairment

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

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

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

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

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

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

C1-4 Receivables (continued)

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

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

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Stores and materials	225	–	226	–
Trading stock	51	–	43	–
Total inventories at cost	276	–	269	–
Total inventories	276	–	269	–

C1-6 Non-current assets classified as held for sale

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Non-current assets held for sale				
Land assets	2,850	–	1,400	–
Total non-current assets held for sale	2,850	–	1,400	–
Total non-current assets classified as held for sale	2,850	–	1,400	–

Material accounting policy information

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles, which are turned over on regular basis. Plant and motor vehicles are retained in non-current assets under the classification of infrastructure, property, plant and equipment – unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June. For any assets or disposal groups classified as non-current assets “held for sale” an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as “held for sale”. Non-current assets classified as “held for sale” are presented separately from other assets in the balance sheet.

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period										At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Transfers	Other adjustments	Transfer (to) 'held for sale' category	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	43,718	–	43,718	4,830	16,217	–	–	(16,436)	–	(60)	–	–	–	48,269	–	48,269
Plant and equipment	16,902	(6,174)	10,728	3,080	407	(1,056)	(1,553)	–	–	–	–	–	18,613	(7,007)	11,606	
Office equipment	2,102	(1,350)	752	–	–	(18)	(169)	12	–	–	–	–	1,903	(1,326)	577	
Furniture and fittings	672	(513)	159	225	–	–	(35)	–	–	–	–	–	897	(548)	349	
Land:																
– Operational land	331,588	–	331,588	–	–	–	–	–	(17,700)	–	(2,850)	–	20,089	331,127	–	331,127
– Community land	972,360	–	972,360	–	–	–	–	–	17,700	–	–	(7,700)	–	982,360	–	982,360
– Crown land	230,334	–	230,334	–	–	–	–	–	–	–	–	–	–	230,334	–	230,334
– Land under roads (post 30/6/08)	2,462	–	2,462	–	–	–	–	–	–	–	–	(152)	–	2,310	–	2,310
Land improvements – depreciable	7,744	(6,303)	1,441	–	–	–	(158)	–	–	–	–	–	–	7,744	(6,461)	1,283
Infrastructure:																
– Buildings – non-specialised	9,207	(4,251)	4,956	–	5	(385)	(127)	–	–	–	–	–	302	8,249	(3,498)	4,751
– Buildings – specialised	187,713	(83,574)	104,139	3,703	684	–	(3,619)	1,890	–	–	–	–	6,949	199,115	(85,369)	113,746
– Other structures (Car Parks)	53,128	(8,727)	44,401	1,279	–	–	(979)	1,238	–	–	–	–	1,340	56,753	(9,474)	47,279
– Roads	606,750	(237,326)	369,424	5,340	942	–	(8,918)	7,038	–	–	–	–	17,673	635,623	(244,124)	391,499
– Bridges	17,069	(5,970)	11,099	–	–	–	(250)	–	–	–	–	–	522	17,591	(6,220)	11,371
– Footpaths	85,388	(26,232)	59,156	1,005	2,891	–	(1,217)	2,063	–	–	–	–	1,799	93,015	(27,318)	65,697
– Bulk earthworks (non-depreciable)	86,818	–	86,818	–	–	–	–	–	–	–	–	–	2,603	89,421	–	89,421
– Stormwater drainage	447,965	(260,361)	187,604	773	–	–	(4,512)	853	–	–	–	–	91,948	511,921	(235,255)	276,666
– Swimming pools	3,404	(510)	2,894	483	–	–	(34)	296	–	–	–	–	110	3,870	(121)	3,749
– Other open space/recreational assets	154,599	(60,956)	93,643	2,764	260	(876)	(3,559)	3,046	–	–	–	–	2,766	161,006	(62,962)	98,044
Other assets:																
– Library books	9,209	(6,016)	3,193	735	–	–	(619)	–	–	–	–	–	–	9,945	(6,636)	3,309
– Other	1,030	–	1,030	–	–	–	–	–	–	–	–	–	–	1,030	–	1,030
Total infrastructure, property, plant and equipment	3,270,162	(708,263)	2,561,899	24,217	21,406	(2,335)	(25,749)	–	–	(60)	(2,850)	(7,852)	146,101	3,411,096	(696,319)	2,714,777

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period										At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Transfers	Other adjustments	Transfer (to) 'held for sale' category	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	34,769	–	34,769	5,811	12,176	–	–	(9,022)	–	(16)	–	–	–	43,718	–	43,718
Plant and equipment	16,346	(5,586)	10,760	1,753	–	(641)	(1,459)	3	–	–	–	–	312	16,902	(6,174)	10,728
Office equipment	1,913	(1,155)	758	116	64	–	(194)	8	–	–	–	–	–	2,102	(1,350)	752
Furniture and fittings	654	(476)	178	18	–	–	(37)	–	–	–	–	–	–	672	(513)	159
Land:																
– Operational land	193,444	–	193,444	–	10,095	–	–	2	2,750	–	–	–	125,297	331,588	–	331,588
– Community land	751,295	–	751,295	–	–	–	–	–	(2,840)	–	(1,400)	–	225,305	972,360	–	972,360
– Crown land	158,064	–	158,064	–	–	–	–	–	–	–	–	–	72,270	230,334	–	230,334
– Land under roads (post 30/6/08)	1,337	–	1,337	–	–	–	–	–	90	–	–	–	1,035	2,462	–	2,462
Land improvements – depreciable	7,744	(6,145)	1,599	–	–	–	(158)	–	–	–	–	–	–	7,744	(6,303)	1,441
Infrastructure:																
– Buildings – non-specialised	9,402	(4,592)	4,810	–	2,500	(1,759)	(164)	–	–	–	–	(431)	–	9,207	(4,251)	4,956
– Buildings – specialised	178,377	(77,285)	101,092	1,383	1,176	(38)	(3,402)	1,423	(101)	–	–	–	2,606	187,713	(83,574)	104,139
– Other structures	50,181	(7,881)	42,300	275	371	–	(904)	45	–	–	–	–	2,314	53,128	(8,727)	44,401
– Roads	575,812	(233,011)	342,801	7,392	24	–	(8,537)	2,072	–	–	–	–	25,672	606,750	(237,326)	369,424
– Bridges	16,277	(5,730)	10,547	–	–	–	(240)	–	–	–	–	–	792	17,069	(5,970)	11,099
– Footpaths	79,704	(25,313)	54,391	1,003	1,736	–	(1,144)	194	–	–	–	–	2,976	85,388	(26,232)	59,156
– Bulk earthworks (non-depreciable)	82,222	–	82,222	–	–	–	–	–	–	–	–	–	4,596	86,818	–	86,818
– Stormwater drainage	273,189	(91,626)	181,563	726	198	(114)	(2,237)	219	(9)	–	–	–	7,258	447,965	(260,361)	187,604
– Swimming pools	3,286	(601)	2,685	–	–	–	(33)	–	–	–	–	–	242	3,404	(510)	2,894
– Other open space/recreational assets	140,269	(58,445)	81,824	3,444	2,475	(493)	(3,170)	5,056	110	–	–	–	4,397	154,599	(60,956)	93,643
Other assets:																
– Library books	8,470	(5,424)	3,046	739	–	–	(592)	–	–	–	–	–	–	9,209	(6,016)	3,193
– Other	1,029	–	1,029	–	–	–	–	–	–	1	–	–	–	1,030	–	1,030
Total infrastructure, property, plant and equipment	2,583,784	(523,270)	2,060,514	22,660	30,815	(3,045)	(22,271)	–	–	(15)	(1,400)	(431)	475,072	3,270,162	(708,263)	2,561,899

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

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

Material accounting policy information

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

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

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

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 and equipment	Years	Stormwater assets	Years
Office equipment	10	Pits	120 to 150
Office furniture	2 to 10	Pipes	80 to 150
Computer equipment	4 to 10		
Vehicles	10 to 20	Other infrastructure assets	
Other plant and equipment	3 to 20	Bulk earthworks	NA
		Swimming pools	100
		Recreation assets	7 to 150
Transportation assets		Other Asset	
Road surface	20 to 120	Other Asset (Art Works)	NA
Road pavements	60 to 100	Library Books	10
Road structures	10 to 120		
Bridge	10 to 100	Buildings	
Other structure (Car Park)	25 to 100	Buildings	25 to 100
Kerb and Gutter	60 to 120		
Footpaths	40 to 100		

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

Land under roads

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

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

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

Crown reserves

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

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

Rural Fire Service assets

Under Section 119 of the Rural Fire Services Act 1997 (NSW), "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

C1-8 Investment properties

\$ '000	2024	2023
Owned investment property		
Investment property on hand at fair value	50,734	50,400
Total owned investment property	50,734	50,400
Owned investment property		
At fair value		
Opening balance at 1 July	50,400	49,760
Acquisitions	334	602
– Net gain (loss) from fair value adjustments	–	38
Closing balance at 30 June	50,734	50,400

C2 Liabilities of Council

C2-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	7,241	–	7,130	–
Goods and services – capital expenditure	1,983	–	4,924	–
Security bonds, deposits and retentions	13,866	–	12,819	–
Other	343	–	348	–
Total payables	23,433	–	25,221	–

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

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Payables – Loans, security bonds, deposits and retentions			12,829	11,349
Total payables			12,829	11,349

C2-2 Contract Liabilities

\$ '000	Notes	2024		2023	
		Current	Non-current	Current	Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	10,808	–	11,512	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	97	–	223	–
Total grants received in advance		10,905	–	11,735	–
User fees and charges received in advance:					
Upfront fees	(iii)	1,016	–	917	–
Other		2,148	–	2,821	–
Total user fees and charges received in advance		3,164	–	3,738	–
Total contract liabilities		14,069	–	15,473	–

Notes

(i) Council has received funding to construct assets including sporting facilities, carparks, parks and other infrastructure. The funds received are under an enforceable contract which requires Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding receivable which cannot yet be recognised as revenue.

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

(iii) Upfront membership fees for various program and classes do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue when the benefit or services are provided.

Contract liabilities relating to restricted assets

2024	2024	2023	2023
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C2-2 Contract Liabilities (continued)

\$ '000	Current	Non-current	Current	Non-current
Externally restricted assets				
Unspent grants held as contract liabilities	10,905	–	11,735	–
Contract liabilities relating to externally restricted assets	10,905	–	11,735	–
Total contract liabilities relating to restricted assets	10,905	–	11,735	–
Total contract liabilities relating to unrestricted assets	3,164	–	3,738	–
Total contract liabilities	14,069	–	15,473	–

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

\$ '000	2024	2023
Grants and contributions received in advance:		
Operating grants (received prior to performance obligation being satisfied)	223	390
Total revenue recognised that was included in the contract liability balance at the beginning of the period	223	390

C2-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured ¹	3,281	24,317	3,227	27,598
Total borrowings	3,281	24,317	3,227	27,598

(1) Loans are secured over the general rating income of Council. Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note D1

Borrowings relating to restricted assets

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Total borrowings relating to restricted assets	3,281	24,317	3,227	27,598
Total borrowings	3,281	24,317	3,227	27,598

(a) Changes in borrowings arising from financing activities

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	30,825	(3,227)	-	-	-	-	27,598
Lease liability	1,725	(140)	-	-	-	-	1,585
Total liabilities from financing activities	32,550	(3,367)	-	-	-	-	29,183

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Credit cards	150	120
Total financing arrangements	150	120
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards	150	120
Total drawn financing arrangements	150	120

Undrawn facilities

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

Material accounting policy information

Borrowing costs are expensed, except to the extent that they are incurred during the construction of qualifying assets.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

C2-4 Employee benefit provisions

2024	2024	2023	2023
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C2-4 Employee benefit provisions (continued)

\$ '000	Current	Non-current	Current	Non-current
Annual leave	3,768	–	3,873	–
Sick leave	91	–	268	–
Long service leave	8,796	310	8,646	227
Total employee benefit provisions	12,655	310	12,787	227

Employee benefit provisions relating to restricted assets

Refer to Note C1-3 for restricted assets (internal) related to provisions.

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employee benefits	8,179	8,124
	8,179	8,124

Description of and movements in provisions

\$ '000	ELE provisions			
	Annual leave	Sick leave	Long service leave	Total
2024				
At beginning of year	3,873	268	8,873	13,014
Additional provisions	3,312	(172)	1,637	4,777
Payments	(3,417)	(5)	(1,404)	(4,826)
Total ELE provisions at end of year	3,768	91	9,106	12,965
2023				
At beginning of year	4,074	249	7,851	12,174
Additional provisions	3,196	19	1,899	5,114
Payments	(3,397)	–	(877)	(4,274)
Total ELE provisions at end of year	3,873	268	8,873	13,014

C2-4 Employee benefit provisions (continued)

Material accounting policy information

Short-term obligations

Short-term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be wholly settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

These provisions are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

Liabilities for non-vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no liability has been recognised in these reports.

Wages and salaries, annual leave and vesting sick leave are all classified as current liabilities.

Other long-term employee benefit obligations

The liability for long-service leave and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be wholly settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

Due to the nature of when and how long service leave can be taken, all long service leave for employees with 5 or more years of service has been classified as current, as it has been deemed that Council does not have the unconditional right to defer settlements beyond 12 months – even though it is not anticipated that all employees with more than 5 years' service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit 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 AASB 119 *Employee benefits*.

Sufficient reliable information is not available to account for the Scheme as a defined benefit plan in accordance with AASB119 because the assets to the Scheme are pooled together for all Councils.

The scheme's most recent full actuarial review indicated that the net assets of the scheme were not sufficient to meet the accrued benefits of the schemes defined benefit member category with member councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme, however, is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

In relation to further disclosure below, under item d (iii) the expected contributions by Council to the Fund for the next annual reporting period are \$158,873.72. Based on a Past Service Liabilities methodology, for item (d) (iv) the share of any funding surplus or deficit that can be attributed to Council is 0.78%.

The requirement for contributions in order to maintain the adequacy of the funding position for the accrued liabilities (currently \$20M per annum) is assessed annually by the Actuary.

As previously notified, the past service contributions \$20M per annum remain in place and will continue to be reviewed on an annual basis or as required. The funding requirements for the defined benefit schemes are assessed by the Trustee on an annual basis with the outcome of each annual funding update communicated in the new year. We advise that under item (d) (v), it is estimated that there are \$78,313.28 past service contributions remaining.

C2-4 Employee benefit provisions (continued)

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2024 was \$263,678.76. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2024.

Council received further disclosure requirements under paragraph 148 of the AASB119 which are detailed below:

(a) a description of the funding arrangements, including the method used to determine the entity's rate of contribution and any minimum funding requirements.

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

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

The current standard employer contribution rates are:

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

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

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2024. 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.

(b) A description of the extent to which the entity can be liable to the plan other entities' obligations under the terms and conditions of the multi-employer plan.

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

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

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

- *Wind-up the plan*

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

- *The entity's withdrawal from the plan*

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

(d) Given the entity accounts for that plan as if it were defined contribution plan in accordance with paragraph 34, the following information:

(i) the fact that the plan is a defined benefit plan

We confirm the plan is a defined benefit plan.

(ii) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.

See earlier section on "AASB 119 accounting observations".

(iii) The expected contributions to the plan for the next annual reporting period.

(iv) Information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity.

C2-4 Employee benefit provisions (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.

The key economic long term assumptions used to calculate the present value of accrued benefit 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. Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2024.

(v) An indication of the level of participation of the entity in the plan compared with other participating entities.

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

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

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

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

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

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

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	11,587	13,164	11,587	13,164
Receivables	15,134	15,081	15,134	16,866
Investments				
– Debt securities at amortised cost	201,034	200,280	204,766	200,280
Total financial assets	227,755	228,525	231,487	230,310
Financial liabilities				
Payables	23,433	25,221	23,433	25,221
Loans/advances	27,598	30,825	27,598	30,825
Total financial liabilities	51,031	56,046	51,031	56,046

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- **Payables** – exclude payments received in advance.

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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

The risks associated with the instruments held are:

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

Council also seeks advice from independent advisors before placing any funds in cash equivalents and investments.

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

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

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
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The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

Impact of a 1% movement in interest rates

– Equity / Income Statement	607	624
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Impact of a 10% movement in price of investments

– Equity / Income Statement	6,073	6,238
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(b) Credit risk

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

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full.

Council manages the credit risk by monitoring outstanding debts and employing stringent debt recovery procedures.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – 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 encourage the payment of debt.

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

A profile of Council's receivables credit risk at balance date follows:

Credit risk profile

Receivables – rates and annual charges

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2024				
Gross carrying amount	–	4,806	55	4,861
2023				
Gross carrying amount	–	4,092	64	4,156

Receivables - non-rates and annual charges and contract assets

\$ '000	Not yet overdue	0 - 30 days	Overdue debts			Total
			31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	1,477	3,928	1,039	588	3,279	10,311
2023						
Gross carrying amount	1,996	4,075	506	2,154	2,232	10,963

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

(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – 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 maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities can be utilised as required.

The contractual undiscounted cash outflows (i.e.principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2024							
Payables	0.00%	13,866	–	–	–	13,866	23,433
Borrowings	5.23%	–	3,281	13,719	10,598	27,598	27,598
Total financial liabilities		13,866	3,281	13,719	10,598	41,464	51,031
2023							
Payables	0.00%	12,819	–	–	–	12,819	25,221
Borrowings	5.18%	–	3,227	13,476	14,122	30,825	30,825
Total financial liabilities		12,819	3,227	13,476	14,122	43,644	56,046

D2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investment property

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

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

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

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

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

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Investment property	C1-8						
Investment properties		50,743	50,400	–	–	50,743	50,400
Total investment property		50,743	50,400	–	–	50,743	50,400
Infrastructure, property, plant and equipment	C1-7						
Operational Land		–	–	331,127	331,588	331,127	331,588
Community Land		–	–	982,360	972,360	982,360	972,360
Land Under Roads		–	–	2,310	2,462	2,310	2,462
Land Improvements Depreciable		–	–	1,283	1,441	1,283	1,441
Stormwater Drainage		–	–	276,666	187,604	276,666	187,604
Structure (Car Parks)		–	–	47,279	44,401	47,279	44,401
Buildings – Non Specialised		–	–	4,751	4,956	4,751	4,956
Buildings – Specialised		–	–	113,746	104,139	113,746	104,139
Furniture & Fittings		–	–	349	159	349	159
Library Books		–	–	3,309	3,193	3,309	3,193
Office Equipment		–	–	577	752	577	752
Plant & Equipment (e.g. Fleet & Small Plant)		–	–	11,606	10,728	11,606	10,728
Crown Land		–	–	230,334	230,334	230,334	230,334
Other (Artworks, Sculptures)		–	–	1,030	1,029	1,030	1,029
Roads and Bulk earthworks		–	–	355,226	339,387	355,226	339,387
Bridges		–	–	11,371	11,099	11,371	11,099
Footpaths		–	–	65,697	59,156	65,697	59,156
Kerb & Gutter		–	–	112,379	107,287	112,379	107,287
Road Structure & Street Furniture		–	–	13,315	9,568	13,315	9,568
Recreational Facilities		–	–	98,044	93,643	98,044	93,643
Swimming Pools		–	–	3,749	2,894	3,749	2,894
Total infrastructure, property, plant and equipment		–	–	2,666,508	2,518,180	2,666,508	2,518,180
Non-current assets classified as held for sale	C1-6						
Land Asset		–	–	2,850	1,400	2,850	1,400

D2-1 Fair value measurement (continued)

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2024	2023
		2024	2023	2024	2023		
Total NCA's classified as held for sale		-	-	2,850	1,400	2,850	1,400

D2-1 Fair value measurement (continued)

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

Valuation techniques

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

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

Investment property

Council obtains an independent valuation of its investment property on a regular basis. The best evidence of fair value is the current price in an active market for similar assets. The following information is used where necessary;

- Current prices in an active market for different types of properties or similar properties in a less active market.
- Income that may arise out of renting the property based on direct capitalisation method.

The investment property held by Council has been valued by the valuer using valuation techniques that are appropriate and for which sufficient data was available to measure fair value, maximising the use of observable inputs (Level 2 inputs) and minimising unobservable inputs (Level 3 inputs) (based on the per square metres).

The market approach was used to value the investment property. It was valued on 30 June 2024 by Nicholas Brady AAPI, Certified Practising Valuer.

Infrastructure, property, plant and equipment (IPPE)

Community Land

Assets within the "Community Land" class are Council owned Community Land, and Community Land under Council's control, care, and management. Council's community land was revalued in 2022/23, based on the most recent Unimproved Capital Value (UCV), provided by the Valuer General.

Currently all Council assets in this asset class are based on UCV, however, should Council have an asset in future for which an UCV is not provided, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

Crown Land

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. Crown Land was revalued in 2022/23, based on the most recent Unimproved Capital Value (UCV), provided by the Valuer General .

Currently, Crown Land is valued on the UCV, however, should Council have an asset in future for which an UCV is not provided, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

Operational Land

Council's operational land includes all of Council's land classified as operational land under Local Government Act 1993. The total area of land at the time of the last revaluation was 101,505m². Council's operational land is valued regularly with a comprehensive valuation completed and revalued every five years. Operational land was valued in 2022/23 by Nicholas Brady AAPI, Certified Practising Valuer. Council's operational land was valued at market value (highest and best use) after identifying all elements that would be taken into account by buyers and sellers in setting the price, including but not limited to zoning, topography, location, size, shape, access, exposure to traffic and businesses. Remaining useful life, condition of asset, future cash flow from the use of asset are also considered when determining the fair value.

D2-1 Fair value measurement (continued)

A fair value assessment was performed during the 2023/24 financial year and an interim valuation adjustment recognised. The asset values of operational land were indexed by approximately 6.4%, in alignment with reported in the NSW Valuer General's report.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Land Under Roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips. Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051. Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment. Values were determined using the Englobo methodology derived from the Code of Accounting Practice and Financial Reporting.

A comprehensive revaluation was undertaken by Council staff during the 2023/24 financial year.

This asset class is classified as Level 3 asset as significant inputs used in the Englobo valuation methodology are unobservable.

Land Improvements Depreciable

The land improvements asset class consists of land improvement capital works surrounding Council buildings and parks. Council values these land improvements internally using cost approach. Replacement costs (unit rates) and useful lives of Council's land improvement assets were determined using technical knowledge from council staff (engineers and asset management) and contractor information. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, pattern of consumption, dimensions and residual value. The condition of each asset was determined by completing field inspections using the ratings 1 (Excellent) to 5 (Very Poor).

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Stormwater Drainage

The Stormwater Drainage asset class includes the Council's pits and pipes. In 2023/24, these assets were comprehensively valued by external valuers, APV Valuers & Asset Management, using the replacement cost approach.

Replacement costs (unit rates) and useful lives for Stormwater Drainage assets were determined through a combination of historic data, cost models and technical expertise of both the external valuers and Council staff. This process incorporated standard unit rates applied to the dimensions of the componentised asset and considered environmental factors based on asset location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, and residual value. The asset condition of 1 (Excellent) to 5 (Very Poor) was determined by assumptions related to age and CCTV investigations across a representative portion of Council's drainage network.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Other Structure (Car Park)

Council's car parks are componentised into the pavement, surface, formation and kerb & gutter for inspection and valuation. Council undertook the full revaluation of car park assets in June 2020.

The condition of each asset was determined by engineers completing field inspections using the rate 1 (Excellent) to 5 (Very Poor). Replacement costs (unit rate) of Council's car park assets were determined using technical knowledge from council engineers and managers based on current contractor cost information. The useful lives were determined using SSROC useful life as a guide. Other significant inputs considered in the valuation of these assets are condition rating, remaining useful life, pattern of consumption, dimensions, components and residual value.

A fair value assessment was performed during the 2023/24 financial year and an interim valuation adjustment recognised. The asset values of other structures were indexed by approximately 3.0% to reflect the relevant producer price inflation on contractor rates.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Buildings - Non specialised and Specialised

Council engaged Scott Fullarton Valuation Pty Ltd to value all buildings in 2022/23. The approach estimated the replacement cost of each building and componentising of significant parts of specific buildings with different useful lives and taking into account a range of factors. Where the unit rates could be supported by market evidence, Level 2 inputs were

D2-1 Fair value measurement (continued)

utilised. Other inputs (such as estimates of residual value, useful life, asset condition and componentisation) required extensive professional judgment and impacted significantly on the final determination of fair value, as such, these assets have been valued utilising Level 3 inputs.

A fair value assessment was performed during the 2023/24 financial year and an interim valuation adjustment recognised. The asset values of buildings were indexed by approximately 6.8% to reflect the relevant producer price inflation on contractor rates.

Roads

Council's roads are componentised into the pavement, surface and formation and further separated into segments for inspection and valuation. Council undertook the full revaluation of road assets in June 2020.

The condition of Councils roads is determined utilising a pavement condition index which is based on surface cracking, surface texture and roughness, rutting. The condition is assessed completed by external consultant Infrastructure Management Group through field inspection. This pavement condition index is converted into road technical ratings condition 1 (Excellent) to 5 (Very Poor). The replacement costs (unit rates) are determined based on current contractor cost information for different road classes and materials. Useful lives were reviewed by Council's roads engineer based on Austroads 2009 guide. Remaining useful life is based on the new condition rate and Austroads Health Indices calculated by the Council's pavement management system SMEC.

A fair value assessment was performed during the 2023/24 financial year and an interim valuation adjustment recognised. The asset values of roads were indexed by approximately 4.8% and bulk earthworks by approximately 3.0% to reflect the relevant producer price inflation on contractor rates.

Road is categorised as Level 3 assets as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Bridges

Council's bridges register consists of pedestrian, road, culvert, and vehicle access bridges. Council undertook a full revaluation of bridge assets at 30 June 2020. The bridges were inspected and valued by an independent consultant Aurecon Australasia Pty Ltd. In order to apply fair valuation and condition based depreciation, the following information was determined by the consultant for each component:

- Condition assessment - Bridge site inspection is at component level, based on which the average condition rating at decimal format is calculated for the component. The rate is then round up or down based on Aurecon Australasia's professional methodology.
- The useful life and remaining useful life - Useful life of a component is based on primary material that the component in question is comprised of. The remaining useful life (RUL) is calculated by taking into account both condition and age and subtracting that from the design life.
- Replacement cost - The cost to replace a component to a current day equivalent.
- Residual value - For the purposes of calculating Fair Value for all bridge components at the end of their Useful Life, the RV has been assumed to be \$0 since generally there is no significant re-sale value potential for bridge components.
- Depreciation Method - For the purposes of the fair value calculation, a straight-line depreciation is adopted.

A fair value assessment was performed during the 2023/24 financial year and an interim valuation adjustment recognised. The asset values of bridges were indexed by approximately 4.8% to reflect the relevant producer price inflation on contractor rates.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Footpaths

Council's engineer completed a full valuation of Footpath assets internally at 30 June 2020.

Replacement costs (unit rates) are determined based on invoices for footpath construction 2019-2020 and Council's Minor Works Tender Schedule of Rates. Useful lives are reviewed using technical knowledge with no changes being implemented to existing adopted useful lives. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

The condition of each asset are the latest condition rate is Council's asset system. The condition rates are updated per a five-year condition assessment program. Besides this, footpaths are also inspected with conditions updated as part of customer requests, authorised road opening work and Council's capital works program. Council models the footpath defects to determine an overall footpath condition rating for each footpath segment.

A fair value assessment was performed during the 2023/24 financial year and an interim valuation adjustment recognised. The asset values of footpaths were indexed by approximately 3.0% to reflect the relevant producer price inflation on contractor rates.

D2-1 Fair value measurement (continued)

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Kerb & Gutter

Council staff performed a valuation of the assets internally at 30 June 2020.

The condition rates are assessed by external consultant Infrastructure Management Group through inspection and engineer's desktop assessment. Replacement costs (unit rates) are based on current contractor cost information. Useful lives are reviewed using technical knowledge with no changes being implemented to existing adopted useful lives. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

A fair value assessment was performed during the 2023/24 financial year and an interim valuation adjustment recognised. The asset values of kerb and gutter were indexed by approximately 4.8% to reflect the relevant producer price inflation on contractor rates.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Road Structure and Street Furniture

The Road Structures and Street Furniture register comprises of all structures (e.g. traffic islands, guardrails) and furniture (e.g. bollards, signs) within Council's road network. Council staff completed the valuation of the assets internally in June 2020.

The condition of these assets are monitored during Council's routine suburbs audit, and maintained if necessary. In addition, their conditions are updated regularly following customers' requests and completion of Council's capital works program. The condition of each asset was determined using the ratings 1 (Excellent) to 5 (Very Poor).

Replacement costs (unit rates) are based on current invoices, quotations Council's Minor Works Tender and Schedule of Rates and capital works handover spreadsheets. The useful lives of Council's road structures and street furniture are reviewed and updated using technical knowledge from Council engineers based on SSROC guide. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

A fair value assessment was performed during the 2023/24 financial year and an interim valuation adjustment recognised. The asset values of road structures and street furniture were indexed by approximately 4.8% to reflect the relevant producer price inflation on contractor rates.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Open Space / Recreational Assets

Council's recreational facilities register includes all assets within our sports fields, bushland and park locations. This includes but is not limited to ovals, playing courts, playgrounds, fences and fire trails.

Council staff completed the valuation of these assets internally in 2020/21 financial year. Replacement costs (unit rates) and useful lives of Council's recreational facilities were determined using technical knowledge from Council staff (engineers and asset management) and Contractor information. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

The condition of these assets was determined by field inspections using the ratings 1 (Excellent) to 5 (Very Poor).

A fair value assessment was performed during the 2023/24 financial year and an interim valuation adjustment recognised. The asset values of recreational facilities were indexed by approximately 3.0% to reflect the relevant producer price inflation on contractor rates.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Swimming Pool

Council engages an independent valuer, Scott Fullarton Valuation Pty Ltd, to value its swimming pools. The last comprehensive valuation was performed in 2022/23. Substantial components of the pool are valued using replacement cost

D2-1 Fair value measurement (continued)

method. Replacement costs were determined using square metre rates and other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, components, dimensions and residual value.

A fair value assessment was performed during the 2023/24 financial year and an interim valuation adjustment recognised. The asset values of swimming pools were indexed by approximately 3.5% to reflect the relevant producer price inflation on contractor rates.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Plant & Equipment, Office Equipment, and Furniture & Fittings

This asset category includes:

Plant & Equipment – Motor vehicles, trucks, mowers, buses, earthmoving equipment

Office Equipment – Computer equipment

Furniture & Fittings – Chairs, desks, cabinets, display systems

These assets are valued at cost in Council's books and reported at Fair value in the notes due to the nature of the items. The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market therefore placing these assets in Level 3. Valuation techniques remained the same for this reporting period.

Library Books

This asset category comprises of assets such as library books, journals, magazines, CDs and DVDs.

The library books are reported at fair value in the notes however, due to the nature of these items they are valued at cost. There are no major variances between the fair value and carrying amount of these assets. Valuation techniques remain the same for this reporting period. The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market making it a Level 3 asset.

Others (Artwork, Sculptures)

Council engaged McWilliam and Associates Pty Ltd to value all artwork, memorabilia and monuments in the 2020/21 financial year and this information was updated into Council's public art register.

The valuation was completed using the replacement cost approach and market value in accordance with AASB 116. The replacement value for artworks and memorabilia was determined by the price at which the items could be purchased from a reputable dealer, gallery or retail outlet.

The replacement value for monuments was determined as the cost of replacing an asset with a similar object in a condition equal to, but not better than its condition when new. An estimate of associated costs including consultancy and site management is included in the determination of the replacement value.

Where the fair value of an asset could not be determined by sale on the open market, a depreciable replacement cost has been adopted. Other significant inputs considered in the valuation are the condition of the asset, pattern of consumption and remaining useful life.

This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Fair value measurements using significant unobservable inputs (level 3)

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

\$ '000	Fair value 2024	Valuation technique/s	Unobservable inputs
Community Land	982,360	NSW Valuer General	Unimproved Capital Value provided by Valuer General

D2-1 Fair value measurement (continued)

\$ '000	Fair value 2024	Valuation technique/s	Unobservable inputs
Bridges	11,371	Cost Approach	Replacement Cost - Unit Rates vary from asset to asset Asset Condition rating 1 - 5 Excellent to Very poor
Buildings - Specialised	113,746	Cost Approach	Useful life 10-100 years Replacement Cost - Unit Rates vary from asset to asset Asset Condition rating 1 - 4 Excellent to Poor Useful life 25-100 years Components: Structure, Roof, Floor, Mechanical, Fire and Security, Internal finishes and Electrical
Buildings Non Specialised	4,751	Cost Approach	Replacement Cost - Unit Rates vary from asset to asset Asset Condition rating 2 - 4 Good to Poor Useful life 25-100 years Components: Structure, Roof, Floor, Mechanical, Fire and Security, Internal finishes and Electrical
Crown Land	230,334	NSW Valuer General	Unimproved Capital Value provided by Valuer General
Footpaths	65,697	Cost Approach	Replacement Cost - Unit Rates \$220 - \$785 vary from asset to asset Asset Condition rating 1 - 5 Excellent to Very poor Useful life 40- 100 years
Furniture and Fittings, Office Equipment and Plant and Equipment (e.g. Fleet and Small Plant)	12,532	Cost Approach	Cost vary from asset to asset Useful life 2-20 years Residual Value \$nil - \$10
Kerb and Gutter	112,379	Cost Approach	Replacement Cost - Unit Rate \$185 - \$309 vary from asset to asset Asset Condition rating 1 - 5 Excellent to Very poor Useful life 60-120 years
Land Improvements Depreciable	1,283	Cost Approach	Replacement Cost - Unit Rates vary from asset to asset Asset Condition rating 1 - 5 Excellent to Very poor
Land Under Roads	2,310	Cost Approach / Englobo valuation	Useful life 20 years Total area (85,380,363m2) Total area LUR (23,910m2) Englobo valuation basis (AASB116)

D2-1 Fair value measurement (continued)

\$ '000	Fair value 2024	Valuation technique/s	Unobservable inputs
Library Books	3,309	Cost Approach	<p>Replacement Costs vary from asset to asset</p> <p>Asset Condition rating 1-5 Excellent to Very poor</p> <p>Useful life 10 years</p>
Operational Land	331,127	Market Value / Cost Approach	<p>Residual Value \$nil - \$10</p> <p>Total area (101,505m²) at the time of last revaluation</p>
Other (Artworks, Sculptures)	1,030	Cost Approach	<p>Sale price based on specialists' professional judgments and Replacement costs vary from asset to asset</p>
Other Structures (Car park)	47,279	Cost Approach	<p>Replacement Costs vary from asset to asset</p> <p>Asset Condition rating 1 - 5 Excellent to Very poor</p> <p>Useful life 25-100 years</p>
Recreational Facilities	98,044	Cost Approach	<p>Replacement Costs vary from asset to asset</p> <p>Asset Condition rating 1 - 5 Excellent to Very poor</p> <p>Useful life 7-150 years</p>
Road Structure and Street Furniture	13,315	Cost Approach	<p>Replacement Costs vary from asset to asset</p> <p>Asset Condition rating 1 - 5 Excellent to Very poor</p>
Roads	355,226	Cost Approach	<p>Useful life 10-120 years</p> <p>Unit Rates Surface: \$30-\$44 Pavement: \$68-\$433</p> <p>Asset Condition rating 1 - 5 Excellent to Very poor</p> <p>Pavement useful life 60 - 100 years Surface useful life 20 - 120 years</p>
Stormwater Drainage	276,666	Cost Approach	<p>Replacement Cost Unit Rates vary from asset to asset</p> <p>Asset Condition rating 1 - 5 Excellent to Very poor</p>
Swimming Pools	3,749	Cost Approach	<p>Useful life 80-150 years</p> <p>Replacement Costs vary from asset to asset</p> <p>Asset Condition rating 1-3 Excellent to Satisfactory</p> <p>Useful life 100 years</p>

D2-1 Fair value measurement (continued)

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

\$ '000	Community Land		Land under Roads		Land improvements depreciable		Stormwater drainage	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	972,360	751,295	2,462	1,337	1,441	1,599	187,604	181,563
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	17,700	(4,240)	–	90	–	–	853	(9)
Purchases (GBV)	–	–	–	–	–	–	773	1,143
Disposals (WDV)	–	–	–	–	–	–	–	(114)
Depreciation and impairment	–	–	–	–	(158)	(158)	(4,512)	(2,237)
Revaluation	(7,700)	225,305	(152)	1,035	–	–	91,948	7,258
Closing balance	982,360	972,360	2,310	2,462	1,283	1,441	276,666	187,604

\$ '000	Structures (car parks)		Building specialised		Other		Roads and Bulk Earth Work	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	44,401	42,300	104,139	101,092	1,030	1,029	339,387	315,391
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	1,238	–	1,890	(101)	–	1	3,252	–
Purchases (GBV)	1,279	691	4,387	3,982	–	–	4,632	8,321
Disposals (WDV)	–	–	–	(38)	–	–	–	–
Depreciation and impairment	(979)	(904)	(3,619)	(3,402)	–	–	(6,630)	(6,342)
Revaluation	1,340	2,314	6,949	2,606	–	–	14,585	22,017
Closing balance	47,279	44,401	113,746	104,139	1,030	1,030	355,226	339,387

\$ '000	Bridges		Footpaths		Kerb and gutter		Road structure and street furniture	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	11,099	10,547	59,156	54,391	107,287	100,383	9,568	9,249
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	2,063	–	673	–	3,113	–
Purchases (GBV)	–	–	3,896	2,933	1,237	1,167	413	–
Depreciation and impairment	(250)	(240)	(1,217)	(1,144)	(1,917)	(1,832)	(371)	(363)
Revaluation	522	792	1,799	2,976	5,099	7,569	592	682
Closing balance	11,371	11,099	65,697	59,156	112,379	107,287	13,315	9,568

D2-1 Fair value measurement (continued)

\$ '000	Recreational facilities		Swimming pools		Crown land		Buildings non-specialised	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	93,643	81,824	2,894	2,685	230,334	158,064	4,956	4,810
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	3,046	110	296	-	-	-	-	-
Purchases (GBV)	3,024	10,975	483	-	-	-	5	2,500
Disposals (WDV)	(876)	(493)	-	-	-	-	(385)	(1,759)
Depreciation and impairment	(3,559)	(3,170)	(34)	(33)	-	-	(127)	(164)
Revaluation	2,766	4,397	110	242	-	72,270	302	(431)
Closing balance	98,044	93,643	3,749	2,894	230,334	230,334	4,751	4,956

\$ '000	Furniture and fittings		Office equipment		Plant and equipment		Operational Land	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	159	178	752	758	10,728	10,760	331,588	193,444
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	-	-	12	-	-	-	(20,550)	2,750
Purchases (GBV)	225	18	-	188	3,487	1,756	-	10,097
Disposals (WDV)	-	-	(18)	-	(1,056)	(641)	-	-
Depreciation and impairment	(35)	(37)	(169)	(194)	(1,553)	(1,459)	-	-
Revaluation	-	-	-	-	-	312	20,089	125,297
Closing balance	349	159	577	752	11,606	10,728	331,127	331,588

\$ '000	Library books		Total	
	2024	2023	2024	2023
Opening balance	3,193	3,046	2,518,181	2,025,745
Transfers from/(to) another asset class	-	-	13,586	(1,399)
Purchases (GBV)	735	739	24,576	44,510
Disposals (WDV)	-	-	(2,335)	(3,045)
Depreciation and impairment	(619)	(592)	(25,749)	(22,271)
Revaluation	-	-	138,249	474,641
Closing balance	3,309	3,193	2,666,508	2,518,181

Highest and best use

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

D3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) 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.

(ii) 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.

(iii) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities

(i) Third party claims

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

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

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

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

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

Where agreement is reached independent valuations guide the acquisition process in accordance with Council's Acquisition and Divestment of Land Policy. At reporting date, independent valuations have not yet been secured to accurately determine the value of any potential liability to Council (and subsequent land asset) from all such potential acquisitions.

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 30/6/2008.

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

Key management personnel (KMP) of the Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. KMP defined for this disclosure are elected members, general manager, directors and some managers (based on their responsibility and financial delegations).

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	4,750	3,812
Other long-term benefits	43	69
Total	4,793	3,881

Other transactions with KMP and their related parties

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

Council does not use Other transactions with KMP and their related parties.

E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	73	71
Councillors' fees	315	304
Other Councillors' expenses (including Mayor)	89	68
Total	477	443

E2 Other relationships

E2-1 Audit fees

\$ '000	2024	2023
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	105	79
Remuneration for audit and other assurance services	105	79
Total Auditor-General remuneration	105	79
Total audit fees	105	79

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	21,687	24,841
Add / (less) non-cash items:		
Depreciation and amortisation	25,949	22,467
Net loss on disposal of assets	1,070	1,968
Gains recognised on fair value re-measurements through the P&L:		
– Investments classified as ‘at fair value’ or ‘held for trading’	(9)	(46)
Movements in operating assets and liabilities and other cash items:		
(Increase)/decrease in receivables	(53)	172
Increase/(decrease) in provision for doubtful debts	–	38
(Increase)/decrease in inventories	(7)	(17)
(Increase)/decrease in other assets	289	351
Increase/(decrease) in payables – operating	111	157
Increase / (decrease) in other liabilities	1,042	1,415
Increase / (decrease) in contract liabilities	(1,404)	(1,985)
Increase/(decrease) in employee leave entitlements	(49)	840
Net cash provided from operating activities from the Statement of Cash Flows	48,626	50,201

F2-1 Commitments

Capital commitments (exclusive of GST)

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

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

Property, plant and equipment

Buildings	161	471
Other	8,644	10,176
Total commitments	8,805	10,647

These expenditures are payable as follows:

Within the next year	8,805	10,647
Total payable	8,805	10,647

Sources for funding of capital commitments:

Unrestricted general funds	8,805	10,647
Total sources of funding	8,805	10,647

F3-1 Events occurring after the reporting date

In the period after balance sheet date to signing of this report, Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

F4 Changes from prior year statements

F4-1 Changes in accounting estimates

Nature and effect of changes in accounting estimates on current year

A comprehensive revaluation of stormwater drainage assets was performed during the 2023/24 financial year, introducing an optimal renewal methodology that enabled componentisation into short-life and long-life components. Alongside this, the useful life of each component was also reassessed based on current conditions and future performance. These changes reflect a better understanding of assets lifecycle, maintenance and renewal requirements. As a result, these changes have been considered as a change in accounting estimates. This approach ensures that the financial statements reflect more accurately the current value and future economic benefit of the stormwater drainage assets.

F5 Statement of developer contributions

F5-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Traffic facilities	21,086	3,147	–	–	1,060	(3,634)	–	21,659	–
Parking	848	–	–	–	35	(20)	–	863	–
Open space	63,241	5,932	–	–	2,738	(3,306)	–	68,605	–
Community facilities	8,132	697	–	–	345	(631)	–	8,543	–
Other	81	–	–	–	–	–	–	81	–
S7.11 contributions – under a plan	93,388	9,776	–	–	4,178	(7,591)	–	99,751	–
S7.12 levies – under a plan	14,420	4,528	–	–	636	(3,312)	–	16,272	–
Total S7.11 and S7.12 revenue under plans	107,808	14,304	–	–	4,814	(10,903)	–	116,023	–
Total contributions	107,808	14,304	–	–	4,814	(10,903)	–	116,023	–

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

F5-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
CONTRIBUTION PLAN – 1993 Plan										
Parking	848	-	-	-	35	(20)	-	863	-	
Total	848	-	-	-	35	(20)	-	863	-	
CONTRIBUTION PLAN – 2000 to 2003 Residential Plan										
Open space	206	-	-	-	9	(1)	-	214	-	
Total	206	-	-	-	9	(1)	-	214	-	
CONTRIBUTION PLAN – 2004/2009 Residential Plan										
Open space	894	-	-	-	36	(88)	-	842	-	
Community facilities	3,051	-	-	-	127	(91)	-	3,087	-	
Traffic and other	-	-	-	-	-	-	-	-	-	
Total	3,945	-	-	-	163	(179)	-	3,929	-	
CONTRIBUTION PLAN – 2010 Plan										
Traffic facilities	21,086	3,147	-	-	1,060	(3,634)	-	21,659	-	
Open space	61,768	5,932	-	-	2,677	(3,217)	-	67,160	-	
Community facilities	5,081	697	-	-	218	(540)	-	5,456	-	
Other	81	-	-	-	-	-	-	81	-	
Total	88,016	9,776	-	-	3,955	(7,391)	-	94,356	-	
CONTRIBUTION PLAN – Ku-ring-gai SEPP 5 Plan										
Open space	373	-	-	-	16	-	-	389	-	
Total	373	-	-	-	16	-	-	389	-	

S7.12 Levies – under a plan

CONTRIBUTION PLAN NUMBER – Section 7.12 levies

Indirect contribution	14,420	4,528	-	-	636	(3,312)	-	16,272	-
Total	14,420	4,528	-	-	636	(3,312)	-	16,272	-

F6 Statement of performance measures

F6-1 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 ¹	2,572	1.65%	7.85%	4.90%	5.85%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	155,774					
2. Own source operating revenue ratio						
Total continuing operating revenue excluding all grants and contributions ¹	145,792	82.86%	80.87%	82.70%	82.03%	> 60.00%
Total continuing operating revenue	175,950					
3. Unrestricted current ratio						
Current assets less all external restrictions ²	86,289	4.00x	3.35x	2.81x	2.30x	> 1.50x
Current liabilities less specific purpose liabilities ³	21,561					
4. Debt service cover ratio						
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	29,843	6.49x	7.16x	26.29x	30.56x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,595					
5. Rates and annual charges outstanding percentage						
Rates and annual charges outstanding	5,345	5.18%	4.53%	4.27%	3.62%	< 5.00%
Rates and annual charges collectable	103,094					
6. Cash expense cover ratio						
Current year's cash and cash equivalents plus all term deposits	151,887	12.56 months	13.47 months	16.02 months	15.52 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	12,096					

(1) Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets, and net loss of interests in joint ventures and associates.

(2) Refer Note C1. Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

(3) Refer to Note C2 - excludes all loans, payables and provisions not expected to be paid in the next 12 months (incl.ELE).

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Ku-ring-gai Council

To the Councillors of the Ku-ring-gai Council

Opinion

I have audited the accompanying financial statements of Ku-ring-gai 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
Director, Financial Audit

Delegate of the Auditor General for New South Wales

24 October 2024
SYDNEY



Mr Sam Ngai
 Mayor
 Ku-ring-gai Council
 Locked Bag 1056
 PYMBLE NSW 2073

Contact: Sue Prichard
 Phone no: 02 8280 5637
 Our ref: [R008-2124742775-4793](#)

24 October 2024

Dear Mayor

**Report on the Conduct of the Audit
 for the year ended 30 June 2024
 Ku-ring-gai Council**

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

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

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

INCOME STATEMENT

Operating result

	2024 \$m	2023 \$m	Variance %
Rates and annual charges revenue	98.3	94.6	↑ 3.9
Grants and contributions revenue	30.2	32.2	↓ 6.2
Operating result from continuing operations	21.7	24.8	↓ 12.5
Net operating result before capital grants and contributions	1.5	10.1	↓ 85.1

Rates and annual charges revenue (\$98.3 million) increased by \$3.7 million (3.9 per cent) in 2023–24 due to rate peg and growth in rateable properties.

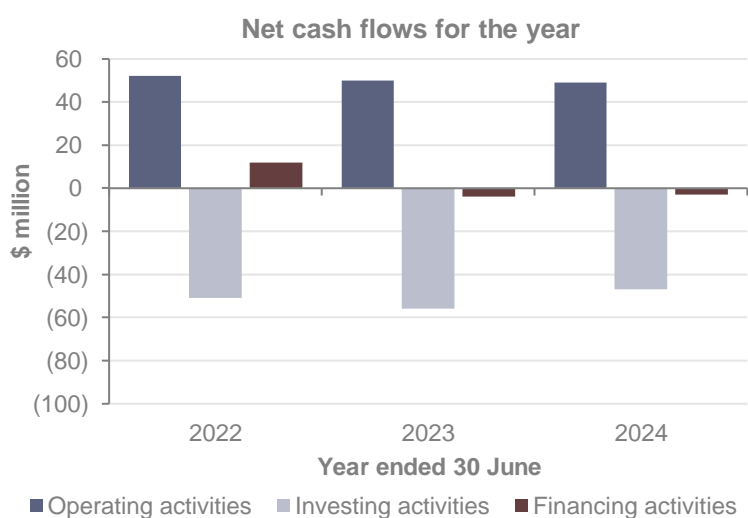
Grants and contributions revenue (\$30.2 million) decreased by \$2 million (6.2 per cent) in 2023–24 attributable to a decrease of \$7.4 million in operating grants recognised received for storm/flood damage and the road repair program and road safety.

Council’s operating result from continuing operations (\$21.7 million including depreciation, amortisation and impairment expense of \$26 million) was \$3.1 million lower than the 2022–23 result.

The net operating result before capital grants and contributions (\$1.5 million) was \$8.6 million lower than the 2022–23 result.

STATEMENT OF CASH FLOWS

- Cash flows from operating activities decreased by \$1.6 million in FY2023-24 due to an increase in payment to employees, payment for materials and services and borrowing costs which is offset by increase in rates and annual charges and user charges income during the year.
- Net cash from investing activities decreased by \$9.3 million in FY2023-24 primarily due to additional investment in securities during the year. This change reflects the effect on cash flows of material items, such as borrowings and developer contributions.
- Net cash from financing activities decreased by \$0.3 million in FY2023–24 as no further borrowings were drawn in the current year. The current year outflow is largely due to a repayment of borrowings.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	212.6	213.4	<ul style="list-style-type: none"> • Externally restricted cash and investments are restricted in their use by externally imposed requirements. Externally restricted funds decreased by \$0.2 million as a result of reduced developer contributions and reductions in external loans.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	147.4	147.6	

• Internal allocations	60.1	60.9
• Unrestricted	5.1	4.9

- Internally restricted cash and investments have been restricted in use by resolution or by a policy of Council to reflect identified programs of works and any forward plans identified by Council. Internal restrictions for infrastructure and facilities have decreased.
- Council's unrestricted cash balance has increased year on year in the normal course of business, with its overall cash balance being relatively consistent and healthy.

Debt

At 30 June 2024, Council reported \$27.6 million in loans (30 June 2023: \$30.8 million) and a credit card facility of \$0.2 million (30 June 2023: \$0.1 million). Council's loans are secured over the general rating income of Council.

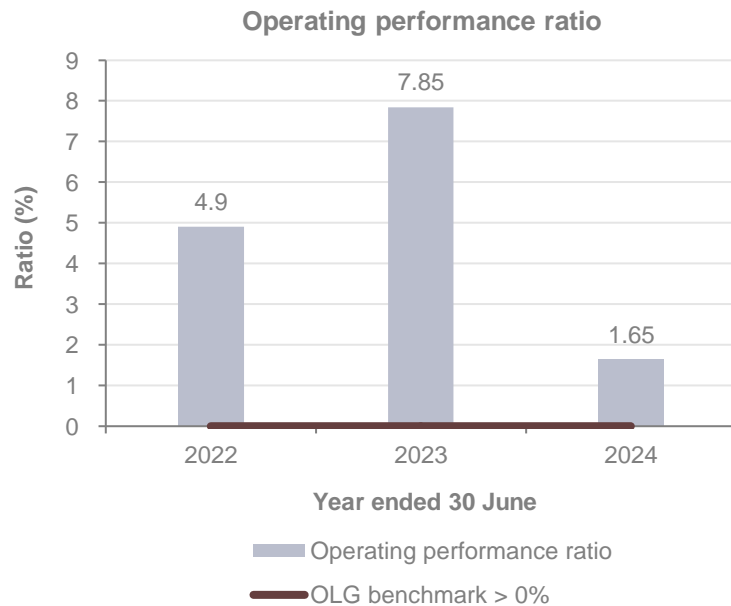
PERFORMANCE

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.

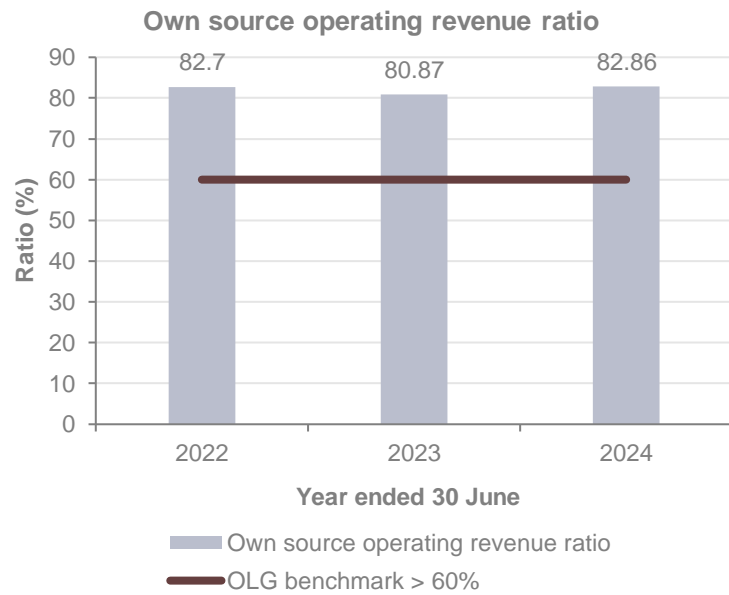
Operating performance ratio

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. The Council exceeded the OLG benchmark for the current reporting period. Council's Performance Ratio decreased due to a combination of reduced operating grants, increased materials and contracts costs and higher depreciation.



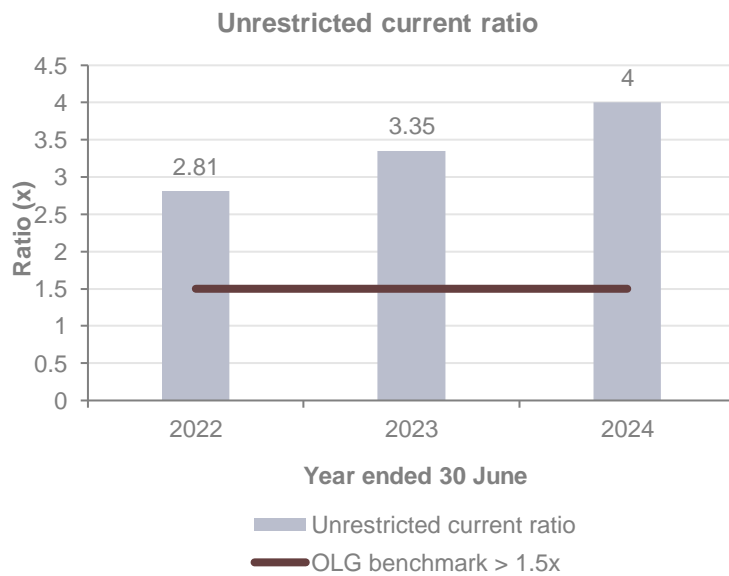
Own source operating revenue ratio

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. The Council exceeded the OLG benchmark for the current reporting period.



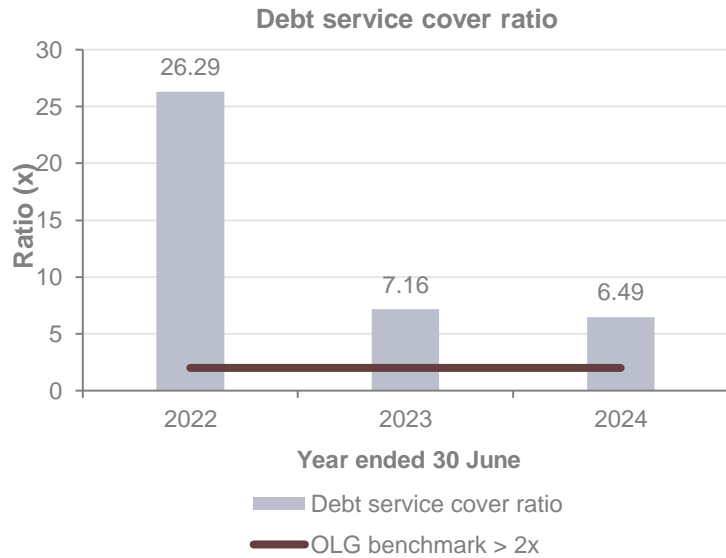
Unrestricted current ratio

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. The Council exceeded the OLG benchmark for the current reporting period.



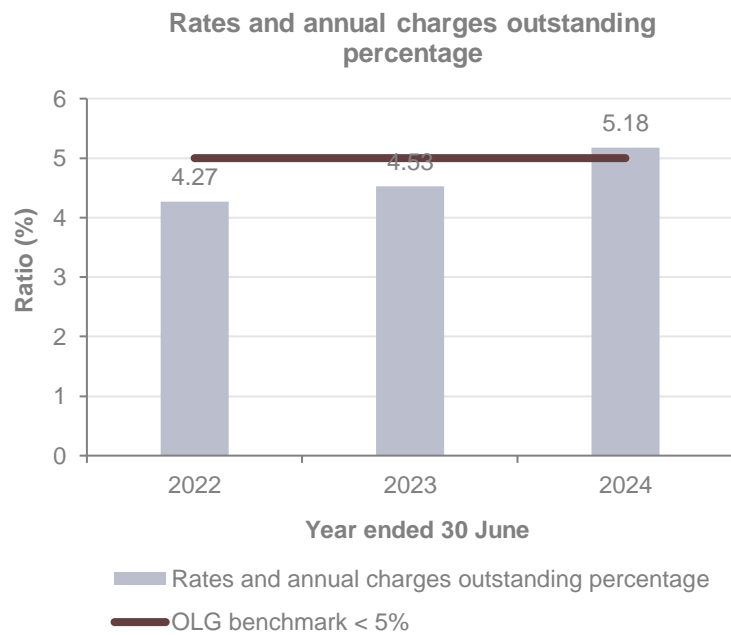
Debt service cover ratio

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



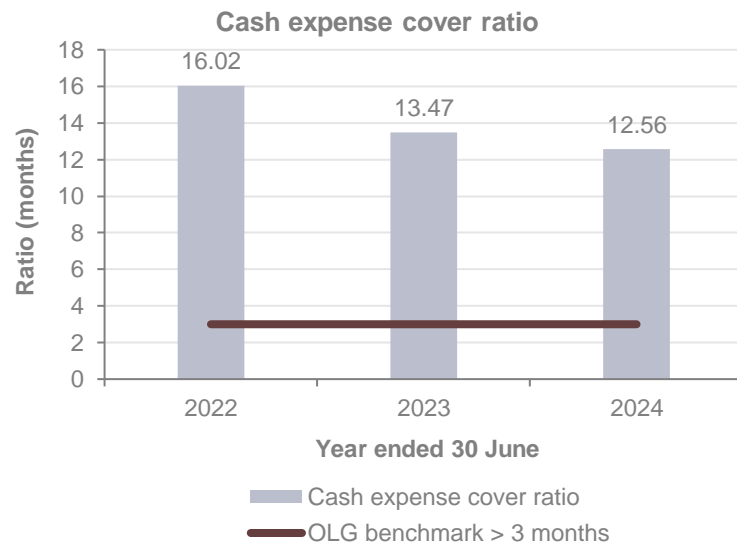
Rates and annual charges outstanding percentage

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



Cash expense cover ratio

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. The Council exceeded the OLG benchmark for the current reporting period.



Infrastructure, property, plant and equipment renewals

Council renewed \$24.2 million of infrastructure, property, plant and equipment during the 2023–24 financial year. This was mainly spent on roads, recreational assets and plant and equipment. A further \$21.4 million was spent on new assets, with this being attributed to buildings, additions to roads, other open space /recreational assets and a large amount of projects within capital works in progress at 30 June 2024.

OTHER MATTERS

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements 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 David Marshall, General Manager
Mr Brian Hrnjak, Chair of the Audit, Risk and Improvement Committee
Ms Angela Apostol, Director Corporate

Ku-ring-gai Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

*"An inclusive and connected community, where our
natural environment and heritage are valued, working
towards a sustainable future."*



Ku-ring-gai Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Ku-ring-gai Council

Special Purpose Financial Statements for the year ended 30 June 2024

Statement by Councillors and Management

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

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

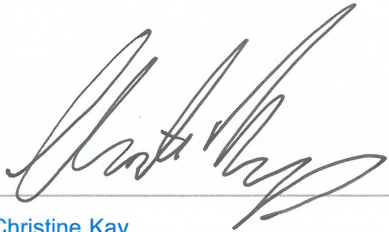
- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government *Code of Accounting Practice and Financial Reporting*,

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

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

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



Christine Kay

Mayor


22 October 2024



Kim Wheatley

Deputy Mayor

22 October 2024



David Marshall

General Manager

22 October 2024



Angela Apostol

Responsible Accounting Officer

22 October 2024

Ku-ring-gai Council

Income Statement of Trade Waste

for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
Income from continuing operations		
User charges	2,107	1,997
Other income	202	181
Total income from continuing operations	2,309	2,178
Expenses from continuing operations		
Employee benefits and on-costs	100	79
Materials and services	1,167	1,186
Total expenses from continuing operations	1,267	1,265
Surplus from continuing operations before capital amounts	1,042	913
Surplus from continuing operations after capital amounts	1,042	913
Surplus from all operations before tax	1,042	913
Less: corporate taxation equivalent (25%) [based on result before capital]	(261)	(228)
Surplus after tax	781	685
Plus accumulated surplus	551	570
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	261	228
Less:		
– Dividend paid	(1,052)	(932)
Closing accumulated surplus	541	551
Return on capital %	131.1%	116.0%

Ku-ring-gai Council

Statement of Financial Position of Trade Waste

as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	795	787
Total non-current assets	795	787
Total assets	795	787
LIABILITIES		
Current liabilities		
Payables	106	106
Employee benefit provisions	148	130
Total current liabilities	254	236
Total liabilities	254	236
Net assets	541	551
EQUITY		
Accumulated surplus	541	551
Total equity	541	551

Note – Material accounting policy information

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'.

The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

Declared business activities

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

Category 1

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

Nil

Category 2

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

Trade Waste

Comprising the whole of the operations and assets of Trade Waste.

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

Note – Material accounting policy information (continued)

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Corporate income tax rate – 25% (22/23 25%)

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25%. (22/23 25%)

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

Loan and debt guarantee fees

There are no loans applicable to the business activity in the operating statement.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of the reported business activity.

(ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.45% at 30/6/24.

(iii) Dividends

Council is not required to pay dividends to either itself or to any external entities.



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Ku-ring-gai Council

To the Councillors of Ku-ring-gai Council

Opinion

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

The Declared Business Activity of the Council is:

- Trade Waste.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



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

24 October 2024
SYDNEY

Ku-ring-gai Council

SPECIAL SCHEDULES
for the year ended 30 June 2024

"An inclusive and connected community, where our natural environment and heritage are valued, working towards a sustainable future."



Ku-ring-gai Council

Special Schedules

for the year ended 30 June 2024

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Special Schedules:

Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2024	7

Special Schedules are not audited (with the exception of the Permissible income for general rates Statement).

Background

(i) These Special Schedules have been designed to meet the requirements of special purpose users such as:

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS)
- the Office of Local Government (OLG)

(ii) The financial data is collected for various users including:

- the allocation of Financial Assistance Grants
- the incorporation of Local Government financial figures in national statistics
- the monitoring of loan approvals
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

Ku-ring-gai Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	72,357	74,721
Plus or minus adjustments ²	b	18	2
Notional general income	c = a + b	72,375	74,723
Permissible income calculation			
Percentage increase	d	3.70%	5.20%
Plus percentage increase amount ³	f = d x (c + e)	2,678	3,886
Sub-total	g = (c + e + f)	75,053	78,609
Plus (or minus) last year's carry forward total	h	175	507
Sub-total	j = (h + i)	175	507
Total permissible income	k = g + j	75,228	79,116
Less notional general income yield	l	74,721	79,066
Catch-up result	m = k - l	507	50
Carry forward to next year ⁶	p = m + n + o	507	50

Notes

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



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Ku-ring-gai Council

To the Councillors of Ku-ring-gai Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Ku-ring-gai Council (the Council) for the year ending 30 June 2025.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



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

24 October 2024
SYDNEY

Ku-ring-gai Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^c	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard ^a	to bring to the agreed level of service set by Council ^b					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	All Council Buildings	32,691	61,690	4,140	4,686	118,497	207,364	8.9%	14.1%	71.5%	5.2%	0.3%
	Sub-total	32,691	61,690	4,140	4,686	118,497	207,364	8.9%	14.1%	71.5%	5.2%	0.3%
Other structures (Car Parks)	Other structures (Car Parks)	1,494	3,760	700	277	47,279	56,753	61.0%	8.5%	23.9%	2.9%	3.7%
	Sub-total	1,494	3,760	700	277	47,279	56,753	61.0%	8.5%	23.9%	2.9%	3.7%
Roads	Roads	30,950	114,922	2,020	1,289	265,805	403,236	9.7%	34.0%	27.8%	21.8%	6.7%
	Bridges	243	1,106	90	15	11,371	17,591	2.6%	73.7%	17.5%	5.6%	0.6%
	Footpaths	841	4,000	1,400	909	65,697	93,015	32.9%	23.2%	39.6%	3.9%	0.4%
	Other Road Assets (Incl. Bulk Earthworks)	338	1,783	1,230	1,098	215,115	321,808	33.6%	7.5%	58.4%	0.5%	0.0%
	Sub-total	32,372	121,811	4,740	3,311	557,988	835,650	21.3%	23.4%	40.7%	11.3%	3.3%

Ku-ring-gai Council

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

Asset Class	Asset Category	Estimated cost to bring to the agreed level of service set by Council		2023/24 Required maintenance	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
		Estimated cost to bring assets to satisfactory standard ^a	to bring assets to satisfactory standard ^a					1	2	3	4	5	
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000						
Stormwater drainage	Stormwater drainage	37,912	37,912	1,790	984	276,666	511,921	5.7%	7.8%	44.0%	24.9%	17.6%	
	Sub-total	37,912	37,912	1,790	984	276,666	511,921	5.7%	7.8%	44.0%	24.9%	17.6%	
Open space / recreational assets	Swimming Pools & Recreational Assets	419	2,319	7,370	7,972	101,793	164,876	26.3%	21.6%	50.7%	1.4%	(0.0%)	
	Sub-total	419	2,319	7,370	7,972	101,793	164,876	26.3%	21.6%	50.7%	1.4%	0.0%	
	Total – all assets	104,888	227,492	18,740	17,230	1,102,223	1,776,564	17.1%	17.2%	45.6%	13.3%	6.8%	

(a) The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset that is currently not at the condition determined to be satisfactory by the Council and community.

(b) The estimated cost to renew or rehabilitate existing assets that have reached the condition-based intervention level adopted by Council.

(c) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Ku-ring-gai Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators consolidated *

\$ '000	Amounts 2024	Indicator 2024	2023	Indicators 2022	2021	Benchmark
Buildings and infrastructure renewals ratio						
Asset renewals ¹	20,175					
Depreciation, amortisation and impairment	23,215	86.91%	100.97%	107.76%	110.66%	> 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard	104,888					
Net carrying amount of infrastructure assets ²	1,150,492	9.12%	9.73%	2.99%	2.80%	< 2.00%
Asset maintenance ratio						
Actual asset maintenance	17,230					
Required asset maintenance	18,740	91.94%	91.42%	95.28%	105.96%	> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	227,492					
Gross replacement cost	1,776,564	12.81%	19.57%	8.20%	7.47%	< 0.00%

(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

(2) Includes Work In Progress (WIP)

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