

Eurobodalla Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024



Eurobodalla Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Eurobodalla Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

Cnr Vulcan & Campbell Streets
Moruya NSW 2537

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

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

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

Eurobodalla Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

Each year NSW local governments are required to present 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.

Eurobodalla Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 10 September 2024.



Mathew Hatcher
Mayor
10 September 2024



David Grace
Councillor
10 September 2024



Warwick Winn
General Manager
10 September 2024



Stephanie Speedy
Responsible Accounting Officer
10 September 2024

Eurobodalla Shire 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		60,537	70,481
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	140,935	156,438
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Other movements		–	3,078
Total other comprehensive income for the year		140,935	159,516
Total comprehensive income for the year attributable to Council		201,472	229,997

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

Eurobodalla Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	26,387	25,146
Investments	C1-2	132,020	159,010
Receivables	C1-4	26,233	27,475
Inventories	C1-5	1,888	1,871
Contract assets and contract cost assets	C1-6	11,347	13,245
Other	C1-8	900	1,038
Total current assets		198,775	227,785
Non-current assets			
Receivables	C1-4	5	5
Infrastructure, property, plant and equipment (IPPE)	C1-7	2,186,257	1,960,015
Right of use assets	C2-1	496	366
Total non-current assets		2,186,758	1,960,386
Total assets		2,385,533	2,188,171
LIABILITIES			
Current liabilities			
Payables	C3-1	17,841	21,368
Contract liabilities	C3-2	20,331	14,912
Lease liabilities	C2-1	131	76
Borrowings	C3-3	8,102	7,525
Employee benefit provisions	C3-4	12,209	12,438
Total current liabilities		58,614	56,319
Non-current liabilities			
Lease liabilities	C2-1	420	420
Borrowings	C3-3	55,122	63,225
Employee benefit provisions	C3-4	917	440
Provisions	C3-5	3,383	2,162
Total non-current liabilities		59,842	66,247
Total liabilities		118,456	122,566
Net assets		2,267,077	2,065,605
EQUITY			
Accumulated surplus	C4-1	1,121,236	1,056,262
IPPE revaluation reserve	C4-1	1,145,841	1,009,343
Council equity interest		2,267,077	2,065,605
Total equity		2,267,077	2,065,605

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

Eurobodalla Shire 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		1,056,262	1,009,343	2,065,605	979,262	856,346	1,835,608
Net operating result for the year		60,537	–	60,537	70,481	–	70,481
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	140,935	140,935	–	156,438	156,438
Other reserves movements	C4-1	4,437	(4,437)	–	6,519	(3,441)	3,078
Other comprehensive income		4,437	136,498	140,935	6,519	152,997	159,516
Total comprehensive income		64,974	136,498	201,472	77,000	152,997	229,997
Closing balance at 30 June		1,121,236	1,145,841	2,267,077	1,056,262	1,009,343	2,065,605

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

Eurobodalla Shire 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>				
75,540	Rates and annual charges		75,306	71,432
35,593	User charges and fees		40,993	38,161
3,886	Interest received		7,645	3,935
98,877	Grants and contributions		80,841	98,507
–	Bonds, deposits and retentions received		–	2,025
7,106	Other		5,749	1,806
<i>Payments:</i>				
(50,328)	Payments to employees		(51,110)	(47,343)
(47,421)	Payments for materials and services		(53,760)	(63,917)
(2,871)	Borrowing costs		(2,847)	(2,505)
–	Bonds, deposits and retentions refunded		(1,420)	–
–	Other		(2,872)	(3,443)
120,382	Net cash flows from operating activities	G1-1	98,525	98,658
Cash flows from investing activities				
<i>Receipts:</i>				
–	Proceeds from sale of investments		–	300
–	Redemption of term deposits		82,990	42,990
–	Sale of real estate assets		–	1,811
670	Proceeds from sale of IPPE		1,307	1,103
16	Deferred debtors receipts		8	8
<i>Payments:</i>				
–	Acquisition of term deposits		(56,000)	(70,000)
(147,811)	Payments for IPPE		(117,792)	(90,246)
–	Purchase of real estate assets		(20)	(53)
(147,125)	Net cash flows from investing activities		(89,507)	(114,087)
Cash flows from financing activities				
<i>Receipts:</i>				
3,781	Proceeds from borrowings		–	11,339
<i>Payments:</i>				
(7,281)	Repayment of borrowings		(7,526)	(7,622)
–	Principal component of lease payments		(251)	(77)
(3,500)	Net cash flows from financing activities		(7,777)	3,640
(30,243)	Net change in cash and cash equivalents		1,241	(11,789)
36,935	Cash and cash equivalents at beginning of year		25,146	36,935
6,692	Cash and cash equivalents at end of year	C1-1	26,387	25,146
159,010	plus: Investments on hand at end of year	C1-2	132,020	159,010
165,702	Total cash, cash equivalents and investments		158,407	184,156

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

Eurobodalla Shire 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 10 September 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

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

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- i. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- ii. estimated tip remediation provisions – refer Note C3-5
- iii. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

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

A1-1 Basis of preparation (continued)

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Water Supply Fund
- Sewerage Fund
- Domestic and Non-Domestic Waste Fund
- Environmental Fund
- Broulee Tennis Courts Committee
- Moruya Showground Committee
- Tuross Memorial Gardens Committee
- Kyla Hall Committee

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these reports.

The following Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements:

- J Britten Award
- K E Snell Land Acquisition Compensation
- Unidentified cash receipts and deposits

Unidentified cash receipts and deposits are monies held in trust relating to net proceeds on the sale of property for unpaid rates, and other receipts and deposits normally returned to the owner or applied to their accounts where they can be identified and contacted. These funds are held for six years, after which time they are remitted to the Office of State Revenue.

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

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 uses volunteers to provide Community Transport and group and individual Social Support services to older people, under the Commonwealth Home Support Program grants. These services are 'early intervention' entry level services. Volunteer time means they are cost efficient and would not be viable if provided by paid workers.

A1-1 Basis of preparation (continued)

New accounting standards and interpretations issued but not yet effective

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

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

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

New accounting standards adopted during the year

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

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										
Business Development	207	439	727	540	(520)	(101)	197	434	–	–
Children's Services	1,808	2,083	2,143	2,247	(335)	(164)	489	481	2,083	1,663
Commercial Entities	4,231	6,607	3,975	3,990	256	2,617	150	1,925	103,047	81,129
Communications and Community Engagement	–	15	824	841	(824)	(826)	–	15	–	–
Community and Corporate Leadership	5	721	2,714	3,116	(2,709)	(2,395)	–	715	–	3
Community and Cultural Development	614	690	1,175	1,218	(561)	(528)	575	641	–	2
Community Care	6,078	7,366	7,495	7,081	(1,417)	285	603	1,786	4,885	918
Community Facilities	3,641	4,272	11,247	10,544	(7,606)	(6,272)	65	521	38,964	31,675
Corporate Overheads	–	–	(22,078)	(20,670)	22,078	20,670	–	–	3	80
Customer Service and Records	34	33	797	881	(763)	(848)	–	–	–	–
Development Assessment and Building Certification	1,746	2,573	4,006	3,757	(2,260)	(1,184)	–	445	–	–
Environmental Management	928	953	1,689	1,497	(761)	(544)	921	931	5,454	3,623
Finance and Central Treasury	183	226	4,885	5,736	(4,702)	(5,510)	6	16	–	1
Fleet and Plant	78	105	790	603	(712)	(498)	25	53	21,802	14,529
Information Technology	128	6	4,904	4,871	(4,776)	(4,865)	124	–	7,161	6,921
Libraries	314	327	2,266	2,253	(1,952)	(1,926)	252	254	4,482	3,568
Property	881	930	1,162	2,734	(281)	(1,804)	–	40	297	201,853
Public and Environmental Health	877	861	1,187	1,373	(310)	(512)	399	354	51	40
Public Order and Safety	1,169	4,954	4,157	6,446	(2,988)	(1,492)	987	3,900	13,121	10,329
Rates and General Revenues	44,350	43,133	1,164	1,377	43,186	41,756	5,588	8,030	–	–
Recreation	5,092	6,819	9,506	9,185	(4,414)	(2,366)	3,878	5,831	187,921	128,939
Risk and Insurance	4	180	1,650	1,412	(1,646)	(1,232)	–	–	–	–
Sewer Services	32,662	29,124	27,740	23,591	4,922	5,533	6,342	4,620	393,407	372,987
Stormwater	1,407	1,431	2,485	2,512	(1,078)	(1,081)	907	938	171,791	130,011
Strategic Planning	–	331	1,662	1,196	(1,662)	(865)	–	286	–	–
Technical Services	19	17	1,782	1,653	(1,763)	(1,636)	–	–	–	–
Tourism	5,585	3,388	1,043	1,184	4,542	2,204	5,583	3,378	319	251
Transport	37,598	36,861	35,837	32,939	1,761	3,922	32,675	32,201	1,010,579	825,191
Waste Management	19,078	19,774	14,147	12,764	4,931	7,010	2,556	3,850	22,102	19,964
Water Services	49,612	46,771	19,183	17,776	30,429	28,995	27,855	25,355	373,087	334,674
Workforce Development	232	279	2,460	2,106	(2,228)	(1,827)	76	129	–	–

continued on next page ...

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Works and Operations	289	2,492	5,417	6,537	(5,128)	(4,045)	138	2,388	24,977	19,820
Youth Services	796	821	968	811	(172)	10	783	799	–	–
Total functions and activities	219,646	224,582	159,109	154,101	60,537	70,481	91,174	100,316	2,385,533	2,188,171

B1-2 Components of functions or activities

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

Business Development

Provides advocacy, support, training, and advice to businesses, investors, employers and event organisers to assist economic growth and development.

Children's Services

Provides education and care opportunities, support, resources and facilities to children aged 0-16 years and families.

Commercial Entities

Supports diversification of the economy and tourism industries. Delivers a return to the community from Council controlled commercial entities.

Communications and Community Engagement

Provides timely information about Council's services, activities, events and opportunities, and oversees community engagement.

Community and Corporate Leadership

Provides strategic leadership, advocacy and decision-making in the best interests of the community based on good governance and corporate outcomes.

Community and Cultural Development

Develops and implements programs that address identified social needs and shapes Eurobodalla's community identity through arts, cultural and creative experiences.

Community Care

Provides flexible, community based services to support the independence and wellbeing of older people, people with a disability and their carers.

Community Facilities

Provides safe, accessible and affordable facilities to support community activities and events.

Corporate Overheads

Includes corporate support and other support services, engineering works, and any Council policy compliance.

Customer Service and Records

Provides the first point of call for residents and visitors contacting Council via telephone, mail, email and face-to-face front counter enquiries.

Development Assessment and Building Certification

Applies Australian, NSW and local planning policies and codes to achieve sustainable development across Eurobodalla.

Environmental Management

Provides information, education and action to conserve our natural environment and mitigate environmental impacts.

Finance and Central Treasury

Responsible for Council's financial obligations, management and planning.

Fleet and Plant

Manages and maintains Council's vehicles, plant and equipment.

B1-2 Components of functions or activities (continued)

Information Technology

Provides advice and support to staff and Councillors.

Libraries

Provides information, education, recreation opportunities and resources for Eurobodalla residents and visitors.

Property

Responsible for purchasing, developing and managing Council's property.

Public and Environmental Health

Delivers programs and activities to protect our community and the environment.

Public Order and Safety

Contributes to the safety of the community and the environment in relation to pets, parking, beach patrol and emergency services.

Rates and General Revenues

Urban local and urban regional (including sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes).

Recreation

Provides planning, programs, infrastructure and open space that enables residents and visitors to participate in recreational activities throughout the year.

Risk and Insurance

Responsible for the management of strategic and operational risks and insurance for the organisation.

Sewer Services

Provision of a safe, reliable and sustainable sewer service.

Stormwater

Provides and maintains infrastructure that collects, controls and manages stormwater.

Strategic Planning

Plans for the housing, business and environmental needs and impacts of our current and future population.

Technical Services

Plans, designs, project manage and monitors infrastructure delivery and performance.

Tourism

Promotes Eurobodalla to attract new and repeat visitors both within Australia and internationally; provides visitor information services and advice and support to tourism businesses.

Transport

Provides the infrastructure such as roads and paths that enables the movement of people, vehicles and goods into and throughout Eurobodalla.

Waste Management

Responsible for waste collection, disposal, recycling, illegal dumping, infrastructure and education.

B1-2 Components of functions or activities (continued)

Water Services

Provision of a safe, reliable and secure town water supply.

Workforce Development

Responsible for human resource management, learning and development, payroll and work health and safety services to the organisation.

Works and Operations

Coordinates, maintains and supplies facilities and equipment to assist service delivery across Council.

Youth Services

Provides opportunities and activities for young people aged 12-25.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	28,090	26,742
Farmland	483	468
Business	5,033	4,838
Less: pensioner rebates (mandatory)	(869)	(865)
Rates levied to ratepayers	32,737	31,183
Pensioner rate subsidies received	480	471
Total ordinary rates	33,217	31,654
Special rates		
Environmental	1,174	1,118
Less: pensioner rebates (mandatory)	(34)	(33)
Rates levied to ratepayers	1,140	1,085
Total special rates	1,140	1,085
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	6,691	6,350
Stormwater management services	496	492
Water supply services	8,814	8,381
Sewerage services	24,104	22,740
Waste management services (non-domestic)	1,544	1,468
Less: pensioner rebates (mandatory)	(906)	(906)
Annual charges levied	40,743	38,525
Pensioner annual charges subsidies received:		
– Water	192	189
– Sewerage	182	180
– Domestic waste management	126	124
– Other	19	18
Total annual charges	41,262	39,036
Total rates and annual charges	75,619	71,775
Timing of revenue recognition for rates and annual charges		
Rates and annual charges recognised at a point in time	75,619	71,775
Total rates and annual charges	75,619	71,775

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)		
Water supply services	11,749	11,146
Sewerage services	807	760
Liquid trade waste	151	155
Total specific user charges	12,707	12,061
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Planning and building regulation	1,766	2,137
Private works – section 67	219	279
Section 10.7 certificates (EP&A Act)	140	149
Section 603 certificates	101	92
Onsite sewerage management	204	230
Sewerage connection	10	9
Water connection	64	116
Total fees and charges – statutory/regulatory	2,504	3,012
(ii) Fees and charges – other (incl. general user charges (per s608))		
Aerodrome	317	347
Caravan park / camping	137	226
Cemeteries	210	248
Child care	1,342	1,525
Licence fees and Lease rentals	263	291
Library and art gallery	40	42
Recycling income (non-domestic)	702	598
Roads and Maritime Services charges (state roads)	4,665	4,529
Community service programs	8,775	8,892
Landfill	5,943	6,765
Other	503	339
Total fees and charges – other	22,897	23,802
Total other user charges and fees	25,401	26,814
Total user charges and fees	38,108	38,875
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	467	521
User charges and fees recognised at a point in time	37,641	38,354
Total user charges and fees	38,108	38,875

Material accounting policy information

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

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

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

Income from operating leases, where Council is the lessor, has been presented as rental income in Note C2-2 - Operating Leases.

B2-3 Other revenues

\$ '000	2024	2023
Hire income – Council facilities	590	568
Fines	229	256
Legal fees recovery – rates and charges (extra charges)	329	248
Legal fees recovery – other	–	3
Commissions and agency fees	106	106
Insurance claims recoveries	14	1,604
Batemans Bay Beach Resort - Commission	1,667	1,579
Bay Pavilions	477	538
Sales – general	234	175
WHS incentive	143	143
Other	244	390
Total other revenue	4,033	5,610

Timing of revenue recognition for other revenue

Other revenue recognised over time	2,978	3,075
Other revenue recognised at a point in time	1,055	2,535
Total other revenue	4,033	5,610

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	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Relating to the current year				
Financial assistance ¹	465	2,090	–	–
Prepayment received in advance for subsequent year				
Financial assistance	7,676	8,551	–	–
Amount recognised as income during current year	8,141	10,641	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water supplies	–	–	25,846	22,320
Sewerage services	762	–	1,261	14
Bushfire and emergency services	511	729	180	3,115
Community care	1,957	2,689	–	21
Economic development	3	388	–	–
Environmental programs	846	1,214	971	89
Heritage and cultural	67	180	118	209
Library	63	82	–	–
Recreation and culture	58	41	5,715	4,694
Aerodrome	–	–	–	799
Marine	20	–	791	25
Street lighting	107	105	–	–
Transport (roads to recovery)	998	1,046	–	–
Transport (other roads and bridges funding)	5,280	4,229	9,268	8,061

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B2-4 Grants and contributions (continued)

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Other specific grants	844	2,062	650	584
Bushfire and disaster recovery services	336	2,806	727	3,996
Kerb and gutter	–	–	–	57
Transport for NSW contributions (regional roads, block grant)	881	1,368	–	–
Sewerage (excl. section 64 contributions)	3	3	26	58
Other contributions	225	385	207	343
Employment and training program	263	509	–	–
Sports grounds, parks and recreation	–	–	–	220
Waste management	406	3,908	2,006	–
Total special purpose grants and non-developer contributions – cash	13,630	21,744	47,766	44,605
Non-cash contributions				
Dedications – subdivisions (other than by s7.4, s7.11 and s7.12 – EP&A Act, s64 of the LGA)	–	–	10,415	9,659
Roads and bridges	–	–	7,235	7,314
Total other contributions – non-cash	–	–	17,650	16,973
Total special purpose grants and non-developer contributions (tied)	13,630	21,744	65,416	61,578
Total grants and non-developer contributions	21,771	32,385	65,416	61,578
Comprising:				
– Commonwealth funding	10,522	13,663	4,884	4,716
– State funding	10,855	18,051	42,620	39,506
– Other funding	394	671	17,912	17,356
	21,771	32,385	65,416	61,578

(1) \$7.676m of the 2024-2025 Financial Assistance Grant from the Commonwealth Government was received by Council in June 2024 and hence is reported as 2023-2024 income although it relates to the 2024-25 financial year.

Developer contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4, s7.11 & s7.12 - EP&A Act, s64 of the LGA):	G4				
Cash contributions					
S 7.11 – contributions towards amenities/services		31	78	1,026	1,603
S 7.12 – fixed development consent levies		–	–	320	305
S 64 – water supply contributions		–	–	1,056	1,750
S 64 – sewerage service contributions		–	–	1,554	2,617
Total developer contributions – cash		31	78	3,956	6,275
Total developer contributions		31	78	3,956	6,275
Total contributions		31	78	3,956	6,275
Total grants and contributions		21,802	32,463	69,372	67,853
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		6,100	2,892	43,621	35,100
Grants and contributions recognised at a point in time		15,702	29,571	25,751	32,753
Total grants and contributions		21,802	32,463	69,372	67,853

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B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and contributions				
Unspent funds at 1 July	8,031	6,854	2,791	4,768
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	5,566	8,954	13,445	1,667
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(5,685)	(7,777)	(5,137)	(3,644)
Unspent funds at 30 June	7,912	8,031	11,099	2,791
Contributions				
Unspent funds at 1 July	19,737	14,213	-	-
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	5,124	8,481	-	-
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(8,633)	(2,957)	-	-
Unspent contributions at 30 June	16,228	19,737	-	-

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreements. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

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

Developer contributions

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

B2-4 Grants and contributions (continued)

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

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

Other grants and contributions

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

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

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)	290	171
– Cash and investments	7,848	5,397
Total interest and investment income	8,138	5,568
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
General Council cash and investments	5,313	2,952
Restricted investments/funds – external:		
Developer contributions		
– Section 7.11	289	157
– Section 7.12	80	43
– Section 64	555	363
Water fund operations	735	1,428
Sewerage fund operations	1,166	625
Total interest and investment income	8,138	5,568

Material accounting policy information

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

B2-6 Other income

\$ '000	Notes	2024	2023
Rental income			
Other lease income			
Caravan Parks		434	664
Airport Hangers		229	130
Leaseback fees - council vehicles		248	225
Land		1,663	1,419
Total other lease income		2,574	2,438
Total rental income	C2-2	2,574	2,438
Total other income		2,574	2,438

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	39,851	36,326
Travel expenses	295	254
Employee leave entitlements (ELE)	7,513	8,237
Superannuation	4,985	4,516
Workers' compensation insurance	2,042	1,504
Fringe benefit tax (FBT)	373	268
Payroll tax	453	460
Training costs (other than salaries and wages)	640	654
Other	357	396
Total employee costs	56,509	52,615
Less: capitalised costs	(5,151)	(4,302)
Total employee costs expensed	51,358	48,313
Number of 'full-time equivalent' employees (FTE) at year end (excluding casuals)	507	524

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 E3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		9,298	10,463
Contractor costs		28,192	29,380
Audit Fees	F2-1	144	146
Councillor and Mayoral fees and associated expenses	F1-2	355	294
Advertising		330	630
Bank charges / cash collection expenses		285	267
Computer software charges		1,946	1,791
Electricity and heating		2,860	2,791
Insurance		2,051	1,825
Postage		445	443
Printing and stationery		120	146
Street lighting		443	392
Subscriptions and publications		417	270
Telephone and communications		642	484
Valuation fees		199	187
Commissions		69	235
Community care outsourced		706	782
Other expenses		3,339	2,724
Venue / facility hire		27	144

B3-2 Materials and services (continued)

\$ '000	2024	2023
Legal expenses:		
– Legal expenses: planning and development	26	22
– Legal expenses: debt recovery	319	232
– Legal expenses: other	403	274
Expenses from leases of low value assets	105	100
Total materials and services	52,721	54,022

Material accounting policy information

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

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on loans		2,841	2,497
Total interest bearing liability costs		2,841	2,497
Total interest bearing liability costs expensed		2,841	2,497
(ii) Other borrowing costs			
– Lease liabilities		87	72
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	1,147	187
Total other borrowing costs		1,234	259
Total borrowing costs expensed		4,075	2,756

Material accounting policy information

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

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		2,045	1,940
Office equipment		1,345	1,373
Furniture and fittings		217	152
Land improvements (depreciable)		–	14
Infrastructure:	C1-7		
– Buildings		3,920	3,703
– Other structures		704	1,022
– Roads		13,354	11,721
– Bridges		827	761
– Footpaths		952	892
– Stormwater drainage		1,516	1,385
– Water supply network		7,364	6,859
– Sewerage network		9,887	9,127
– Swimming pools		402	377
– Other open space/recreational assets		2,263	2,273
Right of use assets	C2-1	176	61
Other assets:			
– Library books		158	164
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-7	246	–

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

Total depreciation and amortisation costs	45,376	41,824
Total depreciation, amortisation and impairment for non-financial assets	45,376	41,824

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

B3-5 Other expenses

\$ '000	2024	2023
Impairment/(Write back) of receivables		
Other	13	58
Total impairment of receivables	13	58
Other		
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	182	104
– NSW fire brigade levy	283	196
– NSW rural fire service levy	1,033	1,032
– Other contributions/levies	290	285
Donations, contributions and assistance to other organisations (Section 356)	150	175
Total other	1,938	1,792
Total other expenses	1,951	1,850

Material accounting policy information

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

B4 Gains or losses

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		–	300
Less: carrying amount of property assets sold/written off		<u>(40)</u>	<u>(2,618)</u>
Gain (or loss) on disposal		(40)	(2,318)
Gain (or loss) on disposal of plant and equipment			
	C1-7		
Proceeds from disposal – plant and equipment		1,307	773
Less: carrying amount of plant and equipment assets sold/written off		<u>(991)</u>	<u>(484)</u>
Gain (or loss) on disposal		316	289
Gain (or loss) on disposal of infrastructure			
	C1-7		
Proceeds from disposal – infrastructure		–	30
Less: carrying amount of infrastructure assets sold/written off		<u>(3,904)</u>	<u>(3,722)</u>
Gain (or loss) on disposal		(3,904)	(3,692)
Gain (or loss) on disposal of real estate assets held for sale			
	C1-5		
Proceeds from disposal – real estate assets		–	317
Less: carrying amount of real estate assets sold/written off		<u>–</u>	<u>(227)</u>
Gain (or loss) on disposal		–	90
Gain (or loss) on disposal of investments			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		–	300
Gain (or loss) on disposal		–	300
Gain (or loss) on disposal of land held for resale			
Proceeds from disposal – land held for resale		–	1,494
Less: carrying amount of land held for resale assets sold/written off		<u>–</u>	<u>(1,499)</u>
Gain (or loss) on disposal		–	(5)
Net gain (or loss) from disposal of assets		<u>(3,628)</u>	<u>(5,336)</u>

Material accounting policy information

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

B5 Performance against budget

B5-1 Material budget variations

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

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
Rates and annual charges	75,540	75,619	79	0% F
User charges and fees	35,593	38,108	2,515	7% F
This favourable variation is a result of Council taking on additional ordered works for Transport for NSW on the Kings Highway.				
Other revenues	4,381	4,033	(348)	(8)% U
Operating grants and contributions	16,097	21,802	5,705	35% F
This favourable variation is a result of unplanned grants received throughout the year including: Regional Emergency Road Repair Funding (RERRF) and additional disaster recovery funding following flood events.				
Capital grants and contributions	82,780	69,372	(13,408)	(16)% U
This unfavourable variation is a combination of gifted assets received during the year and additional funding received for the Moruya Housing Infrastructure project, offset by delays with timing of works for the Regional Co-located Emergency Service Precinct and the Southern Storage Dam.				
Interest and investment revenue	3,886	8,138	4,252	109% F
This favourable variation is a result of higher than expected interest rates which have resulted in increased revenue from cash investment in term deposits.				
Other income	2,725	2,574	(151)	(6)% U
Expenses				
Employee benefits and on-costs	50,328	51,358	(1,030)	(2)% U
Materials and services	45,595	52,721	(7,126)	(16)% U
This unfavourable variation is the expenditure related to additional user charges and fees and operating grants for transport works including King Highway works, Disaster Recovery Works and Emergency Road Repair Funding (RERRF).				
Borrowing costs	2,872	4,075	(1,203)	(42)% U
The unfavourable variation is the result of the future costs associated with rehabilitating the tip sites. This cost reflects the movement in the provision or what is required to be put aside for future rehabilitation.				
Depreciation, amortisation and impairment of non-financial assets	44,456	45,376	(920)	(2)% U
Other expenses	1,825	1,951	(126)	(7)% U
Net losses from disposal of assets	-	3,628	(3,628)	∞ U
This unfavourable variation is the result of the asset renewal program and disposal of infrastructure assets at year end. This was not budget for.				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	120,382	98,525	(21,857)	(18)% U
This unfavourable variation is due to delays with receipt of grant funding for the Southern Storage Dam.				
Cash flows from investing activities	(147,125)	(89,507)	57,618	(39)% F
This favourable variation is due to timing delays with certain capital projects including the Southern Storage Dam, the Emergency Services Precinct in Moruya and the Surf Beach landfill site.				
Cash flows from financing activities	(3,500)	(7,777)	(4,277)	122% U
This unfavourable variation is due to lower borrowings than anticipated in the original budget.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	13,577	12,676
Cash equivalent assets		
– Deposits at call	12,810	12,470
Total cash and cash equivalents	26,387	25,146

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	26,387	25,146
Balance as per the Statement of Cash Flows	26,387	25,146

Material accounting policy information

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

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost				
Term deposits	132,020	–	159,010	–
Total	132,020	–	159,010	–
Total financial investments	132,020	–	159,010	–
Total cash assets, cash equivalents and investments	158,407	–	184,156	–

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).

The Australian Government guarantees deposits up to \$250,000 in Authorised Deposit-Taking Institutions (ADIs) such as banks (including online and digital banks), building societies or credit unions. Council has \$1.75m in the investment portfolio that is considered as “Remote Risk” under the investment policy and covered by the Australian Government guarantee. This guarantee is recognised as part of the investments balance.

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

C1-2 Financial investments (continued)

Amortised cost

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

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

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

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	158,407	184,156
Less: Externally restricted cash, cash equivalents and investments	<u>(115,341)</u>	<u>(140,489)</u>
Cash, cash equivalents and investments not subject to external restrictions	43,066	43,667
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended loans – sewer	–	4,615
Specific purpose unexpended grants – general fund	19,546	14,524
Specific purpose unexpended grants – sewer fund	785	389
External restrictions – included in liabilities	20,331	19,528
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	8,015	6,007
Developer contributions – water fund	3,241	5,678
Developer contributions – sewer fund	3,526	5,173
Specific purpose unexpended grants (recognised as revenue) – general fund	9,946	7,504
Water fund	8,104	31,326
Sewer fund	22,699	24,505
Stormwater management	1,018	630
Natural disaster relief funds	364	983
Other waste management	30,932	29,824
Crown reserves	2,587	4,190
WHS	866	1,003
Community services asset replacement	637	601
Other	1,477	1,602
Domestic waste management	1,598	1,935
External restrictions – other	95,010	120,961
Total external restrictions	115,341	140,489

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.

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

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	43,066	43,667
Less: Internally restricted cash, cash equivalents and investments	(34,900)	(37,278)
Unrestricted and unallocated cash, cash equivalents and investments	8,166	6,389

Internal allocations

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

Infrastructure replacement	369	369
Employees leave entitlement	3,423	3,924
Community development infrastructure fund	17	18
Council recreational loan pool	183	175
Energy and efficiency fund	585	590
Financial assistance grant	7,676	8,551
Gravel pits	999	988
Infrastructure renewals (FFTF)	4,813	5,376
Management committees	157	150
Real estate disposal fund	7,711	9,419
Recreation strategy	3	3
Special rates variation	6,384	5,001
Sports liason committee	292	277
Unexpended general loan fund	85	255
Other	2,203	2,182
Total internal allocations	34,900	37,278

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

\$ '000	2024	2023
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	8,166	6,389

C1-4 Receivables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Rates and annual charges	1,368	–	1,065	–
Interest and extra charges	443	–	377	–
User charges and fees	9,416	–	7,286	–
Accrued revenues				
– Interest on investments	2,335	–	1,908	–
– Other income accruals	12,442	–	15,609	–
Deferred debtors	6	–	14	–
Net GST receivable	879	–	1,885	–
Other debtors	18	5	–	5
Total	26,907	5	28,144	5

C1-4 Receivables (continued)

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Less: provision for impairment				
Rates and annual charges	(25)	–	(35)	–
User charges and fees	(649)	–	(634)	–
Total provision for impairment – receivables	(674)	–	(669)	–
Total net receivables	26,233	5	27,475	5

\$ '000	2024	2023
Movement in provision for impairment of receivables		
Balance at the beginning of the year	669	624
+ new provisions recognised during the year	32	58
– amounts provided for but recovered during the year	(27)	(13)
Balance at the end of the year	674	669

Material accounting policy information

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

Impairment

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

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

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

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

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

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 7 years past due, whichever occurs first.

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

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

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Real estate development	707	–	687	–
Stores and materials	1,181	–	1,184	–
Total inventories at cost	1,888	–	1,871	–
Total inventories	1,888	–	1,871	–

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Residential		707	–	687	–
Total real estate development		707	–	687	–
Represented by:					
Acquisition costs		707	–	687	–
Total costs		707	–	687	–
Total real estate development		707	–	687	–
Movements:					
Real estate assets at beginning of the year		687	–	761	–
– Purchases and other costs		20	–	35	–
– WDV of sales (expense)	B4-1	–	–	(227)	–
– Transfer from (to) Operational and Community Land		–	–	118	–
Total real estate development		707	–	687	–

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

Real Estate Development

Real estate development is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of real estate development are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	11,347	–	13,245	–
Total contract assets and contract cost assets	11,347	–	13,245	–

Contract assets

Work relating to capital grants	11,346	–	13,233	–
Work relating to operating grants	1	–	12	–
Total contract assets	11,347	–	13,245	–

Significant changes in contract assets

The contract asset balance relates to multi-year projects which commenced or continued in the current financial year. However, milestones which trigger the grants claims had not yet been reached.

Material accounting policy information

Contract assets

Contract assets represent Councils right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	94,497	–	94,497	32,093	85,699	–	–	(48,514)	–	–	163,775	–	163,775
Plant and equipment	38,342	(21,675)	16,667	–	–	(991)	(2,045)	5,631	–	–	40,477	(21,215)	19,262
Office equipment	12,263	(4,151)	8,112	–	–	–	(1,345)	238	–	–	12,199	(5,194)	7,005
Furniture and fittings	2,301	(276)	2,025	–	–	–	(217)	67	–	–	2,334	(459)	1,875
Land:													
– Operational land	100,133	–	100,133	–	–	–	–	1,605	–	1,903	103,641	–	103,641
– Community land	154,203	–	154,203	–	–	(40)	–	–	–	55,487	209,650	–	209,650
– Land under roads (post 30/6/08)	24,853	–	24,853	–	–	–	–	111	–	1,905	26,869	–	26,869
Land improvements – non-depreciable	–	–	–	–	–	–	–	–	–	–	–	–	–
Land improvements – depreciable	–	–	–	–	–	–	–	–	–	–	–	–	–
Infrastructure:													
– Buildings	202,130	(47,239)	154,891	–	–	(143)	(3,920)	1,161	–	8,250	214,086	(53,847)	160,239
– Other structures	31,517	(10,672)	20,845	–	–	(149)	(704)	246	–	1,791	33,993	(11,964)	22,029
– Roads	879,986	(295,097)	584,889	–	7,235	(1,511)	(13,354)	11,507	–	30,135	938,969	(320,068)	618,901
– Bridges	73,151	(20,453)	52,698	–	1,139	(964)	(827)	6,846	–	2,734	82,486	(20,860)	61,626
– Footpaths	57,912	(16,067)	41,845	–	546	(126)	(952)	1,924	(171)	2,209	62,836	(17,561)	45,275
– Bulk earthworks (non-depreciable)	–	–	–	–	–	–	–	–	–	–	–	–	–
– Stormwater drainage	163,894	(43,744)	120,150	–	4,829	(95)	(1,516)	388	–	6,530	177,963	(47,677)	130,286
– Water supply network	446,697	(225,582)	221,115	–	741	(427)	(7,364)	13,177	–	10,969	481,803	(243,592)	238,211
– Sewerage network	561,853	(255,789)	306,064	–	2,551	(60)	(9,887)	2,137	–	15,180	594,625	(278,640)	315,985
– Swimming pools	15,970	(5,627)	10,343	–	–	(107)	(402)	581	–	557	16,743	(5,771)	10,972
– Other open space/recreational assets	88,726	(44,749)	43,977	–	609	(322)	(2,263)	2,692	171	3,285	97,500	(49,351)	48,149
Other assets:													
– Library books	815	(289)	526	–	–	–	(158)	190	–	–	896	(338)	558
– Other	22	(2)	20	–	–	–	–	13	–	–	35	(2)	33
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	2,162	–	2,162	–	–	–	(246)	–	–	–	2,162	(246)	1,916
Total infrastructure, property, plant and equipment	2,951,427	(991,412)	1,960,015	32,093	103,349	(4,935)	(45,200)	–	–	140,935	3,263,042	(1,076,785)	2,186,257

(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	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	40,533	–	40,533	32,968	64,530	–	–	(43,533)	–	–	94,497	–	94,497
Plant and equipment	36,178	(20,888)	15,290	–	–	(484)	(1,940)	3,801	–	–	38,342	(21,675)	16,667
Office equipment	12,430	(3,255)	9,175	–	–	–	(1,373)	309	–	–	12,263	(4,151)	8,112
Furniture and fittings	1,769	(152)	1,617	–	–	–	(152)	560	–	–	2,301	(276)	2,025
Land:													
– Operational land	68,140	–	68,140	–	1,336	(608)	–	–	(500)	31,764	100,133	–	100,133
– Community land	112,657	–	112,657	–	137	(1,107)	–	–	(1,195)	43,711	154,203	–	154,203
– Land under roads (post 30/6/08)	18,868	–	18,868	–	–	–	–	53	1,772	4,159	24,853	–	24,853
Land improvements – non-depreciable	32	–	32	–	–	(32)	–	–	–	–	–	–	–
Land improvements – depreciable	688	(188)	500	–	–	(487)	(14)	–	–	–	–	–	–
Infrastructure:													
– Buildings	193,881	(46,851)	147,030	–	318	(361)	(3,703)	377	–	11,230	202,130	(47,239)	154,891
– Other structures	27,874	(8,884)	18,990	–	–	(24)	(1,022)	1,492	–	1,409	31,517	(10,672)	20,845
– Roads	812,055	(251,278)	560,777	–	7,314	(1,728)	(11,721)	20,223	136	9,888	879,986	(295,097)	584,889
– Bridges	65,146	(19,123)	46,023	–	–	(387)	(761)	5,172	–	2,652	73,151	(20,453)	52,698
– Footpaths	52,038	(14,519)	37,519	–	2,047	(100)	(892)	1,493	(361)	2,139	57,912	(16,067)	41,845
– Bulk earthworks (non-depreciable)	–	(2)	(2)	–	–	2	–	–	–	–	–	–	–
– Stormwater drainage	151,593	(39,996)	111,597	–	1,997	(207)	(1,385)	1,540	99	6,508	163,894	(43,744)	120,150
– Water supply network	413,122	(204,492)	208,630	–	1,294	(719)	(6,859)	3,109	147	15,513	446,697	(225,582)	221,115
– Sewerage network	518,132	(229,383)	288,749	–	1,928	(548)	(9,127)	3,295	235	21,532	561,853	(255,789)	306,064
– Swimming pools	14,807	(4,840)	9,967	–	–	–	(377)	–	–	753	15,970	(5,627)	10,343
– Other open space/recreational assets	79,716	(39,332)	40,384	–	602	(33)	(2,273)	1,916	364	3,018	88,726	(44,749)	43,977
Other assets:													
– Library books	840	(327)	513	–	–	–	(164)	178	–	–	815	(289)	526
– Other	7	(2)	5	–	–	–	–	15	–	–	22	(2)	20
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	214	(214)	–	–	–	–	–	–	–	2,162	2,162	–	2,162
Total infrastructure, property, plant and equipment	2,620,720	(883,726)	1,736,994	32,968	81,503	(6,823)	(41,763)	–	697	156,438	2,951,427	(991,412)	1,960,015

(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

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

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

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

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

Useful lives of IPPE

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	15 to 30
Office furniture	10 to 20	Benches, seats etc.	20 to 25
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	60
Other plant and equipment	5 to 15	Buildings: other	40 to 50
Water and sewer assets		Stormwater assets	
Dams and reservoirs	10 to 100	Pipes	100 to 200
Valves	10 to 15	Culverts	30 to 100
Pipes	50 to 100	Flood control structures	non depreciable
Pumps and telemetry	7 to 25		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	10 to 18	Bulk earthworks	NA
Sealed roads: structure	50 to non depreciable	Swimming pools	60
Unsealed roads	10 to non depreciable	Other open space/recreational assets	10 to non depreciable
Bridge: concrete	75 to 120	Other infrastructure	7 to non depreciable
Bridge: other	30 to 100		
Road pavements	50 to non depreciable		
Kerb, gutter and footpaths	30 to 100		

Note: Useful lives shown above are indicative only. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation model

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

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

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

Land under roads

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

Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

Crown reserves

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

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

C1-8 Other

Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	900	-	1,038	-
Total other assets	900	-	1,038	-

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Total externally restricted assets	40	-	10	-
Total internally restricted assets	-	-	-	-
Total unrestricted assets	860	-	1,028	-
Total other assets	900	-	1,038	-

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Buildings

Council leases land and buildings for records storage at Moruya industrial district and NDIS accommodation services at Batemans Bay.

The records storage lease is for 10 years with annual CPI movements and an extension option of 5 years at market rent.

The NDIS accommodation lease is for five years and includes a five year renewal option. The building leases contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception. The monthly lease amount is offset by funds received from client's Specialist Disability Accommodation funding which covers a tenancy management fee, reactive maintenance fee and planned and preventative maintenance fees. The lease payment is therefore variable and dependent on occupancy.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 2 and 10 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

Transmission Towers

Council has a licence for transmission tower at various national parks locations across the shire. The payments are fixed across a five year term with the option for an additional five year extension.

(a) Right of use assets

\$ '000	Storage Facility	Guy Street NDIS housing	Office and IT Equipment	Transmission Towers	Total
2024					
Opening balance at 1 July	228	138	–	–	366
Additions to right-of-use assets	–	–	25	281	306
Depreciation charge	(33)	(27)	(4)	(112)	(176)
Balance at 30 June	196	110	21	169	496
2023					
Opening balance at 1 July	261	165	1	–	427
Depreciation charge	(33)	(27)	(1)	–	(61)
Balance at 30 June	228	138	–	–	366

(b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	131	420	76	420
Total lease liabilities	131	420	76	420

C2-1 Council as a lessee (continued)

(c) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2024					
Cash flows	141	442	–	583	551
2023					
Cash flows	76	374	46	496	496

(d) Income Statement

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

\$ '000	2024	2023
Depreciation of right of use assets	176	61
Expenses relating to leases of low-value assets	105	100
	281	161

(e) Statement of Cash Flows

Total cash outflow for leases	(139)	(77)
	(139)	(77)

Material accounting policy information

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

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

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

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

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

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

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

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

C2-1 Council as a lessee (continued)

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of caravan parks, aircraft hangars, staff lease back vehicles and land for telecommunications, golf courses and other business uses. These leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E in the Statement of Financial Position.

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

\$ '000	2024	2023
(i) Assets held as property, plant and equipment		
Lease income (excluding variable lease payments not dependent on an index or rate)	2,574	4,876
Total income relating to operating leases for Council assets	2,574	4,876

Material accounting policy information

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Payables				
Goods and services – operating expenditure	2,420	–	5,345	–
Goods and services – capital expenditure	9,471	–	12,588	–
Accrued expenses:				
– Borrowings	40	–	33	–
– Other expenditure accruals	3,545	–	12	–
Prepaid rental	1,060	–	552	–
Security bonds, deposits and retentions	1,267	–	2,687	–
Other	38	–	151	–
Total payables	17,841	–	21,368	–
Total payables	17,841	–	21,368	–

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

All liabilities, classified as current are also expected to be settled in the next 12 months.

Material accounting policy information

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	20,219	–	14,902	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	112	–	10	–
Total grants received in advance		20,331	–	14,912	–
Total contract liabilities		20,331	–	14,912	–

Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(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.

C3-2 Contract Liabilities (continued)

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:		
Capital grants (to construct Council controlled assets)	4,363	6,302
Operating grants (received prior to performance obligation being satisfied)	10	3,919
Total revenue recognised that was included in the contract liability balance at the beginning of the period	4,373	10,221

Significant changes in contract liabilities

Contract liabilities significantly increased in comparison to prior year. The variation is mainly from new funding received for Caseys Beach Rockwall and Moruya Housing Precinct Transport Works.

Material accounting policy information

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

C3-3 Borrowings

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured ¹	8,102	55,122	7,525	63,225
Total borrowings	8,102	55,122	7,525	63,225

(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 E-2.

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

All borrowings classified as current, are also expected to be settled in the next 12 months.

(a) Changes in liabilities arising from financing activities

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	70,750	(7,526)	–	–	–	–	63,224
Lease liability (Note C2-1b)	496	(139)	306	(112)	–	–	551
Total liabilities from financing activities	71,246	(7,665)	306	(112)	–	–	63,775

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	67,033	3,717	–	–	–	–	70,750
Lease liability (Note C2-1b)	501	(77)	–	72	–	–	496
Total liabilities from financing activities	67,534	3,640	–	72	–	–	71,246

C3-3 Borrowings (continued)

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	2,000	2,000
Credit cards/purchase cards	500	500
Total financing arrangements	2,500	2,500
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	2,000	2,000
– Credit cards/purchase cards	448	434
Total undrawn financing arrangements	2,448	2,434

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Material accounting policy information

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

C3-4 Employee benefit provisions

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Annual leave	3,786	–	4,107	–
Long service leave	6,347	815	7,116	419
Other leave (TOIL and RDO)	625	–	604	–
Other ELE on-costs (Payroll tax and WorkCover)	1,451	102	611	21
Total employee benefit provisions	12,209	917	12,438	440

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	5,873	5,788
	5,873	5,788

C3-4 Employee benefit provisions (continued)

Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Long service leave	ELE on-costs	Other employee benefits	
2024					
At beginning of year	4,107	7,535	632	604	12,878
Other	(321)	(373)	921	21	248
Total ELE provisions at end of year	3,786	7,162	1,553	625	13,126
2023					
At beginning of year	3,843	7,026	502	537	11,908
Additional provisions	3,391	1,633	–	1,173	6,197
Amounts used (payments)	(3,218)	(1,383)	–	(1,120)	(5,721)
Remeasurement effects	91	259	–	14	364
Other	–	–	130	–	130
Total ELE provisions at end of year	4,107	7,535	632	604	12,878

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C3-5 Provisions

\$ '000	2024		2023	
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	3,383	–	2,162
Sub-total – asset remediation/restoration	–	3,383	–	2,162
Total provisions	–	3,383	–	2,162

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	2,162	2,162
Unwinding of discount	1,221	1,221
Total other provisions at end of year	3,383	3,383
2023		
At beginning of year	2,740	2,740
Unwinding of discount	187	187
Remeasurement effects	(765)	(765)
Total other provisions at end of year	2,162	2,162

Material accounting policy information

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

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

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

The estimation methodology relies on internally developed unit costs supported by EPA and current contractor inputs.

Asset remediation – tips and quarries

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	43,379	8,466	23,774
User charges and fees	24,888	12,243	977
Interest and investment revenue	5,682	992	1,464
Other revenues	3,872	56	105
Grants and contributions provided for operating purposes	20,640	212	950
Grants and contributions provided for capital purposes	36,337	27,643	5,392
Other income	2,574	–	–
Total income from continuing operations	137,372	49,612	32,662
Expenses from continuing operations			
Employee benefits and on-costs	43,094	3,581	4,683
Materials and services	34,016	7,289	11,416
Borrowing costs	2,499	33	1,543
Depreciation, amortisation and impairment of non-financial assets	27,889	7,490	9,997
Other expenses	1,951	–	–
Net losses from the disposal of assets	3,153	420	55
Total expenses from continuing operations	112,602	18,813	27,694
Operating result from continuing operations	24,770	30,799	4,968
Net operating result for the year	24,770	30,799	4,968
Net operating result attributable to each council fund	24,770	30,799	4,968
Net operating result for the year before grants and contributions provided for capital purposes	(11,150)	2,785	(470)

D1-2 Statement of Financial Position by fund

ASSETS

Current assets

Cash and cash equivalents	26,387	–	–
Investments	93,665	11,345	27,010
Receivables	21,213	3,861	1,159
Inventories	1,888	–	–
Contract assets and contract cost assets	81	10,884	382
Other	860	30	10
Total current assets	144,094	26,120	28,561

Non-current assets

Receivables	5	–	–
Infrastructure, property, plant and equipment	1,474,444	346,967	364,846
Right of use assets	496	–	–
Total non-current assets	1,474,945	346,967	364,846
Total assets	1,619,039	373,087	393,407

D1-2 Statement of Financial Position by fund (continued)

\$ '000	General 2024	Water 2024	Sewer 2024
LIABILITIES			
Current liabilities			
Payables	10,485	5,162	2,194
Contract liabilities	19,546	–	785
Lease liabilities	131	–	–
Borrowings	6,052	70	1,980
Employee benefit provision	12,209	–	–
Total current liabilities	48,423	5,232	4,959
Non-current liabilities			
Lease liabilities	420	–	–
Borrowings	26,146	508	28,468
Employee benefit provision	917	–	–
Provisions	3,383	–	–
Total non-current liabilities	30,866	508	28,468
Total liabilities	79,289	5,740	33,427
Net assets	1,539,750	367,347	359,980
EQUITY			
Accumulated surplus	725,167	239,918	156,151
Revaluation reserves	814,583	127,429	203,829
Council equity interest	1,539,750	367,347	359,980
Total equity	1,539,750	367,347	359,980

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

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	26,387	25,146	26,387	25,146
Receivables	26,238	27,480	26,238	27,480
Investments				
– Term deposits at amortised cost	132,020	159,010	132,020	159,010
Total financial assets	184,645	211,636	184,645	211,636
Financial liabilities				
Payables	17,841	21,368	17,821	21,368
Borrowings	63,224	70,750	63,224	70,750
Total financial liabilities	81,065	92,118	81,045	92,118

Fair value is determined as follows:

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

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

Council's finance area manages the cash and Investments portfolio based on market and product information provided by independent sources.

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 there 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.

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

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

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	1,448	1,715

(b) Credit risk

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

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

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2024				
Gross carrying amount	–	1,178	190	1,368
2023				
Gross carrying amount	–	926	139	1,065

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

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	28,680	3,849	–	485	3,877	36,891
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	16.74%	1.76%
ECL provision	–	–	–	–	649	649
2023						
Gross carrying amount	34,998	4,636	15	15	665	40,329
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	95.34%	1.57%
ECL provision	–	–	–	–	634	634

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	1,267	16,554	–	–	17,821	17,841
Borrowings	4.16%	–	10,658	30,067	38,990	79,715	63,224
Total financial liabilities		1,267	27,212	30,067	38,990	97,536	81,065
2023							
Payables	0.00%	2,687	18,681	–	–	21,368	21,368
Borrowings	4.16%	–	10,360	40,725	38,990	90,075	70,750
Total financial liabilities		2,687	29,041	40,725	38,990	111,443	92,118

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Unlisted equity securities
- Land held for resale

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
Recurring fair value measurements							
Infrastructure, property, plant and equipment							
	C1-7						
Operational land		–	–	103,640	100,133	103,640	100,133
Community land		–	–	209,651	154,203	209,651	154,203
Land under roads		–	–	26,813	24,853	26,813	24,853
Buildings		–	–	160,240	154,891	160,240	154,891
Other recreational assets		–	–	48,150	43,977	48,150	43,977
Other structures		–	–	22,030	20,845	22,030	20,845
Roads		–	–	618,900	584,889	618,900	584,889
Bridges		–	–	61,627	52,698	61,627	52,698
Footpaths		–	–	45,273	41,845	45,273	41,845
Stormwater drainage		–	–	130,284	120,150	130,284	120,150
Water supply network		–	–	238,210	221,115	238,210	221,115
Sewerage network		–	–	315,986	306,064	315,986	306,064
Swimming pools		–	–	10,973	10,343	10,973	10,343
Library books		–	–	559	526	559	526
Other		–	–	32	20	32	20
Total infrastructure, property, plant and equipment		–	–	1,992,368	1,836,552	1,992,368	1,836,552
Non-recurring fair value measurements							
Non-current assets classified as held for sale							
Real Estate Development held for sale	C1-5	–	–	–	687	–	687
Total NCA's classified as held for sale		–	–	–	687	–	687

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant and equipment, office equipment and furniture and fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- * Plant & Equipment : Trucks, graders, ride on mowers, motor vehicles
- * Office Equipment : Computers, photocopiers, electronic whiteboards
- * Furniture & Fittings : Chairs, desks, display systems

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.

Operational and community land

Operational Land was last revalued in the 2022/23 Financial Year, through an external revaluation undertaken by Asset Valuer Pro. In the current reporting period these assets were indexed using the Valuer General's land value trends, percentage increases as of 1 July 2023. Operational land is indexed per the 'commercial' property rate.

Community Land was last revalued in the 2022/23 Financial Year, using the Valuer General's land values at July 2022. In the current reporting period these assets were indexed using the Valuer General's land value trends, percentage increases as of 1 July 2023. Operational land is indexed per the 'other' property rate.

Land under roads

Land under roads includes land under roadways, footpaths, nature strips and median strips. Council has elected to recognise all land under roads in accordance with AASB 16 - Property, Plant and Equipment. Base values were determined using the Englobio methodology derived from the Code of Accounting Practice and Financial Reporting.

The asset class is classified as a Level 3 asset as significant inputs used in the Englobio valuation methodology are unobservable. In the current reporting period, these assets were revalued following the Englobio valuation method.

Buildings

This asset class includes sporting, operational, community, public toilets, libraries, halls, toilets and Council offices buildings. These assets were last revalued in the 2022/23 Financial Year, through an external revaluation undertaken by Asset Valuer Pro. The valuation methodology used was the cost approach. Although the valuation was undertaken by professional valuers, this asset class is categorised as Level 3 valuation hierarchy, as it is still open to subjective assessment using unobservable (Level 3) inputs.

In the current reporting period these assets were indexed using ABS Producer Prices indices data. Useful lives of assets reaching zero carrying value as at 30 June 2024 as required.

Transport and stormwater

This asset class includes roads, bridges, carparks, footpaths, road furniture, bus shelters, road drainage, stormwater quality and stormwater systems. The most recent valuation was undertaken by in-house professionals for 30 June 2020. The valuation methodology used was the cost approach. This asset class is categorised as Level 3 valuation hierarchy as some inputs such as calculation of replacement costs, asset condition and useful lives are unobservable (Level 3) inputs.

This assets class has been indexed in the interim years using appropriate cost increases or indices with useful lives reviewed annually. In the current reporting period these assets were indexed using ABS Road and Bridges construction indices data. Useful lives of assets reaching zero carrying value as at 30 June 2024 have been reassessed and adjusted as required.

E2-1 Fair value measurement (continued)

Open space, Recreation and Other Structures

This asset class includes all assets associated with sporting facilities, parks and reserves, marine facilities, business recreation, aquatic centres, airports, operational sites and waste facilities excluding land and buildings. The most recent valuation was undertaken by in-house professionals for 30 June 2021. The valuation methodology used was the cost approach. This asset class is categorised as Level 3 valuation hierarchy as some inputs such as calculation of replacement costs, asset condition and useful lives are unobservable (Level 3) inputs. In the current reporting period these assets were indexed using ABS Building and construction indices data. Useful lives of assets reaching zero carrying value as at 30 June 2024 have been reassessed and adjusted as required.

Water and Sewer Network

This asset class includes sewer pumping stations, sewer transport, sewer treatment, dams and weirs, water pumping stations, water reservoirs, water transport and water treatment. The most recent valuation was undertaken by in-house professionals for 30 June 2022. The valuation methodology used was the cost approach. This asset class has been indexed in the interim years using the appropriate cost increases or indices with useful lives reviewed annually. In the current reporting period these assets were indexed using the NSW Water Supply and Sewerage Construction cost indices (June 2024 Update).

This asset class is categorised as Level 3 valuation hierarchy as some inputs such as calculation of replacement costs, asset condition and useful lives are unobservable (Level 3) inputs. Useful lives of assets reaching zero carrying value as at 30 June 2024 have been reassessed and adjusted as required.

Library books

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of these items.

Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value.

Fair value measurements using significant unobservable inputs (level 3)

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

\$ '000	Operational land		Community Land		Land under Roads		Land improvements non-depreciable	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	100,133	68,140	154,203	112,657	24,853	18,868	–	32
Purchases (GBV)	–	1,336	–	137	–	–	–	–
Disposals (WDV)	–	(607)	(40)	(1,107)	–	–	–	(32)
Adjustments and transfers	1,605	(500)	–	(1,195)	111	1,826	–	–
Revaluation increment to equity (ARR)	1,903	31,764	55,487	43,711	1,905	4,159	–	–
Closing balance	103,641	100,133	209,650	154,203	26,869	24,853	–	–

\$ '000	Land improvements depreciable		Buildings		Other structures		Roads	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	–	500	154,891	147,030	20,845	18,990	584,889	560,777
Purchases (GBV)	–	–	–	318	–	–	7,235	7,314
Disposals (WDV)	–	(486)	(143)	(361)	(149)	(24)	(1,511)	(1,728)
Depreciation and impairment	–	(14)	(3,920)	(3,703)	(704)	(1,022)	(13,354)	(11,721)
Adjustments and transfers	–	–	1,161	377	246	1,492	11,507	20,359
Revaluation increment to equity (ARR)	–	–	8,250	11,230	1,791	1,409	30,135	9,888
Closing balance	–	–	160,239	154,891	22,029	20,845	618,901	584,889

\$ '000	Bridges		Footpaths		Stormwater drainage		Water supply network	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	52,698	46,023	41,845	37,519	120,150	111,597	221,115	208,630

continued on next page ...

E2-1 Fair value measurement (continued)

\$ '000	Bridges		Footpaths		Stormwater drainage		Water supply network	
	2024	2023	2024	2023	2024	2023	2024	2023
Purchases (GBV)	1,139	–	546	2,047	4,829	1,997	741	1,294
Disposals (WDV)	(964)	(387)	(126)	(100)	(95)	(207)	(427)	(719)
Depreciation and impairment	(827)	(761)	(952)	(892)	(1,516)	(1,385)	(7,364)	(6,859)
Adjustments and transfers	6,846	5,171	1,753	1,132	388	1,640	13,177	3,256
Revaluation increment to equity (ARR)	2,734	2,652	2,209	2,139	6,530	6,508	10,969	15,513
Closing balance	61,626	52,698	45,275	41,845	130,286	120,150	238,211	221,115

\$ '000	Sewerage network		Swimming pools		Open space recreational assets		Library books	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	306,064	288,749	10,343	9,967	43,977	40,384	526	513
Purchases (GBV)	2,551	1,928	–	–	609	602	–	–
Disposals (WDV)	(60)	(548)	(107)	–	(322)	(33)	–	–
Depreciation and impairment	(9,887)	(9,127)	(402)	(377)	(2,263)	(2,273)	(158)	(164)
Adjustments and transfers	2,137	3,530	581	–	2,863	2,279	190	177
Revaluation increment to equity (ARR)	15,180	21,532	557	753	3,285	3,018	–	–
Closing balance	315,985	306,064	10,972	10,343	48,149	43,977	558	526

\$ '000	Other		Land held for sale		Total	
	2024	2023	2024	2023	2024	2023
Opening balance	20	5	687	761	1,837,239	1,671,142
Purchases (GBV)	–	–	20	35	17,670	17,008
Disposals (WDV)	–	–	–	(227)	(3,944)	(6,566)
Depreciation and impairment	–	–	–	–	(41,347)	(38,298)
Reclassification to Operational Land	–	–	–	118	–	118
Adjustments and transfers	13	15	–	–	42,578	39,559
Revaluation increment to equity (ARR)	–	–	–	–	140,935	154,276
Closing balance	33	20	707	687	1,993,131	1,837,239

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

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

The adequacy of contributions is assessed at each triennial actuarial investigation, the next of which is due effective 30 June 2024, and monitored annually between triennials. As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

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

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up. The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$102,449. The last formal valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$143,468.

E3-1 Contingencies (continued)

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

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

E3-1 Contingencies (continued)

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

Over a period of time, Council has classified some privately owned land parcels with an E2 zoning.

As a result, it is possible that a landowner could notify Council in writing that they require Council to purchase the land parcel.

At reporting date, Council is unaware of any related potential liability.

ASSETS NOT RECOGNISED

(i) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	1,269	1,272
Post-employment benefits	167	132
Other long-term benefits	84	86
Total	1,520	1,490

Other transactions with KMP and their related parties

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

Nature of the transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000					
2024					
Supply of goods and trade services	-	-	30 day terms on invoices	-	-
2023					
Supply of goods and trade services	7	-	30 day terms on invoices	-	-

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	64	46
Councillors' fees	235	190
Other Councillors' expenses (including Mayor)	56	58
Total	355	294

F2 Other relationships

F2-1 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	123	113
Remuneration for audit and other assurance services	123	113
Total Auditor-General remuneration	123	113
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Audit and review of financial statements	21	33
Remuneration for audit and other assurance services	21	33
Total remuneration of non NSW Auditor-General audit firms	21	33
Total audit fees	144	146

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	60,537	70,481
Add / (less) non-cash items:		
Depreciation and amortisation	45,376	41,824
(Gain) / loss on disposal of assets	3,628	5,336
Non-cash capital grants and contributions	(17,650)	(16,973)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
Unwinding of discount rates on lease provisions	–	72
Unwinding of discount rates on restoration provision	1,221	187
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	1,229	3,346
Increase / (decrease) in provision for impairment of receivables	5	45
(Increase) / decrease of inventories	3	(89)
(Increase) / decrease of other current assets	138	(366)
(Increase) / decrease of contract asset	1,898	(7,640)
Increase / (decrease) in payables	(6,042)	(65)
Increase / (decrease) in accrued interest payable	7	(8)
Increase / (decrease) in other accrued expenses payable	3,533	4
Increase / (decrease) in other liabilities	(1,025)	2,140
Increase / (decrease) in contract liabilities	5,419	159
Increase / (decrease) in employee benefit provision	248	970
Increase / (decrease) in other provisions	–	(765)
Net cash flows from operating activities	98,525	98,658

(b) Non-cash investing and financing activities

Private subdivisions	17,650	16,973
Total non-cash investing and financing activities	17,650	16,973

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Land	977	1,440
Road infrastructure	975	3,026
Buildings	70	216
Plant and equipment	845	2,576
Water supply	28,754	80,357
Sewer	13,834	15,693
Other structures	2,594	1,141
Bridges	942	1,654
Recreation	2,624	6,318
Total commitments	51,615	112,421

Details of capital commitments

Current capital commitments include plant and equipment (mainly heavy vehicles) required for general operations; Waste, Water and Sewer major construction projects, including Southern Water Supply Storage construction; road and bridge renewal projects.

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions

G4-1 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					
Roads	3,582	684	–	–	214	135	–	4,615	–
Parking	226	–	–	–	12	–	–	238	–
Open space	440	146	–	–	46	–	84	716	–
Community facilities	62	25	–	–	4	–	–	91	–
Cycleways/Pedestrian	156	75	–	–	10	–	–	241	–
Administration	–	20	–	–	(14)	–	(6)	–	–
Waste Disposal	–	10	–	–	2	129	(78)	63	–
Marine	5	14	–	–	1	–	–	20	–
Stormwater	27	83	–	–	3	–	–	113	–
S7.11 contributions – under a plan	4,498	1,057	–	–	278	264	–	6,097	–
S7.12 levies – under a plan	1,306	320	–	–	80	–	–	1,706	–
Total S7.11 and S7.12 revenue under plans	5,804	1,377	–	–	358	264	–	7,803	–
S7.11 not under plans	202	–	–	–	11	–	–	213	–
S64 contributions	10,852	2,610	–	–	554	(7,250)	–	6,766	–
Total contributions	16,858	3,987	–	–	923	(6,986)	–	14,782	–

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.

G4-2 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					
Eurobodalla Local Infrastructure Contributions Plan, Community and Cultural Facilities									
Community facilities	62	25	–	–	4	–	–	91	–
Total	62	25	–	–	4	–	–	91	–
Development Contributions Plan 2000 - 2005, Waste Disposal									
Waste Facilities	–	10	–	–	2	129	(78)	63	–
Total	–	10	–	–	2	129	(78)	63	–

G4-2 Developer contributions by plan (continued)

\$ '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						
Development Contributions Plan 2000 - 2005, Car Parking										
Parking	226	-	-	-	12	-	-	-	238	-
Total	226	-	-	-	12	-	-	-	238	-
Eurobodalla Local Infrastructure Contributions Plan, Urban Roadworks										
- Shire wide	1,697	628	-	-	105	(11)	-	-	2,419	-
Total	1,697	628	-	-	105	(11)	-	-	2,419	-
Eurobodalla Local Infrastructure Contributions Plan, Open Space and Recreation Facilities										
Open space	440	146	-	-	46	-	84	-	716	-
Total	440	146	-	-	46	-	84	-	716	-
Eurobodalla Local Infrastructure Contributions Plan, Plan Preparation and Administration										
Administration	-	20	-	-	(14)	-	(6)	-	-	-
Total	-	20	-	-	(14)	-	(6)	-	-	-
Eurobodalla Local Infrastructure Contributions Plan, Paths and Cycleway Facilities										
Cycleways/Pedestrian	156	75	-	-	10	-	-	-	241	-
Total	156	75	-	-	10	-	-	-	241	-
Eurobodalla Local Infrastructure Contribution Plan, Rural Roads										
- Area 1 - Nelligen West	(152)	10	-	-	-	146	-	-	4	-
- Area 2A - NW Batemans Bay	578	-	-	-	31	-	-	-	609	-
- Area 2B - Long Beach	1	-	-	-	-	-	-	-	1	-
- Area 3B - Surf Beach/Malua Bay	229	-	-	-	12	-	-	-	241	-
- Area 4 - Bimbimbi	123	-	-	-	7	-	-	-	130	-
- Area 5 - Polwambra	177	14	-	-	10	-	-	-	201	-
- Area 6 - Moruya	156	-	-	-	8	-	-	-	164	-
- Area 7 - Congo/Bingi	377	-	-	-	20	-	-	-	397	-
- Area 8 - South Narooma	372	32	-	-	20	-	-	-	424	-
- Area 9 - Tilba	24	-	-	-	1	-	-	-	25	-
Total	1,885	56	-	-	109	146	-	-	2,196	-
Eurobodalla Local Infrastructure Plan, Marine										
Marine	5	14	-	-	1	-	-	-	20	-
Total	5	14	-	-	1	-	-	-	20	-
Eurobodalla Local Infrastructure Plan, Stormwater										
Stormwater	27	83	-	-	3	-	-	-	113	-
Total	27	83	-	-	3	-	-	-	113	-

G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
S7.12 Levies – under a plan										
Eurobodalla S7.12 Contribution Plan										
Section 94A	1,306	320	–	–	80	–	–	1,706	–	
Total	1,306	320	–	–	80	–	–	1,706	–	

G4-3 Contributions not under plans

S7.11 CONTRIBUTIONS – NOT UNDER A PLAN

Roads	192	–	–	–	10	–	–	202	–
Parking	10	–	–	–	1	–	–	11	–
Total	202	–	–	–	11	–	–	213	–

G4-4 S64 contributions

Development Servicing Plan - Eurobodalla Shire Water Supply

Water headworks	5,678	1,056	–	–	256	(3,750)	–	3,240	–
Total	5,678	1,056	–	–	256	(3,750)	–	3,240	–

Development Servicing Plan - Eurobodalla Shire Sewerage Services

Sewerage headworks	5,174	1,554	–	–	298	(3,500)	–	3,526	–
Total	5,174	1,554	–	–	298	(3,500)	–	3,526	–

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(5,194)	(3.46)%	5.12%	6.14%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	150,274				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	128,472	58.49%	55.33%	56.14%	> 60.00%
Total continuing operating revenue ¹	219,646				
3. Unrestricted current ratio					
Current assets less all external restrictions	67,027	2.91x	2.94x	3.44x	> 1.50x
Current liabilities less specific purpose liabilities	23,004				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	44,257	3.73x	5.03x	3.99x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	11,852				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	1,786	2.30%	1.92%	1.49%	< 10.00%
Rates and annual charges collectable	77,645				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	158,407	15.87	17.69	16.18	> 3.00
Monthly payments from cash flow of operating and financing activities	9,982	months	months	months	months

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

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

G5-2 Statement of performance measures by fund

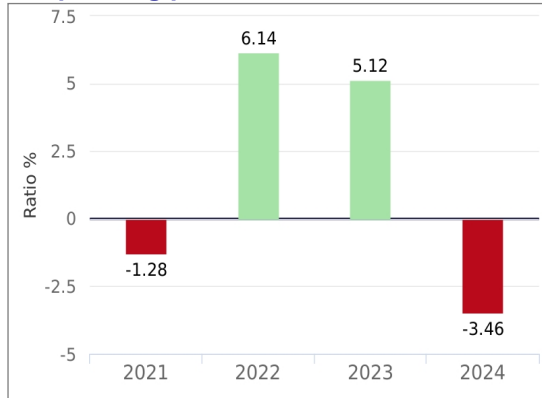
\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(7.84)%	3.08%	14.37%	17.19%	(1.55)%	3.74%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	58.52%	52.94%	43.85%	45.38%	80.58%	83.52%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.91x	2.94x	4.99x	6.64x	5.76x	7.75x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	2.19x	3.27x	323.61x	306.06x	7.20x	10.81x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	1.25%	0.84%	3.78%	3.43%	3.67%	3.33%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	15.87 months	17.69 months	∞	∞	∞	∞	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2023/24 result

2023/24 ratio (3.46)%

Council's operating performance ratio is below the benchmark for this year, whilst some of this is due to one-off timing factors such as the prepayment of the financial assistance grant, Council's ability to keep costs within revenue continues to be a challenge in the future.

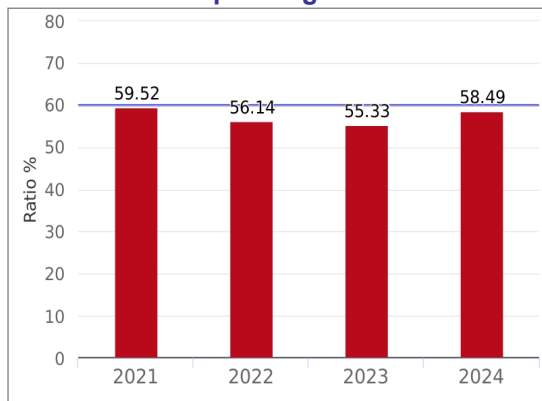
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2023/24 result

2023/24 ratio 58.49%

The gradual improvement in this ratio demonstrates Council's commitment to reviewing its approach to grant funding. The ratio is below the benchmark of 60% which indicates a high dependence on grants and external revenue which may be less reliable in the long term.

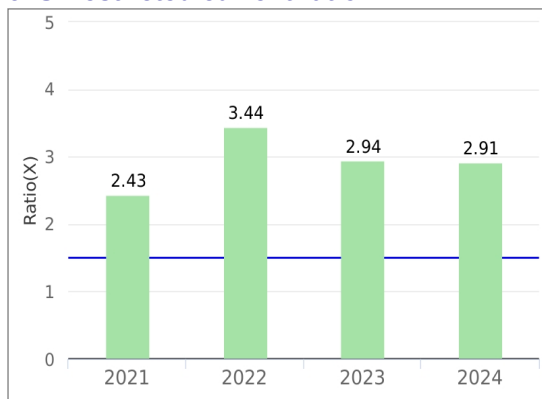
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2023/24 result

2023/24 ratio 2.91x

Council continues to hold adequate cash to cover its short-term obligations.

Benchmark: — > 1.50x

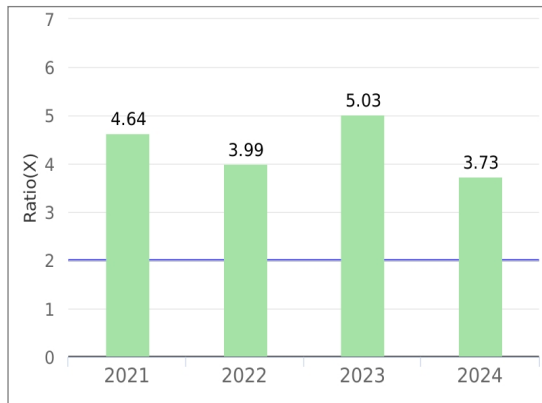
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 3.73x

Council has continued to remain above the benchmark.

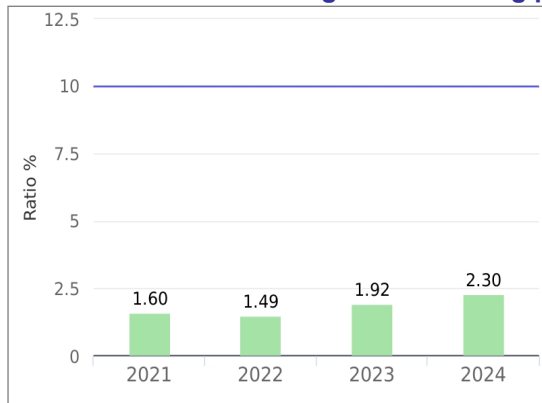
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2023/24 result

2023/24 ratio 2.30%

Council's high standard of debt recovery and collection policy ensures this ratio remains well below the benchmark of 10%.

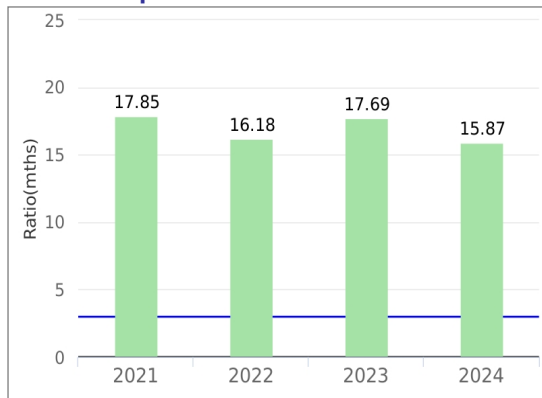
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 15.87 months

Council continues to achieve a ratio five times the industry benchmark of three months for this ratio. Council employs a good mix of short-term deposits and at call accounts to maintain adequate liquid cash.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark



Mathew Hatcher
 Mayor
 Eurobodalla Shire Council
 PO Box 99
 MORUYA NSW 2537

Contact: Hugh Wilson
 Phone no: 02 9275 7161
 Our ref: R008-2124742775-7473

30 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024	2023*	Variance
	\$m	\$m	%
Rates and annual charges revenue	75.6	71.8	↑ 5.3
Grants and contributions revenue	91.2	100.3	↓ 9.1
Operating result from continuing operations	60.5	70.5	↓ 14.2
Net operating result before capital grants and contributions	(8.8)	2.6	↓ 438.5

Rates and annual charges revenue (\$75.6 million) increased by \$3.8 million (5.3 per cent) in 2023–24 due to rate peg, as determined by IPART, which increased general rates by 4.3 per cent and an increase in rateable properties.

Grants and contributions revenue (\$91.2 million) decreased by \$9.1 million (9.1 per cent) in 2023–24 due to:

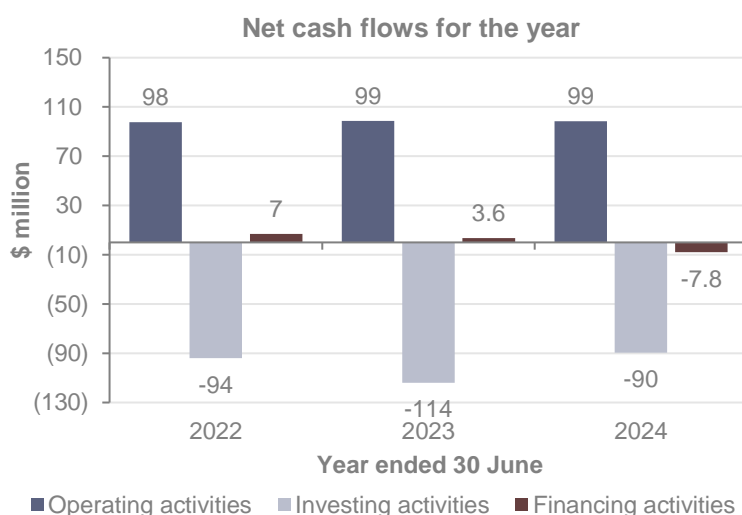
- decrease of \$2.5 million of Financial Assistance Grants
- decrease of \$3.2 million of capital Bushfire recovery grants
- decrease of \$3.5 million of Waste management operating grants

Council's operating result from continuing operations (\$60.5 million including depreciation, amortisation and impairment expense of \$45.4 million) was \$10 million lower than the 2022–23 result mainly due to \$9.1 million decrease in grants and contributions revenue.

The net operating result before capital grants and contributions (-\$8.8 million) was \$11.5 million lower than the 2022–23 result due to \$10 million drop in operating grants.

STATEMENT OF CASH FLOWS

- The Council's cash and cash equivalents was \$26.4 million at 30 June 2024 (\$25.1 million at 30 June 2023).
- Net cash flows from operating activities have remained consistent with prior year.
- Net cash flows from investing activities have decreased by \$24 million mainly due to increase in receipts from redemption of term deposits.
- Net cash flows from financing activities have decreased due to \$11 million in proceeds from borrowings in 2023 and zero proceeds from borrowings in 2024.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	158.4	184.2	Externally restricted balances comprise mainly of developer water and sewer fund balances.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by Council policies or decisions, which are subject to change.
• External restrictions	115.3	140.5	The decrease in external restrictions is mainly due to a \$23 million decrease in water fund restrictions which were used for capital expenditure on the Southern Water facility project in 2024.
• Internal allocations	34.9	37.3	

Debt

At 30 June 2024, Council had \$63.2 million in borrowings (\$70.8 million at 30 June 2023), the \$7.6 million decrease due to repayments.

PERFORMANCE

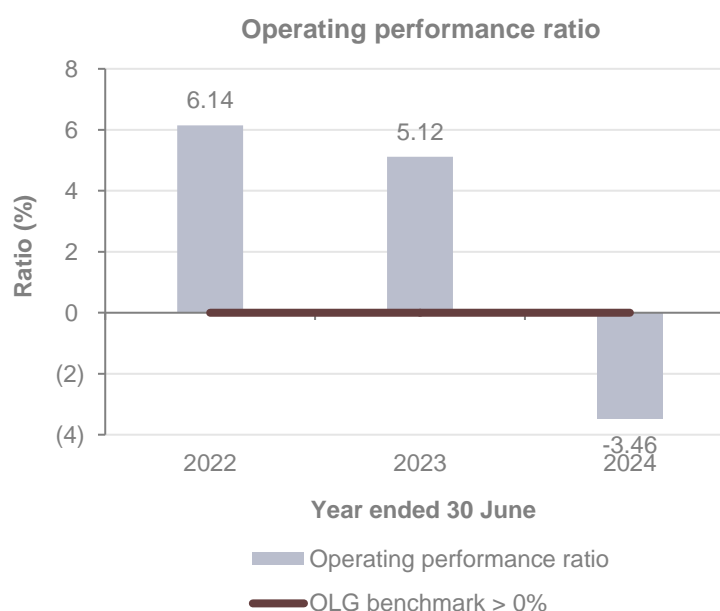
Performance measures

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

Operating performance ratio

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

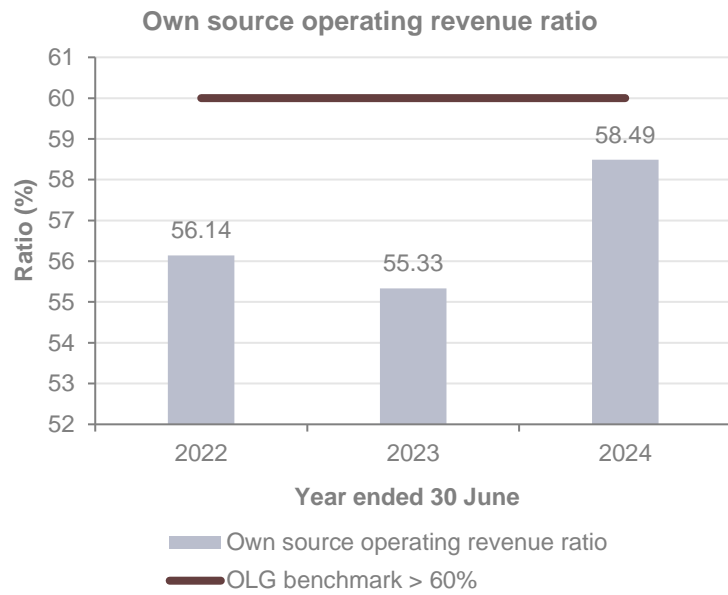
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

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

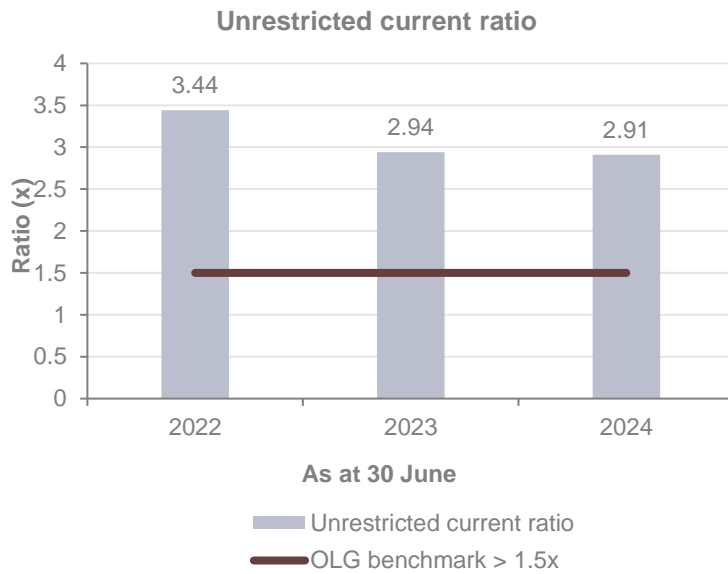
The 'own source operating revenue ratio' measures Council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

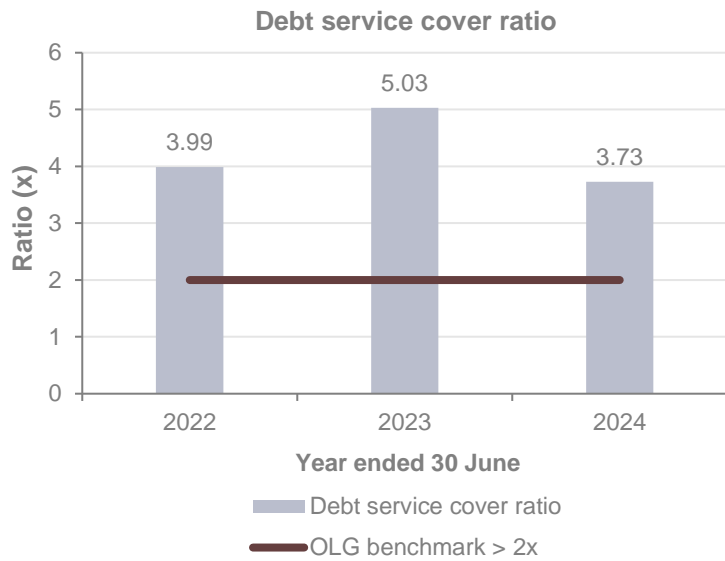
The 'unrestricted current ratio' is specific to local government and represents Council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

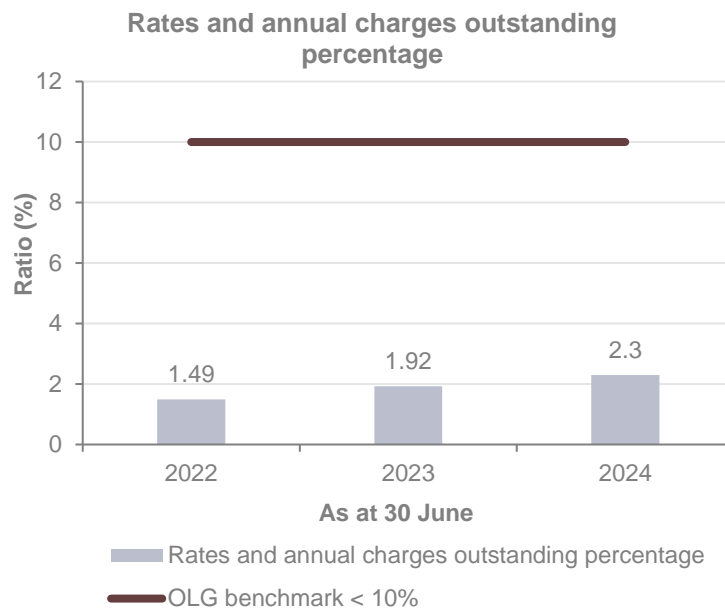
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

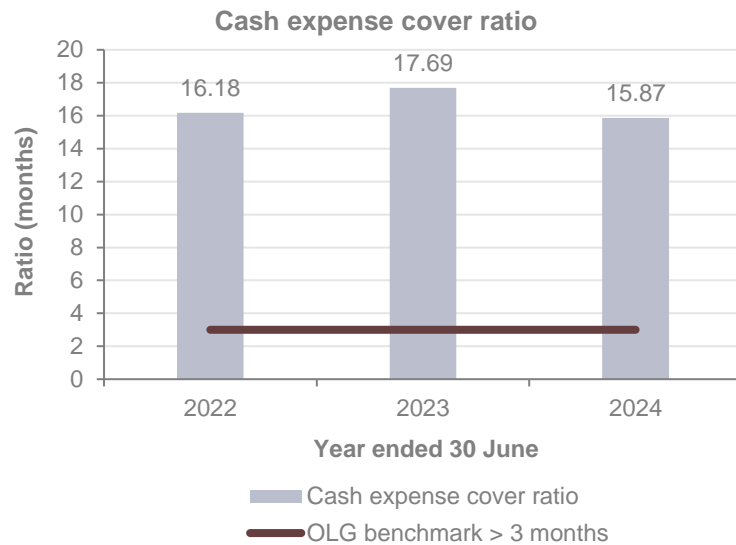
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$32 million of infrastructure, property, plant and equipment during the 2023-24 financial year and renewed \$33 million in the 2022-2023 financial year. A further \$103 million was spent on new assets.

OTHER MATTERS

Legislative compliance

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

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

Hugh Wilson
Associate Director Signing Officer, Financial Audit
Delegate of the Auditor-General for New South Wales



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Eurobodalla Shire Council

To the Councillors of the Eurobodalla Shire Council

Opinion

I have audited the accompanying financial statements of Eurobodalla Shire 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(s) 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.

A handwritten signature in black ink, appearing to read 'H Wilson', with a horizontal line underneath it.

Hugh Wilson
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Eurobodalla Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Eurobodalla Shire 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).

Eurobodalla Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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

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

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

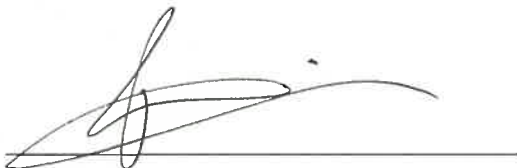
Signed in accordance with a resolution of Council made on 10 September 2024.



Mathew Hatcher
Mayor
10 September 2024



David Grace
Councillor
10 September 2024



Warwick Winn
General Manager
10 September 2024



Stephanie Speedy
Responsible Accounting Officer
10 September 2024

Eurobodalla Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	8,466	8,033
User charges	11,749	11,146
Fees	494	357
Interest and investment income	992	1,643
Grants and contributions provided for operating purposes	212	241
Other income	56	47
Total income from continuing operations	21,969	21,467
Expenses from continuing operations		
Employee benefits and on-costs	3,581	3,434
Borrowing costs	33	35
Materials and services	7,289	6,664
Depreciation, amortisation and impairment	7,490	6,986
Net loss from the disposal of assets	420	657
Calculated taxation equivalents	27	21
Total expenses from continuing operations	18,840	17,797
Surplus (deficit) from continuing operations before capital amounts	3,129	3,670
Grants and contributions provided for capital purposes	27,643	25,304
Surplus (deficit) from continuing operations after capital amounts	30,772	28,974
Surplus (deficit) from all operations before tax	30,772	28,974
Less: corporate taxation equivalent (25%) [based on result before capital]	(782)	(918)
Surplus (deficit) after tax	29,990	28,056
Plus accumulated surplus	209,070	180,051
Plus/less: asset revaluation reserve transfers	419	692
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	27	21
– Corporate taxation equivalent	782	918
Less:		
– Tax equivalent dividend paid	(27)	(21)
– Surplus dividend paid	(343)	(647)
Closing accumulated surplus	239,918	209,070
Return on capital %	0.9%	1.3%
Subsidy from Council	11,758	7,646
Calculation of dividend payable:		
Surplus (deficit) after tax	29,990	28,056
Less: capital grants and contributions (excluding developer contributions)	(27,643)	(22,321)
Surplus for dividend calculation purposes	2,347	5,735
Potential dividend calculated from surplus	1,173	2,868

Eurobodalla Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	23,774	22,410
User charges	958	915
Fees	19	33
Interest and investment income	1,464	773
Grants and contributions provided for operating purposes	950	183
Other income	105	194
Total income from continuing operations	27,270	24,508
Expenses from continuing operations		
Employee benefits and on-costs	4,683	4,531
Borrowing costs	1,543	1,035
Materials and services	11,416	8,292
Depreciation, amortisation and impairment	9,997	9,241
Net loss from the disposal of assets	55	492
Calculated taxation equivalents	47	33
Total expenses from continuing operations	27,741	23,624
Surplus (deficit) from continuing operations before capital amounts	(471)	884
Grants and contributions provided for capital purposes	5,392	4,616
Surplus (deficit) from continuing operations after capital amounts	4,921	5,500
Surplus (deficit) from all operations before tax	4,921	5,500
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(221)
Surplus (deficit) after tax	4,921	5,279
Plus accumulated surplus	150,996	145,106
Plus/less: asset revaluation reserve transfers	234	733
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	47	33
– Corporate taxation equivalent	–	221
Less:		
– Tax equivalent dividend paid	(47)	(33)
– Surplus dividend paid	–	(343)
Closing accumulated surplus	156,151	150,996
Return on capital %	0.3%	0.6%
Subsidy from Council	14,616	11,640
Calculation of dividend payable:		
Surplus (deficit) after tax	4,921	5,279
Less: capital grants and contributions (excluding developer contributions)	(5,392)	(114)
Surplus for dividend calculation purposes	–	5,165
Potential dividend calculated from surplus	–	2,583

Eurobodalla Shire Council

Income Statement of Batemans Bay Beach Resort

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
Income from continuing operations		
User charges	10	11
Other income	1,667	1,579
Total income from continuing operations	1,677	1,590
Expenses from continuing operations		
Employee benefits and on-costs	36	33
Borrowing costs	169	202
Materials and services	273	255
Depreciation, amortisation and impairment	356	309
Calculated taxation equivalents	5	23
Other expenses	203	160
Total expenses from continuing operations	1,042	982
Surplus (deficit) from continuing operations before capital amounts	635	608
Surplus (deficit) from continuing operations after capital amounts	635	608
Surplus (deficit) from all operations before tax	635	608
Less: corporate taxation equivalent (25%) [based on result before capital]	(159)	(152)
Surplus (deficit) after tax	476	456
Plus accumulated surplus	(458)	(1,066)
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	5	23
– Corporate taxation equivalent	159	152
Less:		
– TER dividend paid	(5)	(23)
Closing accumulated surplus	177	(458)
Return on capital %	7.1%	7.8%

Eurobodalla Shire Council

Income Statement of Bay Pavilions

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
Income from continuing operations		
User charges	2,780	2,874
Other income	477	589
Total income from continuing operations	3,257	3,463
Expenses from continuing operations		
Employee benefits and on-costs	184	97
Materials and services	5,835	5,773
Borrowing costs	93	98
Depreciation, amortisation and impairment	2,444	2,254
Calculated taxation equivalents	5	8
Total expenses from continuing operations	8,561	8,230
Surplus (deficit) from continuing operations before capital amounts	(5,304)	(4,767)
Surplus (deficit) from continuing operations after capital amounts	(5,304)	(4,767)
Surplus (deficit) from all operations before tax	(5,304)	(4,767)
Surplus (deficit) after tax	(5,304)	(4,767)
Plus accumulated surplus	(6,061)	(1,294)
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	5	8
Less:		
– TER dividend paid	(5)	(8)
Closing accumulated surplus	(11,365)	(6,061)
Return on capital %	(7.8)%	(7.1)%
Subsidy from Council	8,074	7,314

Eurobodalla Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Contract assets and contract cost assets	10,884	11,472
Investments	11,345	37,004
Receivables	3,861	3,832
Other	30	10
Total current assets	26,120	52,318
Non-current assets		
Infrastructure, property, plant and equipment	346,967	282,356
Total non-current assets	346,967	282,356
Total assets	373,087	334,674
LIABILITIES		
Current liabilities		
Payables	5,162	7,810
Borrowings	70	70
Total current liabilities	5,232	7,880
Non-current liabilities		
Borrowings	508	578
Total non-current liabilities	508	578
Total liabilities	5,740	8,458
Net assets	367,347	326,216
EQUITY		
Accumulated surplus	239,918	209,070
Revaluation reserves	127,429	117,146
Total equity	367,347	326,216

Eurobodalla Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Contract assets and contract cost assets	382	–
Investments	27,010	34,682
Receivables	1,159	1,022
Other	10	–
Total current assets	28,561	35,704
Non-current assets		
Infrastructure, property, plant and equipment	364,846	337,283
Total non-current assets	364,846	337,283
Total assets	393,407	372,987
LIABILITIES		
Current liabilities		
Contract liabilities	785	389
Payables	2,194	2,189
Borrowings	1,980	2,027
Total current liabilities	4,959	4,605
Non-current liabilities		
Borrowings	28,468	30,449
Total non-current liabilities	28,468	30,449
Total liabilities	33,427	35,054
Net assets	359,980	337,933
EQUITY		
Accumulated surplus	156,151	150,996
Revaluation reserves	203,829	186,937
Total equity	359,980	337,933

Eurobodalla Shire Council

Statement of Financial Position of Batemans Bay Beach Resort

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
ASSETS		
Current assets		
Receivables	44	–
Total current assets	44	–
Non-current assets		
Infrastructure, property, plant and equipment	11,268	10,397
Total non-current assets	11,268	10,397
Total assets	11,312	10,397
LIABILITIES		
Current liabilities		
Bank overdraft	3,081	2,615
Payables	40	–
Borrowings	775	775
Total current liabilities	3,896	3,390
Non-current liabilities		
Borrowings	2,803	3,578
Total non-current liabilities	2,803	3,578
Total liabilities	6,699	6,968
Net assets	4,613	3,429
EQUITY		
Accumulated surplus	177	(458)
Revaluation reserves	4,436	3,887
Total equity	4,613	3,429

Eurobodalla Shire Council

Statement of Financial Position of Bay Pavilions

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	66,579	65,787
Total non-current assets	66,579	65,787
Total assets	66,579	65,787
LIABILITIES		
Current liabilities		
Bank overdraft	74,160	68,248
Payables	384	–
Borrowings	200	200
Total current liabilities	74,744	68,448
Non-current liabilities		
Borrowings	3,200	3,400
Total non-current liabilities	3,200	3,400
Total liabilities	77,944	71,848
Net assets	(11,365)	(6,061)
EQUITY		
Accumulated surplus	(11,365)	(6,061)
Total equity	(11,365)	(6,061)

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Eurobodalla Water Supply

Comprising the whole of the operations and net assets of the water supply systems servicing the Shire of Eurobodalla, each of which are established as separate Special Rate Funds.

b. Eurobodalla Sewerage Fund

Comprising the whole of the operations and net assets of the sewerage reticulation & treatment system servicing the Shire of Eurobodalla, which is established as a separate Special Rate Fund.

c. Bay Pavilions

Aquatic, Arts and Leisure Centre operated on Crown Reserve. Operated by contractor and owned by Council. While the Centre opened to the public on 4 June 2022, material operating expenses began to be incurred from November 2021 to transition the facility to opening.

Category 2

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

Batemans Bay Beach Resort

Caravan Park operated on Crown Reserve. Operated by contractor and owned by Council.

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.

Note – Material accounting policy information (continued)

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

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

Notional rate applied (%)

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

Land tax – the first \$822,000 of combined land values attracts 0%. For the combined land values in excess of \$822,000 up to \$5,026,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$5,026,000 a premium marginal rate of 2.0% applies.

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

In accordance with the Department of Industry (DoI) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

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

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

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

The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

Note – Material accounting policy information (continued)

(ii) Return on investments (rate of return)

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

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.30% at 30/6/24.

(iii) Dividends

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

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

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



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Eurobodalla Shire Council

To the Councillors of Eurobodalla Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Eurobodalla Shire 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 Material accounting policies note.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage
- Batemans Bay Beach Resort
- Bay Pavilions

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 policies 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 policies 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 policies 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.

A handwritten signature in black ink, appearing to read 'H. Wilson', with a long horizontal line extending to the right from the end of the signature.

Hugh Wilson
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Eurobodalla Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Eurobodalla Shire Council

Special Schedules

for the year ended 30 June 2024

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Eurobodalla Shire 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	33,202	34,731
Plus or minus adjustments ²	b	91	179
Notional general income	c = a + b	33,293	34,910
Permissible income calculation			
Percentage increase	d	4.30%	5.50%
Plus percentage increase amount ³	f = d x (c + e)	1,432	1,920
Sub-total	g = (c + e + f)	34,725	36,830
Plus (or minus) last year's carry forward total	h	13	7
Sub-total	j = (h + i)	13	7
Total permissible income	k = g + j	34,738	36,837
Less notional general income yield	l	34,731	36,834
Catch-up or (excess) result	m = k - l	7	3
Carry forward to next year ⁶	p = m + n + o	7	3

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

Eurobodalla Shire Council

To the Councillors of Eurobodalla Shire Council

Opinion

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



Hugh Wilson
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Eurobodalla Shire Council

Unaudited report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Administration	–	–	495	413	11,165	19,549	8.9%	53.2%	37.9%	0.0%	0.0%
	Bush Fire Brigade	120	120	197	164	5,056	7,376	26.9%	69.4%	2.1%	1.6%	0.0%
	Caravan Parks/Camp Grounds	499	499	19	16	11,901	15,841	20.1%	65.7%	11.0%	3.2%	0.0%
	Community Centres	–	–	2,912	2,807	3,714	5,210	56.6%	38.9%	4.5%	0.0%	0.0%
	Libraries	50	50	167	139	8,971	14,110	53.8%	40.3%	5.5%	0.4%	0.0%
	Operational	1,135	1,135	561	468	42,210	57,124	54.5%	40.7%	2.8%	2.0%	0.0%
	Parks & Reserves	–	–	–	–	152	189	29.2%	70.8%	0.0%	0.0%	0.0%
	Public Halls	–	–	132	110	24,809	28,587	88.2%	7.4%	4.4%	0.0%	0.0%
	Public Toilets	1,452	1,452	1,140	935	6,852	9,185	26.8%	37.7%	19.7%	15.8%	0.0%
	Sporting Facilities	383	383	328	274	15,167	23,006	33.3%	49.4%	15.6%	1.7%	0.0%
	Swimming Pool Centres	51	51	1,602	1,520	30,242	33,911	89.1%	7.5%	3.3%	0.1%	0.0%
	Sub-total	3,690	3,690	7,553	6,846	160,239	214,088	53.3%	35.7%	9.2%	1.7%	0.0%
Other structures	Other structures	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	1,553	1,553	822	686	10,431	14,683	60.4%	10.5%	18.5%	10.6%	0.0%
	Waste Not in Buildings	229	229	2,902	2,583	11,598	19,330	43.4%	25.5%	29.9%	1.2%	0.0%
	Sub-total	1,782	1,782	3,724	3,269	22,029	34,013	50.7%	19.0%	25.0%	5.3%	0.0%
	Road Furniture	6,294	6,294	136	109	78,729	138,408	38.4%	28.6%	28.5%	4.5%	0.0%
	Unsealed roads	9,582	9,582	922	830	7,652	25,827	14.1%	21.7%	27.1%	37.1%	0.0%
	Bridges	1,334	1,334	245	210	61,627	82,487	56.8%	17.0%	24.6%	1.6%	0.0%
	Footpaths	1,171	1,171	186	135	23,665	31,469	67.9%	20.2%	8.2%	3.7%	0.0%
	Bulk earthworks	–	–	–	–	223,080	222,822	100.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Shared Footpaths	247	247	129	90	18,388	21,705	92.7%	4.2%	2.0%	1.1%	0.0%
	Other road assets (incl. bulk earth works)	1,449	1,449	19	16	2,963	9,402	17.8%	8.9%	57.9%	15.4%	0.0%
	Sealed Roads Structure Regional	2,317	2,317	268	230	38,906	60,930	32.7%	36.8%	26.7%	3.8%	0.0%
	Sealed Roads Structure Rural	2,779	2,779	521	423	77,349	117,285	40.5%	44.6%	12.5%	2.4%	0.0%
	Sealed Roads Structure Urban	9,251	9,251	1,089	913	135,066	269,286	24.3%	56.1%	16.2%	3.4%	0.0%
	Sealed Roads Surface Regional	442	442	117	98	2,357	5,103	28.3%	28.1%	34.9%	8.7%	0.0%
	Sealed Roads Surface Rural	853	853	222	180	5,472	11,243	29.5%	27.2%	35.7%	7.6%	0.0%
	Sealed Roads Surface Urban	4,369	4,369	464	389	9,909	26,347	22.1%	19.7%	41.6%	16.6%	0.0%

Eurobodalla Shire Council

Unaudited report on infrastructure assets as at 30 June 2024 (continued)

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Roads	Carparks	833	833	99	80	18,667	30,607	42.5%	30.0%	24.8%	2.7%	0.0%
Roads	Bus Shelter	112	112	30	25	1,326	2,149	36.2%	49.3%	9.3%	5.2%	0.0%
Roads	Transverse Drainage	109	109	207	169	20,646	28,961	51.8%	42.5%	5.3%	0.4%	0.0%
	Sub-total	41,142	41,142	4,654	3,897	725,802	1,084,031	50.0%	30.0%	16.2%	3.8%	0.0%
Water supply network	Dams	–	–	132	132	20,079	35,341	4.1%	90.3%	5.6%	0.0%	0.0%
	Pipeline	51,115	51,115	2,733	2,733	160,691	332,850	28.4%	38.3%	17.9%	15.4%	0.0%
	Pump Stations	3,387	3,387	682	682	7,301	15,202	36.3%	14.6%	26.8%	22.3%	0.0%
	Reservoirs	225	225	179	179	31,703	62,451	9.6%	67.4%	22.6%	0.4%	0.0%
	Treatment Plants	–	–	1,194	1,194	18,437	35,958	37.5%	21.2%	41.3%	0.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	54,727	54,727	4,920	4,920	238,211	481,802	25.1%	43.9%	19.6%	11.4%	0.0%
Sewerage network	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Pipeline	9,918	9,918	1,466	1,466	221,295	368,890	43.7%	31.8%	21.8%	2.7%	0.0%
	Pump Stations	18,706	18,706	2,790	2,790	42,764	89,931	33.3%	27.3%	18.6%	20.8%	0.0%
	Treatment Works	9,872	9,872	3,047	3,047	51,926	135,804	19.9%	9.5%	63.3%	7.3%	0.0%
	Sub-total	38,496	38,496	7,303	7,303	315,985	594,625	36.7%	26.0%	30.8%	6.5%	0.0%
Stormwater drainage	Stormwater drainage	8,252	8,252	63	49	118,401	165,043	85.0%	4.0%	6.0%	5.0%	0.0%
	Other	–	–	211	169	11,885	12,918	83.1%	16.9%	0.0%	0.0%	0.0%
	Sub-total	8,252	8,252	274	218	130,286	177,961	84.9%	4.9%	5.6%	4.6%	0.0%
Open space / recreational assets	Swimming pools	1,187	1,187	1,480	1,422	10,973	16,744	63.0%	4.4%	25.5%	7.1%	0.0%
	Other Open Space Recreational	8,814	8,814	3,613	3,073	38,907	71,035	38.0%	27.4%	22.2%	12.4%	0.0%
	Waterways	12,521	12,521	228	190	9,241	26,704	16.4%	23.2%	13.5%	46.9%	0.0%
	Sub-total	22,522	22,522	5,321	4,685	59,121	114,483	36.6%	23.1%	20.7%	19.7%	0.0%
	Total – all assets	170,611	170,611	33,749	31,138	1,651,673	2,701,003	44.6%	30.0%	19.1%	6.3%	0.0%

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

Infrastructure asset condition assessment 'key'

Condition Integrated planning and reporting (IP&R) description

continued on next page ...

Eurobodalla Shire Council

Unaudited report on infrastructure assets as at 30 June 2024 (continued)

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

Eurobodalla Shire Council

Unaudited report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	27,037	65.64%	74.14%	102.42%	> 100.00%
Depreciation, amortisation and impairment	41,189				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	170,611	9.40%	8.84%	9.32%	< 2.00%
Net carrying amount of infrastructure assets	1,815,448				
Asset maintenance ratio					
Actual asset maintenance	31,138	92.26%	93.86%	96.51%	> 100.00%
Required asset maintenance	33,749				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	170,611	6.32%	5.79%	6.05%	
Gross replacement cost	2,701,003				

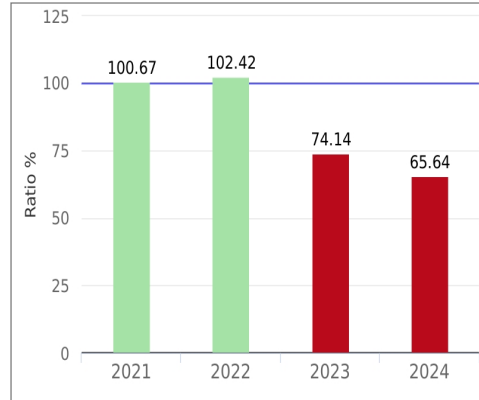
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Eurobodalla Shire Council

Unaudited report on infrastructure assets as at 30 June 2024

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result

23/24 ratio 65.64%

Increased depreciation has caused a decline in this ratio back to more typical levels reported prior to 2021. In order to improve this ratio, Council should prioritise renewal of assets, rather than new assets which place an ongoing financial burden on Council. These measures are key actions in both the Finance Strategy 2024-28 and the Grants Strategy 2024-28

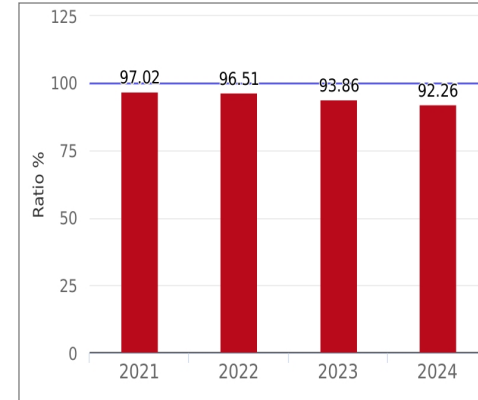
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on result

23/24 ratio 92.26%

Council continues to focus on asset maintenance but is challenged by ongoing increases in construction costs and growth of the network which is outstripping revenue. The steady decline in this ratio is reflective of an increase in Council's asset base (new assets) which add to the required maintenance.

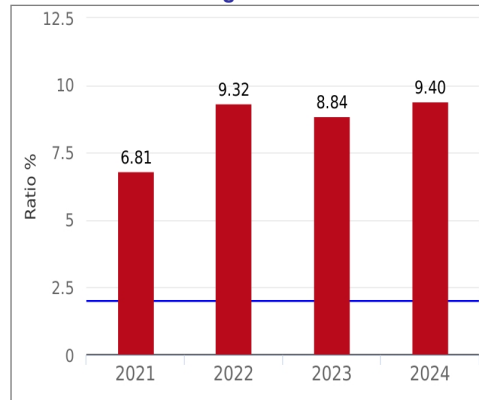
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result

23/24 ratio 9.40%

Council continues to report high infrastructure backlog ratios. This is reflective of the increased construction costs to bring assets to a satisfactory standard. Council will need to prioritise investment in the renewal of existing infrastructure in the future in order to minimise risk and maintenance costs, whilst maintaining the service potential of the assets

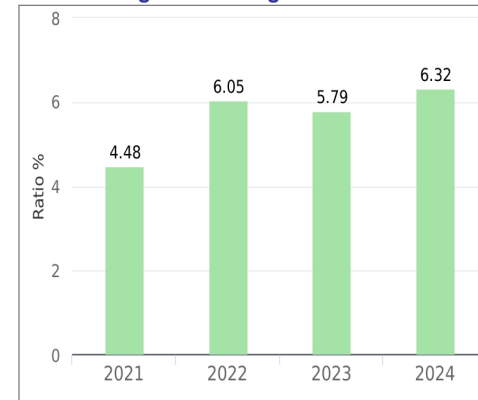
Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result

23/24 ratio 6.32%

This increasing trend in the ratio is reflective of the ongoing increases in costs to renew assets and demonstrates the importance of prioritising renewal work. This has been included in Council's Finance Strategy 2024-28 through Strategic Theme Two – Prudent Asset Management. This requires Council to set an achievable program of works that includes an adequate level of asset renewal.

Eurobodalla Shire Council

Unaudited report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	66.76%	79.83%	48.87%	34.36%	75.41%	90.25%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	6.92%	6.20%	16.14%	18.69%	10.76%	8.71%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	87.87%	90.41%	100.00%	100.00%	100.00%	100.00%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	4.76%	4.35%	11.36%	11.52%	6.47%	5.11%	

(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.