

Lismore City Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024



Lismore City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Lismore City Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

43 Oliver Avenue
GOONELLABAH NSW 2480

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.lismore.nsw.gov.au.

Lismore City 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:

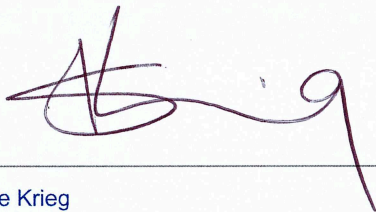
- *Local Government Act 1993* and the regulations made thereunder,
- Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- Local Government Code of Accounting Practice and Financial Reporting.

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

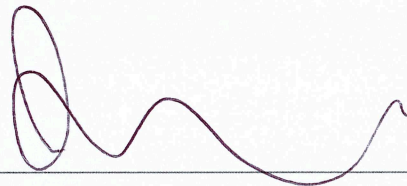
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

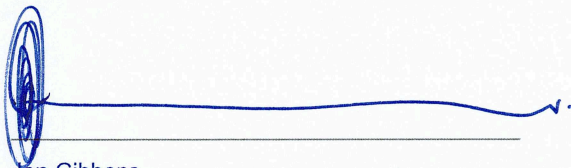
Signed in accordance with a resolution of Council made on 29 October 2024.



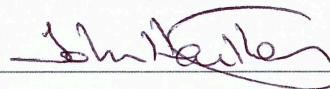
Steve Krieg
Mayor
29 October 2024



Jeri Hall
Councillor
29 October 2024



Jon Gibbons
General Manager
29 October 2024



John Hartley
Responsible Accounting Officer
29 October 2024

Lismore City Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
61,009	Rates and annual charges	B2-1	62,025	58,632
24,359	User charges and fees	B2-2	27,422	26,309
4,395	Other revenues	B2-3	5,614	6,373
22,574	Grants and contributions provided for operating purposes	B2-4	31,158	46,279
206,564	Grants and contributions provided for capital purposes	B2-4	103,580	61,211
3,306	Interest and investment income	B2-5	7,752	3,917
–	Net share of interests in joint ventures and associates using the equity method	D2a	–	149
322,207	Total income from continuing operations		237,551	202,870
Expenses from continuing operations				
36,846	Employee benefits and on-costs	B3-1	44,911	37,757
47,713	Materials and services	B3-2	53,790	70,753
1,947	Borrowing costs	B3-3	2,427	2,558
34,666	Depreciation, amortisation and impairment of non-financial assets	B3-4	31,943	31,170
3,925	Other expenses	B3-5	3,687	5,060
3,409	Net loss from the disposal of assets	B4-1	5,258	7,777
29	Net share of interests in joint ventures and associates using the equity method	D2a	83	–
128,535	Total expenses from continuing operations		142,099	155,075
193,672	Operating result from continuing operations		95,452	47,795
193,672	Net operating result for the year attributable to Council		95,452	47,795
(12,892)	Net operating result for the year before grants and contributions provided for capital purposes		(8,128)	(13,416)

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

Lismore City 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		95,452	47,795
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	124,949	76,605
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	(20,682)	21,448
Total items which will not be reclassified subsequently to the operating result		104,267	98,053
Total other comprehensive income for the year		104,267	98,053
Total comprehensive income for the year attributable to Council		199,719	145,848

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

Lismore City Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	113,596	42,272
Investments	C1-2	69,000	89,928
Receivables	C1-4	25,041	18,311
Inventories	C1-5	3,322	2,666
Contract assets and contract cost assets	C1-6	23,889	16,523
Other	C1-9	738	133
Total current assets		235,586	169,833
Non-current assets			
Investments	C1-2	1,000	1,000
Receivables	C1-4	2,538	3,456
Inventories	C1-5	174	174
Infrastructure, property, plant and equipment (IPPE)	C1-7	2,026,435	1,822,055
Right of use assets	C2-1	2,547	2,202
Investments accounted for using the equity method	D2-2	1,316	1,399
Total non-current assets		2,034,010	1,830,286
Total assets		2,269,596	2,000,119
LIABILITIES			
Current liabilities			
Payables	C3-1	32,303	24,350
Contract liabilities	C3-2	87,753	21,206
Lease liabilities	C2-1	814	571
Borrowings	C3-3	4,932	5,815
Employee benefit provisions	C3-4	7,484	7,026
Provisions	C3-5	64	249
Total current liabilities		133,350	59,217
Non-current liabilities			
Lease liabilities	C2-1	1,846	1,703
Borrowings	C3-3	35,227	39,952
Employee benefit provisions	C3-4	675	686
Provisions	C3-5	10,705	10,487
Total non-current liabilities		48,453	52,828
Total liabilities		181,803	112,045
Net assets		2,087,793	1,888,074
EQUITY			
Accumulated surplus		698,622	603,170
IPPE revaluation reserve	C4-1	1,389,171	1,284,904
Total equity		2,087,793	1,888,074

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

Lismore City 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		603,170	1,284,904	1,888,074	555,375	1,186,851	1,742,226
Net operating result for the year		95,452	–	95,452	47,795	–	47,795
Net Operating result for the period		95,452	–	95,452	47,795	–	47,795
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	124,949	124,949	–	76,605	76,605
– Impairment (loss) reversal relating to IPP&E	C1-7	–	(20,682)	(20,682)	–	21,448	21,448
Other comprehensive income		–	104,267	104,267	–	98,053	98,053
Total comprehensive income		95,452	104,267	199,719	47,795	98,053	145,848
Closing balance at 30 June		698,622	1,389,171	2,087,793	603,170	1,284,904	1,888,074

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

Lismore City 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>				
61,009	Rates and annual charges		58,194	60,942
24,359	User charges and fees		29,740	29,017
3,306	Interest received		7,117	2,816
229,138	Grants and contributions		187,356	98,888
–	Bonds, deposits and retentions received		2,642	216
4,395	Other		19,651	12,484
<i>Payments:</i>				
(36,846)	Payments to employees		(44,523)	(36,520)
(47,713)	Payments for materials and services		(73,850)	(78,759)
(1,947)	Borrowing costs		(2,470)	(3,057)
(3,925)	Other		(4,575)	(7,293)
231,776	Net cash provided by (or used in) operating activities	G1-1	179,282	78,734
Cash flows from investing activities				
<i>Receipts:</i>				
1,125	Proceeds from sale of IPPE		275	198
–	Deferred debtors receipts		10	10
<i>Payments:</i>				
–	Acquisition of term deposits		20,928	11,072
(235,791)	Payments for IPPE		(122,821)	(71,383)
(234,666)	Net cash provided by (or used in) investing activities		(101,608)	(60,103)
Cash flows from financing activities				
<i>Receipts:</i>				
4,900	Proceeds from borrowings		–	–
<i>Payments:</i>				
(5,941)	Repayment of borrowings		(5,608)	(6,418)
–	Principal component of lease payments		(742)	(685)
(1,041)	Net cash flow provided by (used in) financing activities		(6,350)	(7,103)
(3,931)	Net change in cash and cash equivalents		71,324	11,528
42,272	Cash and cash equivalents at beginning of year		42,272	30,744
38,341	Cash and cash equivalents at end of year	C1-1	113,596	42,272
57,932	plus: Investments on hand at end of year ¹	C1-2	70,000	90,928
96,273	Total cash, cash equivalents and investments		183,596	133,200

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

Lismore City 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 29 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these consolidated financial statements is set out below.

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

Basis of preparation

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.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note B5 - Performance Against Budget

and are clearly marked.

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 and quarry 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*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

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

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

- General purpose operations
- Water service
- Sewerage service

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, 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.

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

Volunteer services

Council operates a range of volunteering programs whereby volunteers provide services.

Under AASB 1058 Council is required to recognise the volunteer services at fair value when the following criteria are met:

- volunteer services can be reliably measured;
- the services would be purchased if they were not donated; and
- the value would be material.

Council has assessed the volunteer services and has determined these services are not significant and not regarded as material requiring recognition in the income statement. Further, there are limitations on the ability for Council to reliably measure the services and not all volunteer services would be purchased if they were not donated.

Natural Disaster (Floods) February/March 2022.

The flood events of 2022 continue to have an impact on Council, including but not limited to, a disruption on its business operations, ability to deliver services, damage to infrastructure and ongoing impacts on the residential and business communities of Lismore. Council assessed the impacts of Floods on Council's financial reports and Going Concern assumption.

The following items were analysed:

- Asset impairment/changes in assumptions for impairment testing (AASB 136)
- Change in fair value of assets (AASB 13)
- Material uncertainties that cast significant doubt on the ability to continue as a going concern such as extent of the impact on future costs and revenues (AASB 101 and AASB 110) and unknown duration of the impact.
- Indirect impacts such as customers, suppliers, financiers or investments in other entities may be affected leading to impairments, increased costs or reduced revenues
- Cashflow

The restoration of Council's infrastructure assets continued during the 2023/2024 financial year. The restoration of building assets is expected to be completed in the 2024/2025 financial year, however restoration of Council's road network will be ongoing for a number of years.

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations 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.

A1-1 Basis of preparation (continued)

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 material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures.

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

- **AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates**
- **Equivalent standard for JO's is AASB 2021-6 Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards**

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

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

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

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
An inclusive and healthy community	13,375	10,437	21,229	26,364	(7,854)	(15,927)	9,268	6,533	155,386	136,936
A prosperous and vibrant city	3,978	2,795	5,687	9,313	(1,709)	(6,518)	2,587	2,307	5,600	4,935
Our natural environment	14,517	5,875	19,123	7,799	(4,606)	(1,924)	151	831	108,980	96,040
Our built environment	151,439	129,227	86,063	106,613	65,376	22,614	106,508	79,633	1,874,588	1,652,011
Leadership and participation	54,242	54,536	9,997	4,986	44,245	49,550	16,224	18,186	125,042	110,197
Total functions and activities	237,551	202,870	142,099	155,075	95,452	47,795	134,738	107,490	2,269,596	2,000,119

B1-2 Components of functions or activities

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

An inclusive and healthy community

An inclusive and healthy community is connected to community wellbeing, a healthy lifestyle, social connections, and a feeling of belonging and acceptance.

A prosperous and vibrant city

A prosperous and vibrant city has a resilient economy with a diversity of business, a thriving cultural and artistic life, and an attractive, welcoming city centre.

Our natural environment

We value our natural environment and actively work to protect and enhance our natural assets, use our resources wisely, and grow sustainability.

Our built environment

Our built environment creates a liveable community where our basic needs and services are met now and into the future.

Leadership and participation

We are committed to good governance, empowering our community through engagement, and fostering partnerships to do more with less.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	22,965	21,897
Farmland	4,893	4,741
Business	6,055	5,321
Less: pensioner rebates	(693)	(717)
Rates levied to ratepayers	33,220	31,242
Pensioner rate subsidies received	380	383
Total ordinary rates	33,600	31,625
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	7,050	5,670
Stormwater management services	383	379
Water supply services	5,962	5,466
Sewerage services	14,508	14,062
Waste management services (non-domestic)	726	563
Less: pensioner rebates	(612)	(638)
Nimbin transfer station	54	52
Waste minimisation	-	1,123
Annual charges levied	28,071	26,677
Pensioner annual charges subsidies received:		
– Water	121	122
– Sewerage	132	129
– Domestic waste management	101	79
Total annual charges	28,425	27,007
Total rates and annual charges	62,025	58,632

Council has used 01/07/2022 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	10,513	9,433
Sewerage services	584	79
Total specific user charges	11,097	9,512
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Building regulation	1,097	1,319
Section 603 certificates	129	79
Dog registration fees	120	147
Health control	543	307
Planning services	1,063	723
Total fees and charges – statutory/regulatory	2,952	2,575
(ii) Fees and charges – other (incl. general user charges (per s608))		
Aerodrome	72	49
Caravan park	348	32
Community centres	8	7
Leisure centre	1,299	1,583
Parking fees	248	198
Quarry revenues	1,200	1,577
Transport for NSW works (state roads not controlled by Council)	4,821	6,069
Art gallery	1	6
Public cemeteries	1,106	979
Road services	32	30
Sports grounds, parks and reserves	198	166
Sewerage Services	235	216
Swimming pools	280	–
Waste disposal	3,146	2,672
Water charges	234	163
Other	145	475
Total fees and charges – other	13,373	14,222
Total other user charges and fees	16,325	16,797
Total user charges and fees	27,422	26,309
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	11,634	10,693
User charges and fees recognised at a point in time	15,788	15,616
Total user charges and fees	27,422	26,309

Material accounting policy information

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

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

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

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

B2-3 Other revenues

\$ '000	2024	2023
Rental income – other council properties	232	133
Fines – parking	85	100
Fines – other	24	1
Commissions and agency fees	7	–
Donations - Flood Appeal	–	169
Container Deposit Scheme	1,770	1,131
Insurance claims recoveries	943	1,669
Master games	72	42
Other	1,440	1,251
Recycling income (non-domestic)	1,025	1,873
Other events	16	4
Total other revenue	5,614	6,373

Timing of revenue recognition for other revenue

Other revenue recognised over time	232	133
Other revenue recognised at a point in time	5,382	6,240
Total other revenue	5,614	6,373

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component		291	1,275	–	–
Financial assistance – local roads component		116	2,874	–	–
Payment in advance - future year allocation ¹					
Financial assistance – general component		4,674	5,221	–	–
Financial assistance – local roads component		2,172	2,442	–	–
Amount recognised as income during current year		7,253	11,812	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Water supplies		–	–	14	20
Sewerage services		–	1,401	–	–
Bushfire and emergency services	B2-4	–	–	12	37
Economic development		831	1,018	–	–
Environmental programs		–	355	–	–
Recreation and culture		–	–	11,561	5,286
Airport		–	–	387	358
Art gallery		149	170	–	–
Diesel rebate		178	321	–	–
Domestic waste management		78	61	–	189
Library services		167	231	75	–
Natural disaster funding ²		12,423	20,833	64,233	22,847
Street lighting		167	167	–	–
Transport (roads to recovery)		1,228	1,228	–	–
Transport (other roads and bridges funding)		3,123	–	19,605	20,483
Other specific grants and contributions		3,563	6,864	–	–
Health and safety		130	121	–	–
Transport for NSW contributions (regional roads, block grant)		1,868	1,697	–	136
Total special purpose grants and non-developer contributions – cash		23,905	34,467	95,887	49,356
Non-cash contributions					
Bushfire services		–	–	721	45
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)		–	–	5,335	5,493
Recreation and culture		–	–	12	14
Sewerage (excl. section 64 contributions)		–	–	300	1,876
Water supplies (excl. section 64 contributions)		–	–	195	577
Total other contributions – non-cash		–	–	6,563	8,005
Total special purpose grants and non-developer contributions (tied)		23,905	34,467	102,450	57,361
Total grants and non-developer contributions		31,158	46,279	102,450	57,361

B2-4 Grants and contributions (continued)

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Comprising:				
– Commonwealth funding	8,659	11,462	8,671	7,624
– State funding	22,334	33,988	87,937	44,545
– Other funding	165	829	5,842	5,192
	31,158	46,279	102,450	57,361

(1) \$7.663m of the 2023-2024 Financial Assistance Grant from the Commonwealth Government was received by Council in June 2023 and hence is reported as 2022/2023 income although it relates to 2023/2024 financial year.

(2) Council received Commonwealth and State funding in relation to two Natural Disaster - February/March 2022.

Developer contributions

Developer contributions:
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):

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Cash contributions

S 7.11 – contributions towards amenities/services	–	–	605	1,720
S 64 – water supply contributions	–	–	73	209
S 64 – sewerage service contributions	–	–	452	1,921
Total developer contributions – cash	–	–	1,130	3,850
Total developer contributions	–	–	1,130	3,850
Total contributions	–	–	1,130	3,850
Total grants and contributions	31,158	46,279	103,580	61,211

Timing of revenue recognition for grants and contributions

Grants and contributions recognised over time	15,546	20,833	95,399	22,847
Grants and contributions recognised at a point in time	15,612	25,446	8,181	38,364
Total grants and contributions	31,158	46,279	103,580	61,211

B2-4 Grants and contributions (continued)

Unspent grants

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	14,315	17,481	17,044	10,177
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	8,348	9,889	135	259
Add: Funds received and not recognised as revenue in the current year	2,678	2,126	85,075	19,079
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(9,889)	(13,451)	(259)	(84)
Less: Funds received in prior year but revenue recognised and funds spent in current year	(2,126)	(1,730)	(19,079)	(12,387)
Unspent funds at 30 June	13,326	14,315	82,916	17,044

Unexpended capital grants as at year end are for projects that were not complete and will continue into the new financial year. The main projects included in unexpended capital grants are the Local Roads and Community Infrastructure Projects, road capital works projects, Albert Park refurbishment and Oakes/Crozier Ovals Upgrade.

Unspent Contributions

Unspent funds at 1 July	–	–	9,109	8,092
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	1,052	1,722
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(336)	(705)
Unspent contributions at 30 June	–	–	9,825	9,109

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

B2-4 Grants and contributions (continued)

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	324	336
– Cash and investments	7,428	3,581
Total interest and investment income (losses)	7,752	3,917

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	36,059	31,120
Employee leave entitlements	7,139	7,024
Superannuation	4,513	3,514
Workers' compensation insurance	1,719	1,048
Fringe benefit tax	22	35
Payroll tax	271	155
Training costs (other than salaries and wages)	649	506
Protective clothing	234	145
Total employee costs	50,606	43,547
Less: capitalised costs	(5,695)	(5,790)
Total employee costs expensed	44,911	37,757

Material accounting policy information

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		47,618	65,929
Audit Fees	F2-1	207	117
Councillor and Mayoral fees and associated expenses	F1-2	379	392
Electricity and heating		1,542	850
Insurance		1,879	1,702
Street lighting		466	373
Telephone and communications		433	398
Legal expenses:			
– Legal expenses: planning and development		26	33
– Legal expenses: other		592	542
Expenses from short-term leases		648	414
Expenses from leases of low value assets		–	3
Total materials and services		53,790	70,753
Total materials and services		53,790	70,753

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on leases		90	86
Interest on loans		1,923	2,097
Other debts		–	1
Total interest bearing liability costs		2,013	2,184
Total interest bearing liability costs expensed		2,013	2,184
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	414	374
Total other borrowing costs		414	374
Total borrowing costs expensed		2,427	2,558

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

Depreciation and amortisation			
Plant and equipment	C1-7	1,713	1,821
Office equipment	C1-7	17	19
Furniture and fittings	C1-7	105	173
Land improvements (depreciable)	C1-7	936	1,145
Infrastructure:			
– Buildings	C1-7	1,340	982
– Other structures		1,215	1,301
– Roads		13,995	13,610
– Bridges		1,552	1,408
– Footpaths		588	540
– Stormwater drainage		758	705
– Water supply network		3,088	2,980
– Sewerage network		5,239	5,070
– Swimming pools		158	160
– Other open space/recreational assets		81	111
Right of use assets	C2-1	783	707
Other assets:			
– Other		112	114
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-7	112	147
– Quarry assets	C1-7,C3-5	151	177
Total depreciation and amortisation costs		31,943	31,170
Impairment / revaluation decrement of IPPE			
Land improvements (depreciable)		–	(22)
Infrastructure:			
– Buildings	C1-7	–	(19,018)
– Other structures		–	(48)
– Roads		20,739	(2,360)
– Sewerage network		(57)	–
Total gross IPPE impairment / revaluation decrement costs		20,682	(21,448)
Amounts taken through revaluation reserve	C1-7	(20,682)	21,448
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	–
Total depreciation, amortisation and impairment for non-financial assets		31,943	31,170

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

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

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

In February and March 2022, Lismore experienced two major natural disasters, being flooding. These events had a major impact on Lismore City Council, its businesses and infrastructure. Council recognised the impairment to the impacted infrastructure in the year ended 30 June 2022. This was reviewed during the year ended 30 June 2024 based on updated cost estimates and works completed.

B3-5 Other expenses

\$ '000	2024	2023
Contributions/levies to other levels of government		
– Emergency services levy	159	122
– NSW fire brigade levy	535	603
– NSW rural fire service levy	484	349
– Rous County Council	506	477
– Waste levy ¹	–	5
– Richmond Tweed Regional Library	1,892	1,741
– Other contributions/levies	30	30
Donations, contributions and assistance to other organisations (Section 356)	81	1,733
Total other expenses	3,687	5,060

(1) Council's Waste Facility was impacted as the result of two natural disasters in February/March 2022. Council did not pay NSW Waste Levy as the Cell was not operational.

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)			
Less: carrying amount of property assets sold/written off		-	(469)
Gain (or loss) on disposal		-	(469)
Gain (or loss) on disposal of plant and equipment			
Proceeds from disposal – plant and equipment	C1-7	275	198
Less: carrying amount of plant and equipment assets sold/written off		(172)	(173)
Gain (or loss) on disposal		103	25
Gain (or loss) on disposal of infrastructure			
Proceeds from disposal – infrastructure	C1-7	-	-
Less: carrying amount of infrastructure assets sold/written off		(5,361)	(7,304)
Gain (or loss) on disposal		(5,361)	(7,304)
Gain (or loss) on disposal of intangible assets			
Less: carrying amount of intangible assets sold/written off	C1-8	-	(29)
Gain (or loss) on disposal		-	(29)
Net gain (or loss) from disposal of assets		(5,258)	(7,777)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted on 20 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
Rates and annual charges	61,009	62,025	1,016	2% F
User charges and fees	24,359	27,422	3,063	13% F
User charges and fees were over budget by \$3.063m (13%). Council undertakes contract works for maintenance of State Roads for Transport for NSW (TfNSW) and the value of these works was over the original budget by \$2.803m. The actual value of these works changes throughout the year based on work proposals submitted and works agreed to by TfNSW. Other variances were relatively minor.				
Other revenues	4,395	5,614	1,219	28% F
Other revenues were over budget by \$1.219m (28%). Council received two insurance claims in relation to the Art Gallery during the 2023/2024 financial year, in the amount of \$0.941m.				
Operating grants and contributions	22,574	31,158	8,584	38% F
Operating grants and contributions were over budget by \$8.584m (38%). The actual amount of grants and contributions are subject to significant change during the financial year, due to decisions being made by the State and Federal Governments after Council's original budget was adopted. The main reason for the decrease in operating grants was in relation to funding from the Office of Local Government for the Capability, Capacity and Recovery Roadmap, being under budget by \$5.535m. This grant funded program is continuing into the 2024/2025 and 2025/2026 financial years.				
Capital grants and contributions	206,564	103,580	(102,984)	(50)% U
Capital grants and contributions were under budget by \$102.984m. The actual amount of grants and contributions are subject to significant change during the financial year, due to decisions being made by the State and Federal Governments after Council's original budget is adopted. Council's original budget included anticipated natural disaster funding of \$180.112m, however Council only received \$64.233m, a decrease of \$115.879m. The most significant decrease was in relation to roads, being a decrease on the original budget of \$80.817m. This was mainly due to ongoing delays in funding approvals for major landslip restoration works. Significant levels of funding approvals have been received towards the end of the financial year and these works are anticipated to increase in the coming financial years. Sewerage natural disaster funding was also under budget by \$32.075m. These works are being managed by Public Works Advisory.				
Interest and investment revenue	3,306	7,752	4,446	134% F
Interest and investment revenue was over budget by \$4.446m (134%). The cash rate has remained at higher levels than originally forecast and Council has been achieving competitive returns on its term deposits. In addition, Council received \$86.0m in advance funding from Transport for NSW (TfNSW) in relation to road natural disaster works. Council has restricted these funds, however is generating significant interest revenue. These funds will be utilised on the betterment of infrastructure assets or otherwise spent in accordance with funding conditions.				
Joint ventures and associates – net profits	–	–	–	∞ F

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Expenses				
Employee benefits and on-costs	36,846	44,911	(8,065)	(22)% U
Employee benefits and on-costs were over budget by \$8.065m (22%). This included an increase in salaries and wages of \$4.939m, superannuation of \$0.999m and workers compensation insurance of \$0.671m. Salaries and wages increased approximately \$1.1m due to the Local Government Award increase of 3.5%. In addition, there were a number of vacant positions filled during 2023/2024 and new positions created with the establishment of the flood recovery portfolio, which are funded through natural disaster grants, but were initially budgeted for as capital expenditure.				
Materials and services	47,713	53,790	(6,077)	(13)% U
Materials and services were over budget by \$6.077m (13%). Council's materials and services budgets are based on a mix of internally resourced and contract works. These budgets are significantly impacted by decisions made by State and Federal Governments, as well as uncontrollable weather events and this can result in material budget variations in this item. Materials and services continued to be impacted by emergency and immediate restoration works in relation to natural disaster works, offset by grant funding, as well as additional expenditure on the State Roads maintenance contract, which was funded from additional user charges.				
Borrowing costs	1,947	2,427	(480)	(25)% U
Borrowing costs were over budget by \$480,000 (25%). Remediation liabilities associated with the Quarry and Waste disposal facility increased by \$414,000. This comprised the quarry of \$125,000 and the waste facility of \$289,000.				
Depreciation, amortisation and impairment of non-financial assets	34,666	31,943	2,723	8% F
Other expenses	3,925	3,687	238	6% F
Net losses from disposal of assets	3,409	5,258	(1,849)	(54)% U
The net loss from disposal of assets was over budget by \$1.849m (54%). The actual value of assets disposed is unknown at the time of setting the original budget, which can result in significant variances in this item.				
Joint ventures and associates – net losses	29	83	(54)	(186)% U
The net loss from joint ventures and associates was over budget by \$54,000 (186%). The original budget for the Richmond Tweed Regional Library had forecast a loss of \$29,000, however the final result reflected a loss of \$54,000.				
Statement of cash flows				
Cash flows from operating activities	231,776	179,282	(52,494)	(23)% U
Cash flows from operating activities were under budget by \$52.494m (23%). This was primarily due to a decrease of \$41.782m in grant funding received against what was budgeted. This was mainly due to delays in funding approvals for Essential Public Asset Restoration (EPAR) works. Cash flows from operating activities can vary significantly due to decisions made by State and Federal Governments after the adoption of the original budget as well as weather events and other factors. Whilst these variances are based on the original budget, Council reviews its budgets on a quarterly basis.				
Cash flows from investing activities	(234,666)	(101,608)	133,058	(57)% F
Cash flows from investing activities were under budget by \$133.058m (57%). Council's original budget included anticipated natural disaster works of \$180.112m, however actual capital expenditure was \$50.39m, a decrease of \$129.722m. This was mainly due to delays in funding approvals, with works progressing into the 2024/2025 financial year and beyond.				
Cash flows from financing activities	(1,041)	(6,350)	(5,309)	510% U
Cash flows from financing activities were over budget by \$5.309m (510%). This was mainly due to the original budget including provision for new loan borrowings of \$4.9m which had included \$3.4m for remediation works at Council's waste facility and \$1.5m for fleet purchases. Due to the deferral of remediation works at the waste facility and utilisation of internal reserves, no new loan borrowings were required for the 2023/2024 financial year.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	6,767	1,348
Cash equivalent assets		
– Deposits at call	106,829	40,924
Total cash and cash equivalents	113,596	42,272

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	113,596	42,272
Balance as per the Statement of Cash Flows	113,596	42,272

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost				
Term deposits	69,000	1,000	89,928	1,000
Total	69,000	1,000	89,928	1,000
Total financial investments	69,000	1,000	89,928	1,000
Total cash assets, cash equivalents and investments	182,596	1,000	132,200	1,000

Material accounting policy information

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

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	183,596	133,200
Less: Externally restricted cash, cash equivalents and investments	<u>(169,570)</u>	<u>(110,365)</u>
Cash, cash equivalents and investments not subject to external restrictions	14,026	22,835
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Art gallery gift account	192	184
Trust account	2,010	1,885
Specific purpose unexpended grants – general fund	<u>87,753</u>	<u>21,206</u>
External restrictions – included in liabilities	89,955	23,275
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	9,825	9,109
Specific purpose unexpended grants (recognised as revenue) – general fund	7,089	8,581
Specific purpose unexpended grants (recognised as revenue) – sewer fund	1,400	1,572
Water fund	13,450	16,731
Water supplies – employee leave entitlements	154	137
Sewer fund	42,979	46,076
Sewerage services – employee leave entitlements	155	148
Stormwater management	2,971	2,623
Waste minimisation	<u>1,592</u>	<u>2,113</u>
External restrictions – other	79,615	87,090
Total external restrictions	169,570	110,365

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	14,026	22,835
Less: Internally allocated cash, cash equivalents and investments	<u>(14,026)</u>	<u>(22,834)</u>
Unrestricted and unallocated cash, cash equivalents and investments	–	1

Internal allocations

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

Employees leave entitlement	3,481	2,150
Carry forward and revote works	2,604	9,630
SRV related	1,349	1,505
Emergencies	–	–
Economic Development	–	–
Public Infrastructure	<u>6,592</u>	<u>9,549</u>
Total internal allocations	14,026	22,834

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

Unrestricted and unallocated cash, cash equivalents and investments	<u>–</u>	<u>1</u>
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C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	6,501	1,115	3,596	1,884
Interest and extra charges	624	191	459	612
User charges and fees	2,936	945	2,826	631
Accrued revenues				
– Interest on investments	2,129	–	1,238	–
– Other income accruals	566	–	1,225	–
Deferred debtors	9	185	9	195
Loans to sporting clubs	25	71	25	97
Miscellaneous works and services	3,779	–	6,184	–
Net GST receivable	4,428	–	1,213	–
Tender deposits and bonds	4,073	–	1,450	–
Other debtors	21	31	136	37
Total	<u>25,091</u>	<u>2,538</u>	<u>18,361</u>	<u>3,456</u>
Less: provision for impairment				
User charges and fees	<u>(50)</u>	<u>–</u>	<u>(50)</u>	<u>–</u>
Total provision for impairment – receivables	(50)	–	(50)	–
Total net receivables	<u>25,041</u>	<u>2,538</u>	<u>18,311</u>	<u>3,456</u>

C1-4 Receivables (continued)

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 determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

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

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

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

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

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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

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

Where the 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.

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Real estate for resale	–	174	–	174
Stores and materials	1,699	–	1,509	–
Total inventories at cost	1,699	174	1,509	174
(ii) Inventories at net realisable value (NRV)				
Trading stock	1,623	–	1,157	–
Total inventories at net realisable value (NRV)	1,623	–	1,157	–
Total inventories	3,322	174	2,666	174

C1-5 Inventories (continued)

(i) Other disclosures

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(a) Details for real estate development				
Residential	–	174	–	174
Total real estate for resale	–	174	–	174

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.

Land held for resale

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

C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	23,889	–	16,523	–
Total contract assets and contract cost assets	23,889	–	16,523	–

Contract assets

Grant Contract Assets	21,263	–	10,092	–
Contract Assets	606	–	3,583	–
Accrued Income	2,020	–	2,848	–
Total contract assets	23,889	–	16,523	–

Significant changes in contract assets

Grant Contract Assets - Works related to Infrastructure Grants (AASB 1058 - Asset Exemption)

Increase of \$11M is mainly due to outstanding natural disaster funding receivable for building restoration works.

Contract Assets relating to work for external parties (AASB 15)

Decrease of \$2.977M relates to a reduction in outstanding payments due from Transport for NSW for contract works on state roads.

Accrued Income - not specific or not enforceable grants (AASB 1058)

Decrease of \$0.828M was due to a general reduction in accrual of income for works completed under various grant funded programs which were not claimed by 30 June 2024.

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	Reinstatement costs for impaired assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	Impairment reversal (recognised in equity)	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	24,162	–	24,162	35,342	20,703	31,403	–	–	–	–	(13,756)	–	97,854	–	97,854
Plant and equipment	33,443	(20,351)	13,092	4,669	1,075	–	(172)	(1,713)	–	–	251	–	38,268	(21,066)	17,202
Office equipment	198	(161)	37	11	–	–	–	(17)	–	–	–	–	208	(177)	31
Furniture and fittings	1,016	(615)	401	93	88	–	–	(105)	–	–	138	–	1,337	(722)	615
Land:															
– Operational land	78,167	–	78,167	–	–	–	–	–	–	–	–	–	78,167	–	78,167
– Community land	41,363	–	41,363	–	–	–	–	–	–	–	–	–	41,363	–	41,363
– Land under roads (post 30/6/08)	138	–	138	–	2	–	–	–	–	–	–	1	141	–	141
Land improvements – non-depreciable	22,978	–	22,978	–	26	–	–	–	–	–	168	1,610	24,782	–	24,782
Land improvements – depreciable	44,929	(27,977)	16,952	41	–	–	(77)	(936)	–	–	328	1,117	47,994	(30,569)	17,425
Infrastructure:															
– Buildings	130,987	(59,074)	71,913	1,954	544	13,444	(559)	(1,340)	–	–	7,553	6,507	163,615	(63,599)	100,016
– Other structures	34,431	(15,523)	18,908	883	150	80	(43)	(1,215)	–	–	2,998	1,512	40,910	(17,637)	23,273
– Roads	767,034	(315,947)	451,087	2,307	9,664	2,308	(1,323)	(13,995)	(20,824)	85	1,316	23,287	820,427	(366,515)	453,912
– Bridges	149,233	(64,817)	84,416	2,458	–	–	(762)	(1,552)	–	–	–	4,541	158,106	(69,005)	89,101
– Footpaths	39,660	(11,248)	28,412	–	68	–	–	(588)	–	–	53	1,501	41,917	(12,471)	29,446
– Bulk earthworks (non-depreciable)	410,578	–	410,578	224	2,017	225	(164)	–	–	–	–	22,124	435,004	–	435,004
– Stormwater drainage	127,767	(46,494)	81,273	101	465	–	(706)	(758)	–	–	65	37,691	155,250	(37,119)	118,131
– Water supply network	297,824	(130,955)	166,869	1,448	376	2,317	(1,393)	(3,088)	–	–	495	8,468	312,921	(137,429)	175,492
– Sewerage network	483,147	(182,875)	300,272	1,421	310	613	(333)	(5,239)	–	57	391	16,214	509,245	(195,539)	313,706
– Swimming pools	12,857	(7,861)	4,996	–	–	–	–	(158)	–	–	–	336	13,751	(8,577)	5,174
– Other open space/recreational assets	2,335	(1,696)	639	14	–	–	–	(81)	–	–	–	40	2,511	(1,899)	612
Other assets:															
– Heritage collections	3,847	(2,762)	1,085	–	–	–	–	–	–	–	–	–	3,847	(2,762)	1,085
– Other	1,590	(465)	1,125	–	–	–	–	(112)	–	–	–	–	1,590	(577)	1,013
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):															
– Quarry assets	1,885	(486)	1,399	159	–	–	–	(151)	–	–	–	–	2,044	(637)	1,407
– Tip assets	4,997	(3,204)	1,793	–	–	–	(198)	(112)	–	–	–	–	4,799	(3,316)	1,483
Total infrastructure, property, plant and equipment	2,714,566	(892,511)	1,822,055	51,125	35,488	50,390	(5,730)	(31,160)	(20,824)	142	–	124,949	2,996,051	(969,616)	2,026,435

(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	Reinstatement costs for impaired assets	Carrying value of disposals	Depreciation expense	Impairment reversal (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000																
Capital work in progress	19,127	–	19,127	6,929	8,011	–	(1,394)	–	–	(8,511)	–	–	–	24,162	–	24,162
Plant and equipment	32,825	(20,643)	12,182	2,858	45	–	(172)	(1,821)	–	–	–	–	–	33,443	(20,351)	13,092
Office equipment	198	(141)	57	–	–	–	–	(19)	–	–	–	–	–	198	(161)	37
Furniture and fittings	948	(441)	507	32	35	–	–	(173)	–	–	–	–	–	1,016	(615)	401
Land:																
– Operational land	79,613	–	79,613	–	676	–	–	–	–	810	(844)	(2,088)	–	78,167	–	78,167
– Community land	40,056	–	40,056	–	370	–	(469)	–	–	–	844	–	562	41,363	–	41,363
– Land under roads (post 30/6/08)	78	–	78	–	15	–	–	–	–	–	–	–	45	138	–	138
Land improvements – non-depreciable	21,392	–	21,392	55	–	–	–	–	–	–	–	–	1,531	22,978	–	22,978
Land improvements – depreciable	41,626	(25,418)	16,208	58	–	229	(11)	(1,145)	22	476	–	–	1,114	44,929	(27,977)	16,952
Infrastructure:																
– Buildings	124,204	(58,938)	65,266	195	53	5,718	(2,026)	(982)	19,018	–	–	(15,329)	–	130,987	(59,074)	71,913
– Other structures	31,401	(13,397)	18,004	141	517	1	(12)	(1,301)	48	305	–	–	1,205	34,431	(15,523)	18,908
– Roads	713,852	(313,466)	400,386	9,653	4,634	22,919	(1,187)	(13,610)	2,360	4,439	–	–	21,493	767,034	(315,947)	451,087
– Bridges	137,974	(61,582)	76,392	815	3,011	–	(71)	(1,408)	–	1,249	–	–	4,428	149,233	(64,817)	84,416
– Footpaths	34,682	(10,151)	24,531	1,657	1,578	–	(221)	(540)	–	–	–	–	1,407	39,660	(11,248)	28,412
– Bulk earthworks (non-depreciable)	386,194	–	386,194	185	2,189	–	(803)	–	–	–	–	–	22,813	410,578	–	410,578
– Stormwater drainage	117,845	(43,228)	74,617	128	2,569	–	(31)	(705)	–	327	–	–	4,368	127,767	(46,494)	81,273
– Water supply network	277,410	(120,891)	156,519	2,014	24	400	(967)	(2,980)	–	75	–	–	11,784	297,824	(130,955)	166,869
– Sewerage network	447,811	(168,438)	279,373	3,494	–	832	(2,084)	(5,070)	–	830	–	–	22,897	483,147	(182,875)	300,272
– Swimming pools	12,001	(7,177)	4,824	–	–	–	–	(160)	–	–	–	–	332	12,857	(7,861)	4,996
– Other open space/recreational assets	2,246	(1,522)	724	–	–	–	(17)	(111)	–	–	–	–	43	2,335	(1,696)	639
Other assets:																
– Heritage collections	3,833	(2,762)	1,071	–	14	–	–	–	–	–	–	–	–	3,847	(2,762)	1,085
– Other	1,535	(351)	1,184	–	55	–	–	(114)	–	–	–	–	–	1,590	(465)	1,125
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):																
– Tip assets	5,554	(3,057)	2,497	–	–	–	(557)	(147)	–	–	–	–	–	4,997	(3,204)	1,793
– Quarry assets	2,120	(309)	1,811	–	–	–	(235)	(177)	–	–	–	–	–	1,885	(486)	1,399
Total infrastructure, property, plant and equipment	2,534,525	(851,912)	1,682,613	28,214	23,796	30,099	(10,257)	(30,463)	21,448	–	–	(17,417)	94,022	2,714,566	(892,511)	1,822,055

(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

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

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by the NSW Department of Climate Change, Energy, the Environment and Water.

Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 20	Buildings: other	20 to 40
		Stormwater assets	
Water and sewer assets		Pipes, Culverts & Channels	120
Dams and reservoirs	80 to 100	Pits	100
Reticulation pipes: PVC	80	Treatment Devices	100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
		Other infrastructure assets	
Transportation assets		Bulk earthworks	infinite
Sealed roads: surface	15 to 100	Swimming pools	40
Sealed roads: Base	70	Other open space/recreational assets	20
Sealed roads - sub base	90	Other Infrastructure	50
Unsealed Roads	45		
Bridge: concrete	100		
Bridge: other	100		
Kerb, gutter and footpaths	50 to 100		

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

Land under roads

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

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

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. Where the Crown Reserves are under a lease arrangement they are accounted for under AASB 16 Leases.

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed". Council recognises rural fire service assets including land, buildings, plant and vehicles where it is considered that council has control of the assets. Land, buildings, plant and vehicle assets have been recognised as assets of the Council in these financial statements.

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
Software		
Opening values at 1 July		
Gross book value	–	1,590
Accumulated amortisation	–	(1,561)
Net book value – opening balance	–	29
Movements for the year		
Gross book value written off	–	(29)
Closing values at 30 June		
Total intangible assets – net book value	–	–

C1-9 Other

Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	738	–	133	–
Total other assets	738	–	133	–

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including land and buildings, vehicles, machinery 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 areas of their business; the leases are generally between 1 and 5 years and some of them include a renewal option to allow Council to renew for up to twice the noncancellable lease term at their discretion.

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

Vehicles

Council leases vehicles and equipment with lease terms varying from 1 to 5 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets. The leases are for between 1 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

C2-1 Council as a lessee (continued)

Extension options

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

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

(a) Right of use assets

\$ '000	Land and Buildings	Vehicles	Total
2024			
Opening balance at 1 July	78	2,124	2,202
Additions to right-of-use assets	683	443	1,126
Adjustments to right-of-use assets due to re-measurement of lease liability	(2)	4	2
Depreciation charge	(150)	(633)	(783)
Balance at 30 June	–	2,547	2,547
2023			
Opening balance at 1 July	40	2,835	2,875
Additions to right-of-use assets	71	44	115
Adjustments to right-of-use assets due to re-measurement of lease liability	–	(6)	(6)
Depreciation charge	(33)	(749)	(782)
Balance at 30 June	78	2,124	2,202

(b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	814	1,846	571	1,703
Total lease liabilities	814	1,846	571	1,703

(c) 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	814	1,846	1	2,661	2,660
2023					
Cash flows	572	1,557	145	2,274	2,274

C2-1 Council as a lessee (continued)

(d) Income Statement

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

\$ '000	2024	2023
Interest on lease liabilities	90	86
Depreciation of right of use assets	783	707
Expenses relating to short-term leases	648	414
Expenses relating to leases of low-value assets	–	3
	1,521	1,210

(e) Statement of Cash Flows

Total cash outflow for leases	742	685
	742	685

Material accounting policy information

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition. Council leases some Crown and free-hold land at below market-value.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Prepaid rates	1,985	–	3,680	–
Goods and services – operating expenditure	8,058	–	8,425	–
Goods and services – capital expenditure	11,936	–	4,514	–
Accrued expenses:				
– Borrowings	341	–	370	–
– Salaries and wages	1,814	–	1,873	–
– Other expenditure accruals	2,349	–	2,158	–
Security bonds, deposits and retentions	4,102	–	1,460	–
Contribution to works	1,718	–	1,870	–
Total payables	32,303	–	24,350	–

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

\$ '000	2024	2023
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	4,102	1,440
Contributions to Works	1,718	1,870
Total payables	5,820	3,310

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)	85,075	-	19,079	-
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	2,678	-	2,127	-
Total grants received in advance		87,753	-	21,206	-
Total contract liabilities		87,753	-	21,206	-

Notes

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

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)	19,783	2,846
Operating grants (received prior to performance obligation being satisfied)	59	2,093
Total revenue recognised that was included in the contract liability balance at the beginning of the period	19,842	4,939

Significant changes in contract liabilities

The increase is mainly due to Council receiving advance funding of \$86M from Transport for NSW in relation to Essential Public Asset Restoration works, with \$72M of these funds having not been expended by the end of 30 June 2024.

C3-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured ¹	4,932	35,227	5,815	39,952
Total borrowings	4,932	35,227	5,815	39,952

(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 E1-1.

(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	45,767	(5,608)	–	–	–	–	40,159
Lease liability (Note C2-1b)	2,274	386	–	–	–	–	2,660
Total liabilities from financing activities	48,041	(5,222)	–	–	–	–	42,819

\$ '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	52,185	(6,418)	–	–	–	–	45,767
Lease liability (Note C2-1b)	2,925	(651)	–	–	–	–	2,274
Total liabilities from financing activities	55,110	(7,069)	–	–	–	–	48,041

(b) Financing arrangements

\$ '000	2024	2023
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Total facilities

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

Bank overdraft facilities ¹	750	750
Credit cards/purchase cards	250	250
Total financing arrangements	1,000	1,000

Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	67	51
Total drawn financing arrangements	67	51

Undrawn facilities

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

– Bank overdraft facilities	750	750
– Credit cards/purchase cards	183	148
Total undrawn financing arrangements	933	898

Additional financing arrangements information

Breaches and defaults

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

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

C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	3,608	–	3,166	–
Long service leave	3,758	675	3,780	686
Other leave	118	–	80	–
Total employee benefit provisions	7,484	675	7,026	686

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employee benefits	3,381	2,853
	3,381	2,853

Material accounting policy information

Long-term employee benefit obligations

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

C3-5 Provisions

\$ '000	2024	2024	2023	2023
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	64	10,705	249	10,487
Sub-total – asset remediation/restoration	64	10,705	249	10,487
Total provisions	64	10,705	249	10,487

C3-5 Provisions (continued)

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	10,736	10,736
Changes to provision:		
– Revised discount rate	(428)	(428)
– Revised costs	567	567
– Revised life	(272)	(272)
Unwinding of discount	414	414
Amounts used (payments)	(58)	(58)
Unused amounts reversed	(192)	(192)
Total other provisions at end of year	10,769	10,769
2023		
At beginning of year	12,058	12,058
Changes to provision:		
– Revised discount rate	(805)	(805)
– Revised costs	(57)	(57)
– Revised life	(759)	(759)
Unwinding of discount	374	374
Amounts used (payments)	(71)	(71)
Unused amounts reversed	(4)	(4)
Total other provisions at end of year	10,736	10,736

Nature and purpose of provisions

Asset remediation

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

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

The infrastructure, property, plant and equipment (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	41,635	5,865	14,525
User charges and fees	15,319	11,284	819
Interest and investment revenue	4,434	929	2,389
Other revenues	5,595	3	16
Grants and contributions provided for operating purposes	31,152	2	4
Grants and contributions provided for capital purposes	102,546	282	752
Total income from continuing operations	200,681	18,365	18,505
Expenses from continuing operations			
Employee benefits and on-costs	40,356	1,974	2,581
Materials and services	36,982	10,782	6,026
Borrowing costs	1,410	394	623
Depreciation, amortisation and impairment of non-financial assets	23,290	3,190	5,463
Other expenses	3,687	–	–
Net losses from the disposal of assets	3,535	1,390	333
Share of interests in joint ventures and associates using the equity method	83	–	–
Total expenses from continuing operations	109,343	17,730	15,026
Operating result from continuing operations	91,338	635	3,479
Net operating result for the year	91,338	635	3,479
Net operating result attributable to each council fund	91,338	635	3,479
Net operating result for the year before grants and contributions provided for capital purposes	(11,208)	353	2,727

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	107,149	1,758	4,689
Investments	17,000	12,000	40,000
Receivables	18,600	4,284	2,157
Inventories	2,434	332	556
Contract assets and contract cost assets	23,889	–	–
Other	738	–	–
Total current assets	169,810	18,374	47,402
Non-current assets			
Investments	1,000	–	–
Receivables	793	1,558	187
Inventories	174	–	–
Infrastructure, property, plant and equipment	1,510,826	186,500	329,109
Investments accounted for using the equity method	1,316	–	–
Right of use assets	2,529	18	–
Total non-current assets	1,516,638	188,076	329,296
Total assets	1,686,448	206,450	376,698
LIABILITIES			
Current liabilities			
Payables	31,425	162	716
Contract liabilities	86,353	–	1,400
Lease liabilities	806	8	–
Borrowings	2,902	744	1,286
Employee benefit provision	6,796	344	344
Provisions	64	–	–
Total current liabilities	128,346	1,258	3,746
Non-current liabilities			
Lease liabilities	1,838	8	–
Borrowings	12,493	7,290	15,444
Employee benefit provision	636	19	20
Provisions	10,705	–	–
Total non-current liabilities	25,672	7,317	15,464
Total liabilities	154,018	8,575	19,210
Net assets	1,532,430	197,875	357,488
EQUITY			
Accumulated surplus	593,119	37,103	68,400
Revaluation reserves	939,311	160,772	289,088
Council equity interest	1,532,430	197,875	357,488
Total equity	1,532,430	197,875	357,488

D2 Interests in other entities

D2-1 Interests in joint arrangements

(ii) Joint operations

	Principal activity	Place of business	Interest in ownership		Interest in voting	
			2024	2023	2024	2023
(a) Council is involved in the following joint operations (JO's)						
Name of joint operation:						
Blue Hills Residential Estate	Development & Sale of Land	Goonellabah	50%	50%	50%	50%
North East Weight of Loads Group	Reduce Damage to Council Roads	Ballina	15%	15%	13%	13%

Council assets employed in the joint operations

\$ '000	2024	2023
Council's own assets employed in the operations		
Blue Hills Residential Estate		
Current assets:		
Inventories	15	15
Other assets	9	9
Total assets – Council owned	24	24
Council's share of assets jointly owned with other partners		
North East Weight of Loads Group		
Current assets	108	72
Current liabilities	(14)	(14)
Property, plant and equipment	9	14
Total net assets employed – Council and jointly owned	127	96

Material accounting policy information

Council has determined that it has joint operations.

Council has an interest in two joint operations, North East Weight of Loads Group (NEWLOG) and Blue Hills Residential Estate. NEWLOG is responsible for reducing damage to council roads and Blue Hills Residential Estate is responsible for the development and sale of lands.

Joint operations:

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

D2-2 Interests in associates

Richmond Tweed Regional Library - The nature and extent of significant restrictions relating to associates

Council can only access or conduct business in accordance with the Deed of Agreement that became effective in 2018. Allocation of funds and cash is made by a Committee comprised of 4 member Councils, being Ballina, Byron, Tweed Shire Councils and Lismore City Council.

Richmond Tweed Regional Library

(a) Summarised financial information for individually immaterial associates

Council has incorporated the following associates into its consolidated financial statements.

Council's 23% interest in Richmond Tweed Regional Library is recognised as an associate.

\$ '000	2024	2023
Individually immaterial associates		
Aggregate amounts of Council's share of individually immaterial:		
Profit/(loss) from continuing operations	(83)	150
Total comprehensive income – individually immaterial associates	(83)	150
Carrying amount of investments in associates that are not individually material	1,316	1,399
Council's share in the associate:	23%	23%

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 credit risk, liquidity risk and market risk.

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

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

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

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

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	113,596	42,272	113,596	18,272
Receivables	27,579	21,767	27,579	21,767
Investments				
– Debt securities at amortised cost	70,000	90,928	70,000	114,927
Total financial assets	211,175	154,967	211,175	154,966
Financial liabilities				
Measured at amortised cost				
Payables	32,303	24,350	32,303	24,349
Borrowings	40,159	45,767	43,896	44,136
Total financial liabilities	72,462	70,117	76,199	68,485

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

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

Council has an investment policy which complies with s625 of the *Local Government Act 1993* and Ministerial Investment Order. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

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

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

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
<p>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.</p>		
<p>Impact of a 1% movement in interest rates</p>		
– Equity / Income Statement	1,856	1,352

(b) Credit risk

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

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

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

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

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

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

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

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

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	–	7,616	–	7,616
2023				
Gross carrying amount	–	5,480	–	5,480

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 prescribed by AASB 9, 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 impact is not considered material.

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2024							
Payables	0.00%	4,102	28,201	–	–	32,303	32,303
Borrowings	4.21%	–	4,932	17,336	17,947	40,215	40,159
Total financial liabilities		4,102	33,133	17,336	17,947	72,518	72,462
2023							
Payables	0.00%	1,460	22,889	–	–	24,349	24,350
Borrowings	4.25%	–	5,987	19,483	22,240	47,710	45,767
Total financial liabilities		1,460	28,876	19,483	22,240	72,059	70,117

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

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).

The tables below show the assigned level for each asset and liability held at fair value by Council.

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Infrastructure, property, plant and equipment							
	C1-7						
Plant & Equipment		–	–	17,202	13,092	17,202	13,092
Office Equipment		–	–	31	37	31	37
Furniture & Fittings		–	–	615	401	615	401
Operational Land		78,167	78,167	–	–	78,167	78,167
Community Land		–	–	41,363	41,363	41,363	41,363
Land Under Roads (Post 30/06/08)		–	–	141	138	141	138
Land Improvement (Non-Depreciable)		–	–	24,782	22,978	24,782	22,978
Land Improvement (Depreciable)		–	–	17,425	16,952	17,425	16,952
Buildings		–	–	100,016	71,913	100,016	71,913
Other Structures		–	–	23,273	18,908	23,273	18,908
Roads		–	–	453,912	451,087	453,912	451,087
Bridges		–	–	89,101	84,416	89,101	84,416
Footpaths		–	–	29,446	28,412	29,446	28,412
Bulk Earthworks (Non-Depreciable)		–	–	435,004	410,578	435,004	410,578
Stormwater Drainage		–	–	118,131	81,273	118,131	81,273
Water Supply Network		–	–	175,492	166,869	175,492	166,869
Sewerage Network		–	–	313,706	300,272	313,706	300,272
Swimming Pools		–	–	5,174	4,996	5,174	4,996
Other Open Space/Recreational Assets		–	–	612	639	612	639
Other		–	–	1,085	1,085	1,085	1,085
Heritage Collection		–	–	1,013	1,125	1,013	1,125
Tip Assets		–	–	1,407	1,793	1,407	1,793
Quarry Assets		–	–	1,483	1,399	1,483	1,399
Total infrastructure, property, plant and equipment		78,167	78,167	1,850,414	1,719,726	1,928,581	1,797,893

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment and Furniture & Fittings

These asset categories include:

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

Office Equipment – Computer equipment

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

These assets are carried at cost which approximates to fair value due to the nature of these items. The cost of these assets are based on current invoices and contracts which are observable inputs, however the remaining useful life is based on internal factors which are unobservable in the market therefore placing these assets in Level 3. Valuation techniques remained the same for this reporting period.

Operational Land

Council's operational land includes all land classified as operational land under Local Government Act 1993. Liquid Pacific Holding P/L completed a comprehensive valuation as at June 2023. In accordance with accounting standards Council's assets are assessed on an annual basis and when required a revaluation is undertaken.

It is valued at market (highest and best use) after identifying all elements that would be taken into account by buyers and sellers in setting a price including but not limited to zoning, topography, location, size, shape, access, exposure to traffic and businesses. This asset class is categorised as Level 2 as the most significant input into this valuation approach is price per square metre. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size.

Community Land

Assets within the "Community Land" class are:

a) Council owned land and

b) Care Control Management land [Crown] of which Council derives current and future economic benefits arising from the use of the land asset.

Council's community land is valued on the Unimproved Capital Value (UCV), provided by the Valuer General and was last revalued at 30 June 2023.

These rates are not considered to be observable market evidence and as such they have been classified as Level 3.

Land Under Roads (post 30/6/08)

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips. Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051. Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment and Council recognised this asset for the first time in financial year 2010/11. The Land under Roads was valued in accordance with AASB 116, the Code of Accounting Practice and Financial Reporting June 2017. Values were determined using the Englobo methodology. This asset class is classified as Level 3 asset as significant inputs used in the Englobo valuation methodology are unobservable. This asset class was revalued as at 30 June 2024.

Land Improvements Non-Depreciable

The land improvements non-depreciable asset class consists of the runway earthworks for the Lismore Regional Airport and the Flood Channel. The last revaluation was completed by APV Valuers & Asset Management in 2020/21. The Cost approach was adopted to value these assets. Some of the significant inputs considered in the valuation of these assets are dimensions, components and type of assets.

During the reporting year, land improvements non-depreciable were indexed using the NSW non-residential construction index factor of 6.95%, resulting in an increase in fair value of \$1.61m.

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

Land Improvements Depreciable

The land improvements asset class consists of landscaping, mounding and land improvement assets surrounding buildings. The last revaluation was completed by APV Valuers & Asset Management in 2020/21. The Cost approach was adopted to value these assets. Some of the significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and type of assets.

During the reporting year, land improvements depreciable were indexed using the NSW non-residential construction index factor of 6.95%, resulting in an increase in fair value of \$1.117m.

E2-1 Fair value measurement (continued)

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

Buildings

The last revaluation of buildings was undertaken at June 2023 using the cost approach.

This approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. Condition assessments were undertaken by Council for the buildings that were accessible. Flood impacted buildings were not physically inspected. Flood restoration works are still in progress at 30 June 2024 and works are capitalised upon completion.

During the reporting year, building assets were indexed using the NSW non-residential construction index factor of 6.95%, resulting in an increase in fair value of \$6.507m.

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

Other Structures

The other structures asset class consists of shelters, gazebos, fencing, lighting and similar assets not falling into buildings or other related classes.

The last revaluation was completed by APV Valuers & Asset Management in 2020/21. The cost approach was adopted to value these assets. Some of the significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and type of assets.

During the reporting year, other structures were indexed using the NSW non-residential construction index factor of 6.95%, resulting in an increase in fair value of \$1.512m.

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

Roads

Council's roads are componentised into the pavement, surface, base, sub base, seal and major culverts.

The last revaluation was completed by Council in 2019/20. The cost approach was adopted to value Council roads. Some of the significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and type of road.

During the reporting year, road assets were indexed using the NSW roads and bridges construction index factor of 5.37%, resulting in an increase in fair value of \$23.287m.

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

Bridges

Council's bridges register consists of all vehicle access bridges.

The last revaluation was completed by Council in 2019/20. The cost approach was adopted to value Council bridges. Some of the significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and type of bridge.

During the reporting year, bridge assets were indexed using the NSW roads and bridges construction index factor of 5.37%, resulting in an increase in fair value of \$4.541m.

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

Footpaths

Council's footpath register consists of all pedestrian walkways and cycleways within the Council area.

The last revaluation was completed by Council in 2019/20. The cost approach was adopted to value Council footpaths. Some of the significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and type of footpath.

During the reporting year, footpath assets were indexed using the NSW roads and bridges construction index factor of 5.37%, resulting in an increase in fair value of \$1.501m.

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

Bulk Earthworks

Council's bulk earthworks are located within the road reserve of all Council roads.

The last revaluation was completed by Council in 2019/20. The cost approach was adopted to value these assets. One of the significant inputs considered in the valuation of these assets is dimensions.

During the reporting year, bulk earthworks were indexed using the NSW roads and bridges construction index factor of 5.37%, resulting in an increase in fair value of \$22.124m.

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

E2-1 Fair value measurement (continued)

Stormwater Drainage

The Stormwater Drainage asset class consists of Council's pits, pipes, culverts, channels and treatment devices. A revaluation of this asset class was undertaken by Morrison Low in the 2023/2024 financial year. The cost approach was adopted to value Council stormwater drainage. Some of the significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and type of stormwater drainage. This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Water Supply Network

The Water Supply Network asset class comprise reservoirs, pumping stations and water pipelines. The Network was last revalued by APV Valuers & Asset Management in 2021/22. The cost approach was adopted to value these assets. Some of the significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and type of assets. This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the NSW Department of Climate Change, Energy, the Environment and Water. This was 5.07% for the reporting year and resulted in an increase in fair value of \$8.468m. There has been no change to the valuation process during the reporting period.

Sewerage Network

The Sewerage Network assets within this class comprise treatment works, pumping stations and, sewerage mains. The Network was last revalued by APV Valuers & Asset Management in 2021/22. The Cost approach was adopted to value these assets. Some of the significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and type of assets. This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore Unobservable. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the NSW Department of Climate Change, Energy, the Environment and Water. This was 5.07% for the reporting year and resulted in an increase in fair value of \$16.214m. There has been no change to the valuation process during the reporting period.

Swimming Pools

The last revaluation was completed by APV Valuers & Asset Management in 2020/21 and the cost approach was adopted to value these assets. Some of the significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and type of assets. During the reporting year, swimming pools were indexed using the NSW non-residential construction index factor of 6.95%, resulting in an increase in fair value of \$0.336m. This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Open Space / Recreational

The Open Space/Recreation assets within this class comprise playground equipment, equipment and landscaping. The last revaluation was completed by APV Valuers & Asset Management in 2020/21 and the cost approach was adopted to value these assets. Some of the significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and type of assets. During the reporting year, open space/recreation assets were indexed using the NSW non-residential construction index factor of 6.95%, resulting in an increase in fair value of \$0.04m. This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Heritage Collection

This asset category comprises art works. The last revaluation was completed by McWilliam & Associates Pty Ltd in 2017/18 and the fair retail replacement value method was adopted to value these assets.

Other

The Other assets within this class comprise fibre optic cabling, telecommunication poles, computer servers and switches and parking meter machines. These assets are valued at cost but are disclosed at fair value in the notes due to the nature of the items. The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life is based on internal factors which are unobservable in the market therefore placing these assets in Level 3. Valuation techniques remained the same for this reporting period.

Tip Assets

The Lismore Resource Recovery Facility is located at Wyrallah Road, Lismore. The facility encompasses a landfilling operation as well as a wide range of waste disposal services, resource recovery services, recycling products and waste management educational activities. It has been recognised that there will be significant costs associated with the closure and post closure

E2-1 Fair value measurement (continued)

management of the landfill site. Closure of the landfill site will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill waste and site re-vegetation, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post closure, and fencing sensitive infrastructure. An Evaluation of costs for Landfill Closure and Post Closure Management plan is reviewed annually. The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. There has been no change to the valuation process during the reporting period.

Quarry Assets

There are 6 quarries located within the local government area. These facilities encompass quarry operations currently in use as well as old unused facilities currently being used for stockpiling. It has been recognised that there will be significant costs associated with the closure and post closure management of the quarry sites.

Closure of the quarry sites will involve a wide range of activities including the establishment of open woodland/forest across the quarry benches and provision of access areas into the pits once completed. It will also include decommissioning and removing of infrastructure and equipment that will not be required post closure, and fencing of sensitive infrastructure. An Evaluation of costs for Quarry Closures and Post Closure Management Plan is reviewed annually. The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. There has been an increase in the value of future funds required for remediation during the reporting period.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Community Land	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	13,092	12,182	38	57	401	507	41,363	40,056
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	251	–	–	–	138	–	–	844
Purchases (GBV)	5,744	2,903	10	–	181	67	–	370
Reinstatement cost for impaired assets	–	–	–	–	–	–	–	–
Disposals (WDV)	(172)	(172)	–	–	–	–	–	(469)
Depreciation and impairment	(1,713)	(1,821)	(17)	(19)	(105)	(173)	–	–
Revaluation increment/decrement to equity	–	–	–	–	–	–	–	562
Closing balance	17,202	13,092	31	38	615	401	41,363	41,363

\$ '000	Land under Roads Post 30/6/08		Land improvement (Depreciable)		Buildings		Other structures	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	138	78	16,951	16,208	71,913	65,266	18,908	18,004
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	328	476	7,553	–	2,998	305
Purchases (GBV)	2	15	42	58	2,498	248	1,033	658
Reinstatement cost for impaired assets	–	–	–	229	13,444	5,718	80	1
Disposals (WDV)	–	–	(77)	(11)	(559)	(2,026)	(43)	(12)
Depreciation and impairment	–	–	(936)	(1,145)	(1,340)	(982)	(1,215)	(1,301)
Impairment reversal recognised in equity	–	–	–	22	–	19,018	–	48
Revaluation increment/decrement to equity	1	45	1,117	1,114	6,507	(15,329)	1,512	1,205
Closing balance	141	138	17,425	16,951	100,016	71,913	23,273	18,908

E2-1 Fair value measurement (continued)

\$ '000	Roads		Bridges		Footpaths		Bulk earthworks (Non-Deprec)	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	451,087	400,386	84,416	76,392	28,412	24,531	410,578	386,194
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	1,316	4,439	–	1,249	53	–	–	–
Purchases (GBV)	11,971	14,287	2,458	3,826	68	3,235	2,241	2,374
Reinstatement cost for impaired assets	2,308	22,919	–	–	–	–	225	–
Disposals (WDV)	(1,323)	(1,187)	(762)	(71)	–	(221)	(164)	(803)
Depreciation and impairment	(34,819)	(13,610)	(1,552)	(1,408)	(588)	(540)	–	–
Impairment reversal recognised in equity	85	2,360	–	–	–	–	–	–
Revaluation increment/decrement to equity	23,287	21,493	4,541	4,428	1,501	1,407	22,124	22,813
Closing balance	453,912	451,087	89,101	84,416	29,446	28,412	435,004	410,578

\$ '000	Stormwater drainage		Water supply network		Sewerage network		Swimming pools	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	81,273	74,617	166,869	156,519	300,272	279,373	4,996	4,824
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	65	327	495	75	391	830	–	–
Purchases (GBV)	566	2,697	1,824	2,038	1,731	3,494	–	–
Reinstatement cost for impaired assets	–	–	2,317	400	613	832	–	–
Disposals (WDV)	(706)	(31)	(1,393)	(967)	(333)	(2,084)	–	–
Depreciation and impairment	(758)	(705)	(3,088)	(2,980)	(5,239)	(5,070)	(158)	(160)
Impairment reversal recognised in equity	–	–	–	–	57	–	–	–
Revaluation increment/decrement to equity	37,691	4,368	8,468	11,784	16,214	22,897	336	332
Closing balance	118,131	81,273	175,492	166,869	313,706	300,272	5,174	4,996

E2-1 Fair value measurement (continued)

\$ '000	Other open space and recreation assets		Heritage collection		Other		Tip assets	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	639	724	1,085	1,071	1,125	1,184	1,793	2,497
Total gains or losses for the period								
Other movements								
Purchases (GBV)	14	–	–	14	–	55	–	–
Reinstatement cost for impaired assets	–	–	–	–	–	–	–	–
Disposals (WDV)	–	(17)	–	–	–	–	(198)	(557)
Depreciation and impairment	(81)	(111)	–	–	(112)	(114)	(112)	(147)
Revaluation increment/decrement to equity	40	43	–	–	–	–	–	–
Closing balance	612	639	1,085	1,085	1,013	1,125	1,483	1,793

\$ '000	Quarry assets		Land improvements (Non-Deprec)		Total	
	2024	2023	2024	2023	2024	2023
Opening balance	1,399	1,811	22,978	21,392	1,719,726	1,583,873
Transfers from/(to) another asset class	–	–	168	–	13,756	8,545
Purchases (GBV)	159	–	26	55	30,568	36,394
Reinstatement cost for impaired assets	–	–	–	–	18,987	30,099
Disposals (WDV)	–	(235)	–	–	(5,730)	(8,863)
Depreciation and impairment	(151)	(177)	–	–	(51,984)	(30,463)
Impairment reversal recognised in equity	–	–	–	–	142	21,448
Revaluation increment/decrement to equity	–	–	1,610	1,531	124,949	78,693
Closing balance	1,407	1,399	24,782	22,978	1,850,414	1,719,726

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund. The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working lifetime 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 contributions of \$20.0 million per annum for 1 January to December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials. *Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan.*

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

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

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

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

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2024 was \$357,283.99. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$202,930.79.

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 share of any funding surplus or deficit that can be attributed to Council is 0.97%.

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

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

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

*Plus, promotional increases

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

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.

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.

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.

Other guarantees

A bank guarantee for \$2,240,005 has been issued to the NSW Department of Planning and Environment for a bond for the rehabilitation/biodiversity offset and conservation works relating to the Blakebrook Quarry project.

E3-1 Contingencies (continued)

Third party claims

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

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

S7.11 Plans

Council levies Section 7.11 Contributions upon various developments across the Council area through the required Contributions Plans.

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

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

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

Potential land acquisitions due to planning restrictions imposed by Council

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

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

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

Ground Contamination - North Lismore Stockpile

Council is aware of an issue at one of its stockpile sites located at 6-10 Nimbin Road, North Lismore where site contamination has been identified. Technical reporting has classified the waste stockpile as 'special waste' due to the presence of bonded asbestos material. Council received a report from a suitable expert on options to remediate the site.

There are a number of remedial options available as a management response to the site contamination of varying complexity and scope (site capping to excavation and removal of waste material) and these range in cost from approximately \$1,812,200 to \$2,412,800. The upper cost is representative of a remediation strategy involving the excavation and removal of waste to a licenced waste facility. A cost/tonne of \$301.60 (plus environmental monitoring and reporting) is assumed for such works. This rate is representative of recent clean-up costs at other sites.

Negotiations have been undertaken with NSW EPA (Appropriate Regulatory Authority) as to the preferred remediation strategy for the site. Capping of the site is the preferred remedial option however any commencement of works is being complicated by the management of land claims by the Department of Planning, Housing and Infrastructure. The land in question consists of two Crown Reserves, which are subject to existing Aboriginal Land Claims made by Ngulingah Local Aboriginal Land Council. The land was recently excised from the current Native Title Claim (Widjabul Wia-bal NSD 1213 of 2019), as the land falls within the Road Dispute tranche.

The land will be dealt with in the next native title application, expected to commence early 2025. Whilst the relevant process to resolve these claims are in progress, Council is very limited in what it can do on the site, and is unable to progress with the preferred remediation option (capping - most cost effective) of the site. Council continues to negotiate with the Department of Planning, Housing and Infrastructure and NSW EPA to enable an appropriate management response to the stockpile.

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	1,144	1,021
Post-employment benefits	122	107
Other long-term benefits	22	22
Termination benefits	–	292
Total	1,288	1,442

Other transactions with KMP and their related parties

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

KMP and their related parties attend various functions from time to time as part of their position held within Council. Tickets, meals and small tokens of appreciation that are provided at these functions are considered immaterial and will not be disclosed.

There have been no other material transactions between KMP and Council during the year.

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	61	61
Councillors' fees	273	273
Other Councillors' expenses (including Mayor)	45	58
Total	379	392

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	207	117
Remuneration for audit and other assurance services	207	117
Total Auditor-General remuneration	207	117
Total audit fees	207	117

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	95,452	47,795
Add / (less) non-cash items:		
Depreciation and amortisation	31,943	31,170
(Gain) / loss on disposal of assets	5,258	7,777
Non-cash capital grants and contributions	(6,563)	(8,005)
Unwinding of discount rates on reinstatement provisions	(14)	(431)
Share of net (profits)/losses of associates/joint ventures using the equity method	83	(149)
Revised discount rate	-	-
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(5,822)	(2,341)
(Increase) / decrease of inventories	(656)	(110)
(Increase) / decrease of other current assets	(605)	(82)
(Increase) / decrease of contract asset	(7,366)	(7,686)
Increase / (decrease) in payables	(367)	(248)
Increase / (decrease) in accrued interest payable	(29)	(68)
Increase / (decrease) in other accrued expenses payable	132	1,723
Increase / (decrease) in other liabilities	795	2,452
Increase / (decrease) in contract liabilities	66,547	7,089
Increase / (decrease) in employee benefit provision	447	739
Increase / (decrease) in other provisions	47	(891)
Net cash flows from operating activities	179,282	78,734

(b) Non-cash investing and financing activities

Developer contributions 'in kind'	6,005	8,005
Total non-cash investing and financing activities	6,005	8,005

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		
Sewerage and water infrastructure	4,019	11,985
Bridges	2,056	9,332
Sporting & recreational facilities	7,762	4,824
Flood recovery	1,658	4,586
Fleet Purchases	3,434	1,132
Road infrastructure	25	932
Waste Facility	531	313
Buildings	12	285
Total commitments	19,497	33,389

G3-1 Events occurring after the reporting date

There are no known events occurring after the reporting date that would have a significant affect on the financial report.

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					
Emergency Services	43	5	–	–	2	(16)	–	34	–
Community Services & Facilities	827	79	–	–	42	–	–	948	–
Public Domain Facilities	565	26	–	–	28	–	–	619	–
Open Space & Recreation Facilities	1,165	14	–	–	56	(18)	–	1,217	–
Cycleways Facilities	679	30	–	–	33	(18)	–	724	–
Rural North & South Traffic Management Facilities	962	112	–	–	49	(18)	–	1,105	–
Urban Traffic Management Facilities	4,443	234	–	–	222	–	–	4,899	–
Carparking	81	–	–	–	4	–	–	85	–
Stormwater	(40)	2	–	–	–	–	–	(38)	–
Street Trees	52	15	–	–	3	–	–	70	–
Heavy Haulage	210	80	–	–	6	(269)	–	27	–
Section 94 Plan Administration	122	7	–	–	6	–	–	135	–
S7.11 contributions – under a plan	9,109	604	–	–	451	(339)	–	9,825	–
Total S7.11 and S7.12 revenue under plans	9,109	604	–	–	451	(339)	–	9,825	–
S7.4 planning agreements	–	–	–	–	–	–	–	–	–
S64 contributions	–	525	–	–	–	(525)	–	–	–
Total contributions	9,109	1,129	–	–	451	(864)	–	9,825	–

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					
Emergency Services									
Bushfire	10	3	–	–	–	(1)	–	12	–
SES	33	2	–	–	2	(15)	–	22	–
Total	43	5	–	–	2	(16)	–	34	–

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						
Community Services & Facilities										
CBD, North & South	827	79	-	-	42	-	-	948	-	
Total	827	79	-	-	42	-	-	948	-	
Public Domain Facilities										
Lismore CBD-Residential	528	26	-	-	26	-	-	580	-	
Lismore CBD-Commercial	37	-	-	-	2	-	-	39	-	
Total	565	26	-	-	28	-	-	619	-	
Open Space & Recreation Facilities										
Tucki Tucki - Residential	906	4	-	-	43	(18)	-	935	-	
Lismore Park	259	10	-	-	13	-	-	282	-	
Total	1,165	14	-	-	56	(18)	-	1,217	-	
Cycleways Facilities										
Cycleways	679	30	-	-	33	(18)	-	724	-	
Total	679	30	-	-	33	(18)	-	724	-	
Rural North & South Traffic Management Facilities										
Rural North & South Traffic Management Facilities	962	112	-	-	49	(18)	-	1,105	-	
Total	962	112	-	-	49	(18)	-	1,105	-	

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						
Urban Traffic Management Facilities										
Residential/Commercial/Industrial	4,443	234	-	-	222	-	-	4,899	-	
Total	4,443	234	-	-	222	-	-	4,899	-	
Carparking										
Lismore & Nimbin	81	-	-	-	4	-	-	85	-	
Total	81	-	-	-	4	-	-	85	-	
Stormwater										
Residential	(40)	2	-	-	-	-	-	(38)	-	
Total	(40)	2	-	-	-	-	-	(38)	-	
Street Trees										
Residential/Commercial/Industrial	52	15	-	-	3	-	-	70	-	
Total	52	15	-	-	3	-	-	70	-	
Heavy Haulage										
Rural - Quarries	210	80	-	-	6	(269)	-	27	-	
Total	210	80	-	-	6	(269)	-	27	-	
Section 94 Plan Administration										
Section 94 Plan Administration	122	7	-	-	6	-	-	135	-	
Total	122	7	-	-	6	-	-	135	-	

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}	(2,787)	(2.08)%	(4.09)%	0.88%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	133,971				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	102,813	43.28%	46.98%	56.13%	> 60.00%
Total continuing operating revenue ¹	237,551				
3. Unrestricted current ratio					
Current assets less all external restrictions	59,687	1.94x	2.07x	2.38x	> 1.50x
Current liabilities less specific purpose liabilities	30,782				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	31,583	3.60x	2.89x	4.73x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	8,777				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	8,431	12.24%	9.95%	10.59%	< 10.00%
Rates and annual charges collectable	68,900				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	183,596	16.72	12.04	14.14	> 3.00
Monthly payments from cash flow of operating and financing activities	10,981	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}	(7.73)%	(5.72)%	9.64%	3.53%	17.24%	(1.00)%	> 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	33.38%	38.42%	98.45%	95.19%	95.91%	75.19%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	1.92x	2.05x	16.08x	15.24x	13.15x	14.10x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	3.07x	3.20x	4.84x	2.60x	4.34x	2.36x	> 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	11.21%	8.13%	19.83%	20.78%	11.55%	9.68%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	14.02 months	7.83 months	11.90 months	14.83 months	49.91 months	40.63 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note G6-1 above.

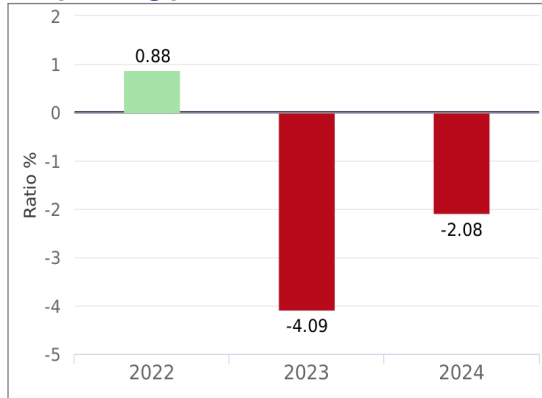
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2023/24 result

2023/24 ratio (2.08)%

Council's operating performance ratio was -2.08% for the 2023/2024 financial year. The improvement in this ratio was assisted by Council receiving funding for emergency flood works where expenses were incurred in previous financial years. Through the development of its long term financial plan, Council is taking steps to address its operating performance and to move this ratio closer to the benchmark.

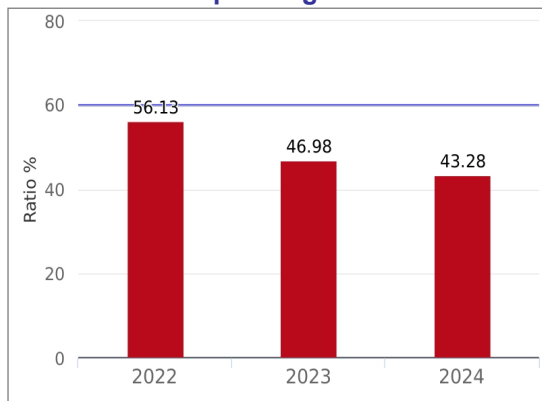
Benchmark: — > 0.00%

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 43.28%

Council's own source operating revenue ratio was 43.28% for the 2023/2024 financial year, which is below the benchmark of > 60%. This ratio is still being adversely affected by significant levels of natural disaster funding and other grants following the February 2022 flood event. This ratio is expected to return to > 60% once restoration works have been completed.

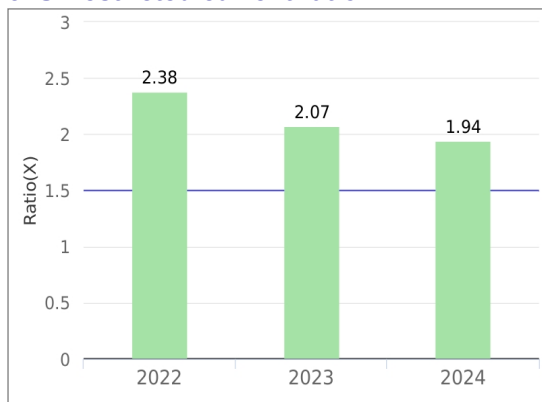
Benchmark: — > 60.00%

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 1.94x

Council's unrestricted current ratio was 1.92 for the 2023/2024 financial year and remains well above the benchmark of 1.5.

Benchmark: — > 1.50x

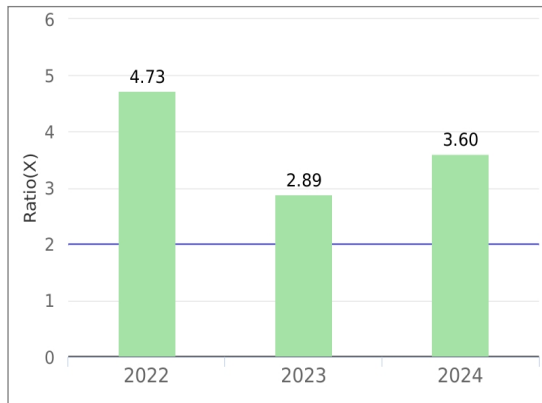
Source of benchmark: Code of Accounting Practice and Financial Reporting

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 3.60x

Council's debt service ratio was 3.60 for the 2023/2024 financial year, which is above the benchmark of > 2.0.

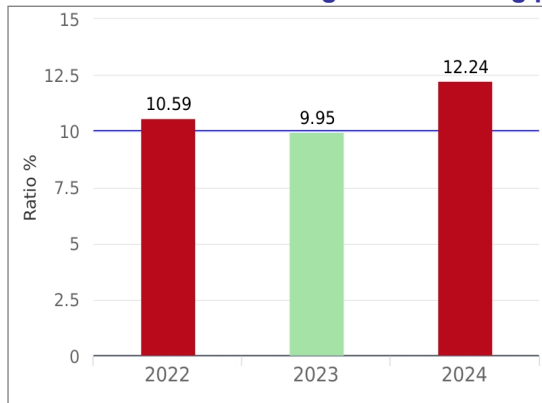
Benchmark: — > 2.00x

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 12.24%

Council's rates and annual charges outstanding percentage was 12.24% for the 2023/2024 financial year. Notably, the general fund ratio was 11.21% for the 2023/2024 financial year, increasing from 8.13% in the previous year. It should be noted that Council levies its water annual charges in arrears and this adversely impacts the consolidated ratio.

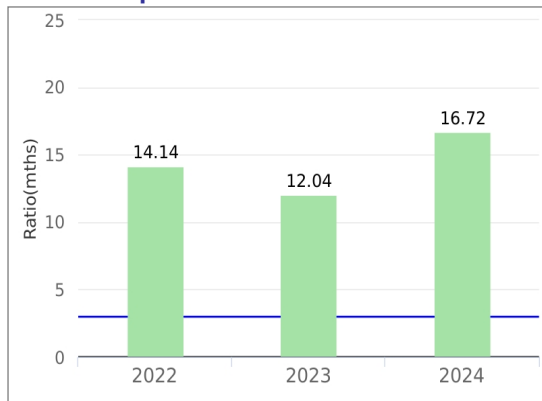
Benchmark: — < 10.00%

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 16.72 months

Council's cash expense cover ratio was 19.61 months for the 2023/2024 financial year, which is well above the benchmark of > 3 months.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Lismore City Council

To the Councillors of Lismore City Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Gearoid Fitzgerald
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY



Cr Steve Krieg
Mayor
Lismore City Council
PO Box 23A
LISMORE NSW 2480

Contact: Gearoid Fitzgerald
Phone no: 02 9275 7392
Our ref: R008-2124742775-8519

31 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	62.0	58.6	↑ 5.8
Grants and contributions revenue	134.7	107.5	↑ 25.3
Materials and services	53.8	70.8	↓ 24.0

Operating result from continuing operations	95.5	47.8	99.8
Net operating result before capital grants and contributions	(8.1)	(13.4)	39.6

Rates and annual charges revenue (\$62.0 million) increased by \$3.4 million (5.8%) in 2023–24 due to rate peg increase of 3.7%.

Grants and contributions revenue (\$134.7 million) increased by \$27.2 million (25.3%) in 2023–24 due to:

- increase of \$33.0 million of grants recognised for restoration of infrastructure relating to the 2022 natural disaster
- receiving 85% of the financial assistance grants for 2024–25 in advance (100% in 2022–23)

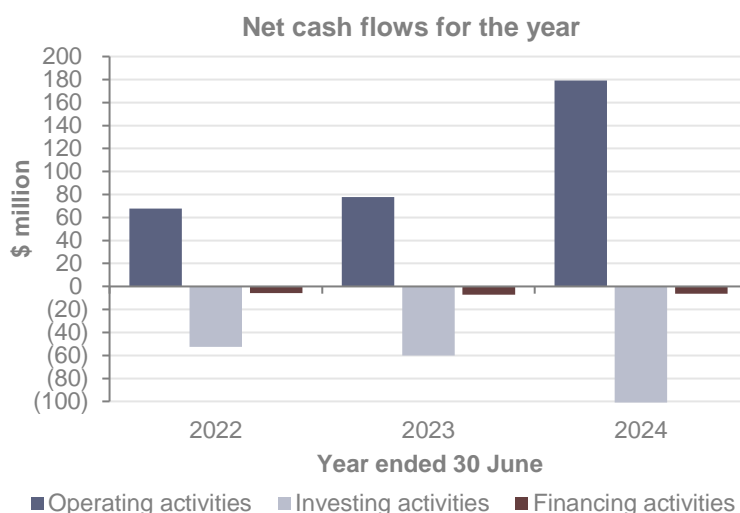
Council's operating result from continuing operations (\$95.5 million including depreciation, amortisation and impairment expense of \$31.9 million) was \$47.7 million higher than the 2022–23 result. The improved operating result is largely attributable to the following:

- increase of \$27.2 million in grants and contributions revenue
- decrease of \$17.0 million in materials and services expense
- increase of \$7.2 million in employee benefits and on-costs

The net operating result before capital grants and contributions (\$8.1 million) improved by \$5.3 million on the 2022–23 result.

STATEMENT OF CASH FLOWS

- Net cash provided by operating activities increased by \$100.5 million. This is largely driven by an increase in grants and contributions.
- Net cash used in investing activities increased by \$41.5 million, mainly due to increased purchases / construction of infrastructure, property, plant and equipment.
- Net cash used in financing activities decreased by \$0.8 million due to reduced repayments of borrowings.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	183.6	133.2	Externally restricted balances comprise mainly of developer contributions, water and sewer funds and unexpended specific purpose grants. Externally restricted cash and investments increased by \$59.3 million on the prior year from the receipt of grants late in the financial year which were unspent at balance date.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	169.6	110.3	Internal allocations are determined by council policies or decisions, which are subject to change. Internally allocated cash decreased by \$8.8 million due to a reduction in carry forward and revote works reserves.
• Internal allocations	14.0	22.8	

PERFORMANCE

Performance measures

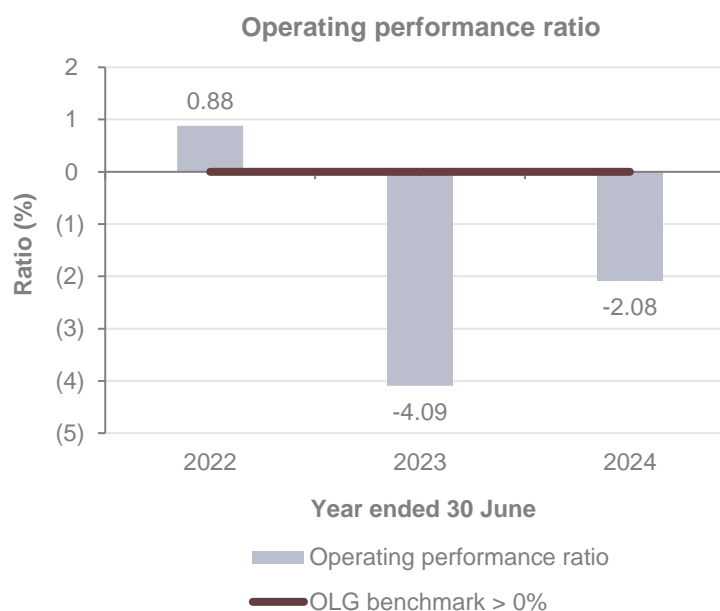
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

Operating performance ratio

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

The ratio has improved in 2023–24 due to Council receiving funding for emergency flood works where expenses were incurred in previous financial years.

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 0%.

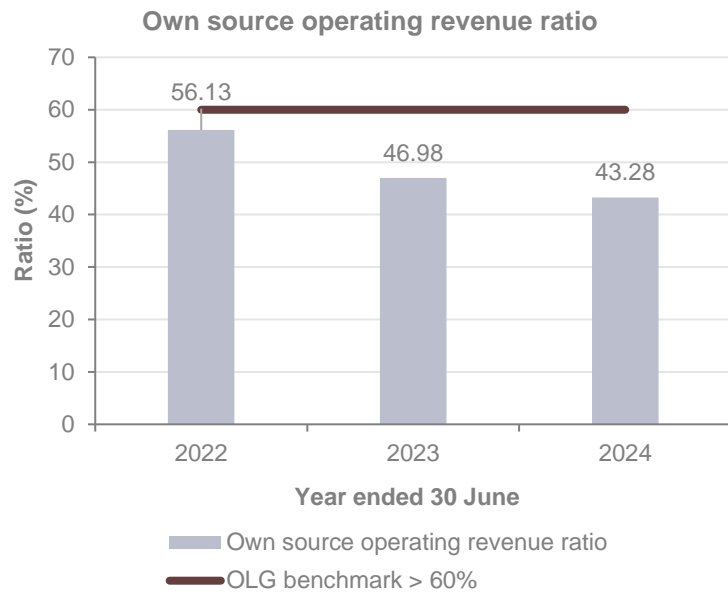


Own source operating revenue ratio

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

Council has not met this ratio due to the significant levels of natural disaster grant funding received.

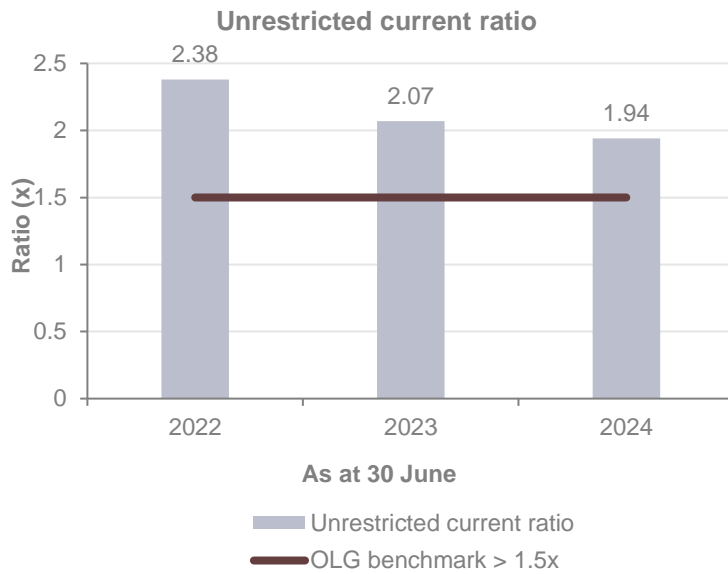
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60%.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

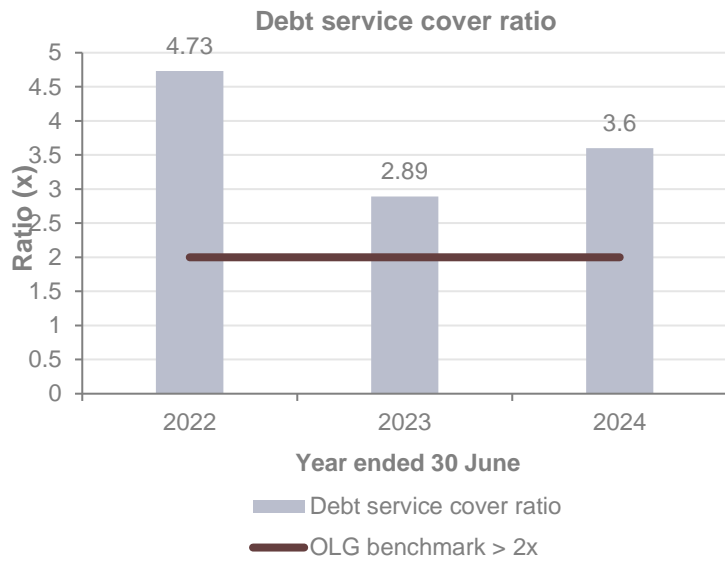
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



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 2 times.

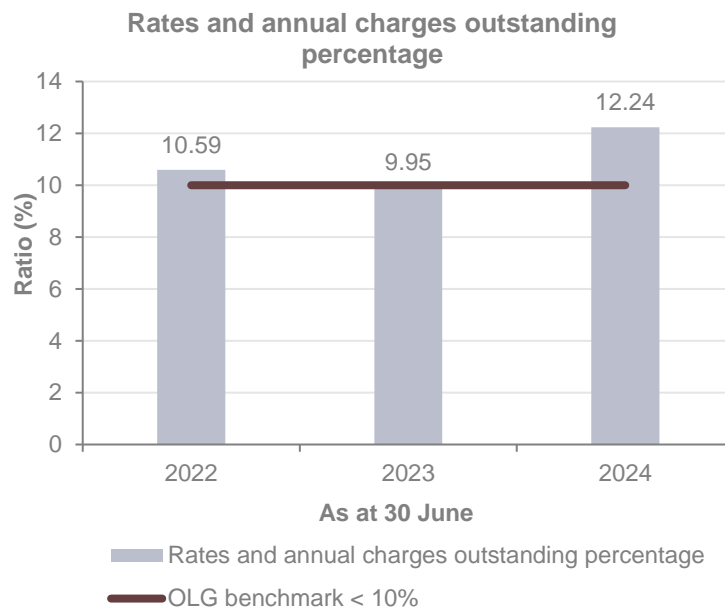


Rates and annual charges outstanding percentage

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

Council did not meet the benchmark due to a decrease in rates and annual charges collected during 2023–24. Council provides support packages to ratepayers financially impacted by natural disasters to defer payment of rate instalments.

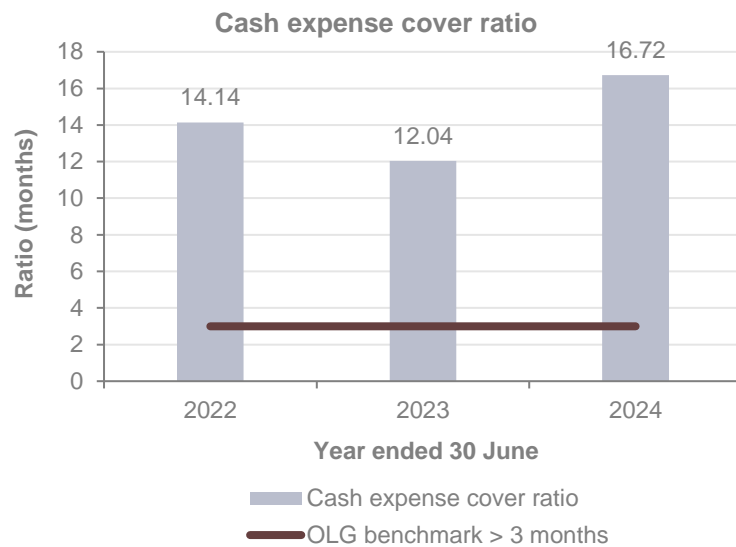
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10% for regional and rural councils.



Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than 3 months.



Debt

At 30 June 2024, Council had:

- \$40.2 million in secured loans (\$45.8 million in 2022–23)
- \$0.75 million in approved overdraft facility with \$nil drawn down
- \$0.25 million in credit card facility with \$67 thousand used.

Infrastructure, property, plant and equipment renewals

Council renewed \$101.5 million of infrastructure, property, plant and equipment during the 2023–24 financial year of which \$50.4 million was spent on the reinstatement of assets which had been previously impaired by natural disasters. Renewal and reinstatement expenditure was mainly attributable to roads, bridges, rail trail construction and restoration of sporting facilities including Oakes and Crozier ovals and the memorial baths. A further \$35.5 million was spent on new assets.

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.

Gearoid Fitzgerald
Delegate of the Auditor-General for New South Wales

cc: Mr Jon Gibbons, General Manager
Mr Stephen Coates, Chair, Audit, Risk and Improvement Committee

Lismore City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Lismore City Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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Lismore City 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:

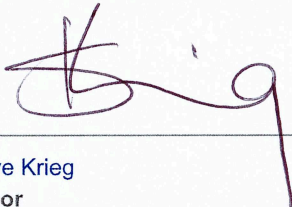
- NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- Local Government Code of Accounting Practice and Financial Reporting,
- Sections 3 and 4 of the NSW Department of Planning and Environment, Water's Regulatory and assurance framework for local water utilities.

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

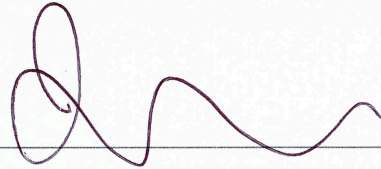
- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

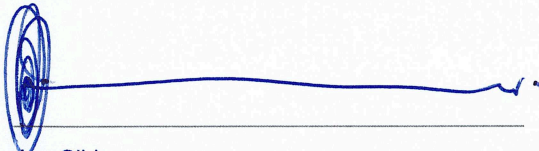
Signed in accordance with a resolution of Council made on 29 October 2024.



Steve Krieg
Mayor
29 October 2024



Jeri Hall
Councillor
29 October 2024



Jon Gibbons
General Manager
29 October 2024



John Hartley
Responsible Accounting Officer
29 October 2024

Lismore City Council

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	5,865	5,831
User charges	11,284	9,460
Interest and investment income	929	593
Grants and contributions provided for operating purposes	2	2
Other income	3	101
Total income from continuing operations	18,083	15,987
Expenses from continuing operations		
Employee benefits and on-costs	1,974	2,218
Borrowing costs	394	439
Materials and services	4,240	3,263
Depreciation, amortisation and impairment	3,190	3,071
Water purchase charges	6,542	6,430
Net loss from the disposal of assets	1,390	963
Calculated taxation equivalents	56	69
Debt guarantee fee (if applicable)	262	296
Total expenses from continuing operations	18,048	16,749
Surplus (deficit) from continuing operations before capital amounts	35	(762)
Grants and contributions provided for capital purposes	282	805
Surplus (deficit) from continuing operations after capital amounts	317	43
Surplus (deficit) from all operations before tax	317	43
Less: corporate taxation equivalent (25%) [based on result before capital]	(9)	–
Surplus (deficit) after tax	308	43
Opening accumulated surplus	36,488	36,087
Adjustments for amounts unpaid:		
– Taxation equivalent payments	56	69
– Debt guarantee fees	262	296
– Corporate taxation equivalent	9	–
Less:		
– Tax equivalent dividend paid	(20)	(7)
Closing accumulated surplus	37,103	36,488
Return on capital %	0.2%	(0.2)%
Subsidy from Council	7,591	7,380
Calculation of dividend payable:		
Surplus (deficit) after tax	308	43
Less: capital grants and contributions (excluding developer contributions)	(209)	(805)
Surplus for dividend calculation purposes	99	–
Dividend calculated from surplus	50	–

Lismore City Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	14,525	14,182
User charges	819	295
Interest and investment income	2,389	1,468
Grants and contributions provided for operating purposes	4	1,468
Other income	16	15
Total income from continuing operations	17,753	17,428
Expenses from continuing operations		
Employee benefits and on-costs	2,581	2,693
Borrowing costs	623	692
Materials and services	6,026	9,060
Depreciation, amortisation and impairment	5,463	5,156
Net loss from the disposal of assets	333	2,085
Calculated taxation equivalents	40	54
Debt guarantee fee (if applicable)	132	156
Other expenses	–	1
Total expenses from continuing operations	15,198	19,897
Surplus (deficit) from continuing operations before capital amounts	2,555	(2,469)
Grants and contributions provided for capital purposes	752	3,797
Surplus (deficit) from continuing operations after capital amounts	3,307	1,328
Surplus (deficit) from all operations before tax	3,307	1,328
Less: corporate taxation equivalent (25%) [based on result before capital]	(639)	–
Surplus (deficit) after tax	2,668	1,328
Opening accumulated surplus	64,951	64,657
Prior period adjustments	–	(1,220)
Adjustments for amounts unpaid:		
– Taxation equivalent payments	40	54
– Debt guarantee fees	132	156
– Corporate taxation equivalent	639	–
Less:		
– Tax equivalent dividend paid	(30)	(24)
Closing accumulated surplus	68,400	64,951
Return on capital %	1.0%	(0.6)%
Subsidy from Council	10,974	14,164
Calculation of dividend payable:		
Surplus (deficit) after tax	2,668	1,328
Less: capital grants and contributions (excluding developer contributions)	(300)	(3,797)
Surplus for dividend calculation purposes	2,368	–
Dividend calculated from surplus	1,184	–

Lismore City Council

Income Statement of Quarry

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
Income from continuing operations		
User charges	4,259	6,144
Other income	339	644
Total income from continuing operations	4,598	6,788
Expenses from continuing operations		
Employee benefits and on-costs	1,291	1,153
Borrowing costs	125	122
Materials and services	3,995	4,885
Depreciation, amortisation and impairment	188	211
Calculated taxation equivalents	42	98
Debt guarantee fee (if applicable)	4	10
Total expenses from continuing operations	5,645	6,479
Surplus (deficit) from continuing operations before capital amounts	(1,047)	309
Surplus (deficit) from continuing operations after capital amounts	(1,047)	309
Surplus (deficit) from all operations before tax	(1,047)	309
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(77)
Surplus (deficit) after tax	(1,047)	232
Opening accumulated surplus	1,677	1,024
Adjustments for amounts unpaid:		
– Taxation equivalent payments	42	98
– Debt guarantee fees	4	10
– Corporate taxation equivalent	–	77
– Subsidy paid/contribution to operations	1,035	236
Less:		
Transfer to Asset Revaluation Reserve	–	–
Closing accumulated surplus	1,711	1,677
Return on capital %	(24.8)%	12.9%
Subsidy from Council	1,082	–

Lismore City Council

Income Statement of Waste disposal

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
Income from continuing operations		
User charges	8,586	6,014
Grants and contributions provided for operating purposes	78	61
Other income	2,795	4,010
Total income from continuing operations	11,459	10,085
Expenses from continuing operations		
Employee benefits and on-costs	2,434	2,370
Borrowing costs	444	435
Materials and services	10,119	8,562
Depreciation, amortisation and impairment	631	663
Calculated taxation equivalents	101	146
Debt guarantee fee (if applicable)	150	146
Total expenses from continuing operations	13,879	12,322
Surplus (deficit) from continuing operations before capital amounts	(2,420)	(2,237)
Grants and contributions provided for capital purposes	86	189
Surplus (deficit) from continuing operations after capital amounts	(2,334)	(2,048)
Surplus (deficit) from all operations before tax	(2,334)	(2,048)
Surplus (deficit) after tax	(2,334)	(2,048)
Plus accumulated surplus	6,653	3,751
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	101	146
– Debt guarantee fees	150	146
Add:		
– Subsidy paid/contribution to operations	(1,026)	4,658
Less:		
Closing accumulated surplus	3,544	6,653
Return on capital %	(16.5)%	(14.1)%
Subsidy from Council	2,492	2,315

Lismore City Council

Income Statement of Lismore Crematorium

for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
Income from continuing operations		
Fees	325	260
Other income	30	36
Total income from continuing operations	355	296
Expenses from continuing operations		
Employee benefits and on-costs	140	172
Materials and services	187	139
Depreciation, amortisation and impairment	16	13
Total expenses from continuing operations	343	324
Surplus (deficit) from continuing operations before capital amounts	12	(28)
Surplus (deficit) from continuing operations after capital amounts	12	(28)
Surplus (deficit) from all operations before tax	12	(28)
Less: corporate taxation equivalent (25%) [based on result before capital]	(3)	–
Surplus (deficit) after tax	9	(28)
Opening accumulated surplus	264	224
Adjustments for amounts unpaid:		
– Corporate taxation equivalent	3	–
Add:		
– Subsidy paid/contribution to operations	31	68
Closing accumulated surplus	307	264
Return on capital %	2.9%	(7.0)%
Subsidy from Council	6	44

Lismore City Council

Income Statement of Goonellabah Sports & Aquatic Centre - Gymnasium

for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
Income from continuing operations		
Fees	560	531
Total income from continuing operations	560	531
Expenses from continuing operations		
Employee benefits and on-costs	236	229
Materials and services	560	604
Total expenses from continuing operations	796	833
Surplus (deficit) from continuing operations before capital amounts	(236)	(302)
Surplus (deficit) from continuing operations after capital amounts	(236)	(302)
Surplus (deficit) from all operations before tax	(236)	(302)
Surplus (deficit) after tax	(236)	(302)
Add:		
– Subsidy paid/contribution to operations	236	302
Closing accumulated surplus	–	–
Subsidy from Council	236	302

Lismore City Council

Income Statement of Swimsations

for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
Income from continuing operations		
Fees	461	489
Total income from continuing operations	461	489
Expenses from continuing operations		
Employee benefits and on-costs	348	285
Materials and services	425	374
Total expenses from continuing operations	773	659
Surplus (deficit) from continuing operations before capital amounts	(312)	(170)
Surplus (deficit) from continuing operations after capital amounts	(312)	(170)
Surplus (deficit) from all operations before tax	(312)	(170)
Surplus (deficit) after tax	(312)	(170)
Add:		
– Subsidy paid/contribution to operations	312	170
Closing accumulated surplus	–	–
Subsidy from Council	312	170

Lismore City Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	1,758	1,736
Investments	12,000	15,132
Receivables	4,284	4,465
Inventories	332	294
Total current assets	18,374	21,627
Non-current assets		
Right of use assets	18	51
Receivables	1,558	1,049
Infrastructure, property, plant and equipment	186,500	175,557
Total non-current assets	188,076	176,657
Total assets	206,450	198,284
LIABILITIES		
Current liabilities		
Lease liabilities	8	17
Payables	162	489
Borrowings	744	706
Employee benefit provisions	344	307
Total current liabilities	1,258	1,519
Non-current liabilities		
Lease liabilities	8	33
Borrowings	7,290	8,034
Employee benefit provisions	19	16
Total non-current liabilities	7,317	8,083
Total liabilities	8,575	9,602
Net assets	197,875	188,682
EQUITY		
Accumulated surplus	37,103	36,488
Revaluation reserves	160,772	152,194
Total equity	197,875	188,682

Lismore City Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	4,689	6,602
Investments	40,000	40,194
Receivables	2,157	889
Inventories	556	492
Total current assets	47,402	48,177
Non-current assets		
Right of use assets	–	4
Investments	–	1,000
Receivables	187	632
Infrastructure, property, plant and equipment	329,109	308,136
Total non-current assets	329,296	309,772
Total assets	376,698	357,949
LIABILITIES		
Current liabilities		
Contract liabilities	1,400	1,400
Lease liabilities	–	4
Payables	716	340
Borrowings	1,286	1,484
Employee benefit provisions	344	330
Total current liabilities	3,746	3,558
Non-current liabilities		
Borrowings	15,444	16,731
Employee benefit provisions	20	17
Total non-current liabilities	15,464	16,748
Total liabilities	19,210	20,306
Net assets	357,488	337,643
EQUITY		
Accumulated surplus	68,400	64,951
Revaluation reserves	289,088	272,692
Total equity	357,488	337,643

Lismore City Council

Statement of Financial Position of Quarry

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
ASSETS		
Current assets		
Receivables	364	418
Inventories	1,545	1,000
Total current assets	1,909	1,418
Non-current assets		
Investments	–	772
Infrastructure, property, plant and equipment	3,725	3,340
Total non-current assets	3,725	4,112
Total assets	5,634	5,530
LIABILITIES		
Current liabilities		
Borrowings	–	145
Provisions	247	273
Total current liabilities	247	418
Non-current liabilities		
Borrowings	–	42
Provisions	3,325	3,042
Total non-current liabilities	3,325	3,084
Total liabilities	3,572	3,502
Net assets	2,062	2,028
EQUITY		
Accumulated surplus	1,711	1,677
Revaluation reserves	351	351
Total equity	2,062	2,028

Lismore City Council

Statement of Financial Position of Waste disposal

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
ASSETS		
Current assets		
Investments	3,445	6,395
Inventories	79	157
Total current assets	3,524	6,552
Non-current assets		
Infrastructure, property, plant and equipment	12,007	12,754
Total non-current assets	12,007	12,754
Total assets	15,531	19,306
LIABILITIES		
Current liabilities		
Borrowings	577	694
Provisions	272	238
Total current liabilities	849	932
Non-current liabilities		
Borrowings	3,732	4,309
Provisions	7,406	7,412
Total non-current liabilities	11,138	11,721
Total liabilities	11,987	12,653
Net assets	3,544	6,653
EQUITY		
Accumulated surplus	3,544	6,653
Total equity	3,544	6,653

Lismore City Council

Statement of Financial Position of Lismore Crematorium

as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	412	402
Total non-current assets	412	402
Total assets	412	402
LIABILITIES		
Current liabilities		
Employee benefit provisions	100	131
Total current liabilities	100	131
Non-current liabilities		
Employee benefit provisions	5	7
Total non-current liabilities	5	7
Total liabilities	105	138
Net assets	307	264
EQUITY		
Accumulated surplus	307	264
Total equity	307	264

Lismore City Council

Statement of Financial Position of Goonellabah Sports & Aquatic Centre - Gymnasium

as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
ASSETS		
Current assets		
Other	-	-
Total current assets	-	-
Non-current assets		
Infrastructure, property, plant and equipment	-	-
Total non-current assets	-	-
Total assets	-	-
LIABILITIES		
Current liabilities		
Employee benefit provisions	-	-
Total current liabilities	-	-
Non-current liabilities		
Employee benefit provisions	-	-
Total non-current liabilities	-	-
Total liabilities	-	-
Net assets	-	-
EQUITY		
Accumulated surplus	-	-
Revaluation reserves	-	-
Total equity	-	-

Lismore City Council

Statement of Financial Position of Swimsations

as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
ASSETS		
Current assets		
Inventories	-	-
Total current assets	-	-
Non-current assets		
Infrastructure, property, plant and equipment	-	-
Total non-current assets	-	-
Total assets	-	-
LIABILITIES		
Current liabilities		
Employee benefit provisions	-	-
Total current liabilities	-	-
Non-current liabilities		
Employee benefit provisions	-	-
Total non-current liabilities	-	-
Total liabilities	-	-
Net assets	-	-
EQUITY		
Accumulated surplus	-	-
Revaluation reserves	-	-
Total equity	-	-

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.

Councils are to provide details of any changes in accounting policies, errors or changes in accounting estimates during the year - the disclosures in G4 of Section 1 of the Code or the relevant disclosures from AASB 1060 (paragraphs 106-108 for changes in accounting policy, paragraph 109 for changes in accounting estimates or paragraph 110 for errors), can be used by the Council where these changes have occurred.

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. Water

Provision of safe drinking water to customers

b. Sewerage

Provision of sewerage services to customers

c. Quarries

Supply of aggregate, road base and asphalt products

d. Waste Disposal

To provide waste disposal services

Category 2

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

a. Lismore Crematorium

Provide cremation services

b. Swimsations

Provide learn to swim classes

Note – Material accounting policy information (continued)

c. Goonellabah Sports and Aquatic Centre - Gymnasium

Provide gym facilities

Taxation equivalent charges

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

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

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

Notional rate applied (%)

Corporate income tax rate – 25% (2022/23: 25.0%)

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

Payroll tax – 5.45% (**2022/23 5.45%**) on the value of taxable salaries and wages in excess of \$1,200,000.

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

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework Best Practice Management of Water Supply and Sewer 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 sec 3 and 4 of DCCEEW - Water regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25%. (2022/23: 25%)

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

Since the taxation equivalent is notional – that is, it is payable to 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 corporate base 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.

Note – Material accounting policy information (continued)

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

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

(iii) Dividends

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

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the Section Y of DCCEEW's regulatory and assurance framework.

- 50% of this 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 Y of DCCEEW's regulatory and assurance framework, a statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DCCEEW.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Lismore City Council

To the Councillors of Lismore City Council

Opinion

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

The Declared Business Activities of the Council are:

- Water supply business activity
- Sewerage business activity
- Quarry
- Waste disposal
- Lismore Crematorium
- Goonellabah Sports & Aquatic Centre – Gymnasium
- Swimsations.

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

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

Basis for Opinion

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

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

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

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

- providing that only Parliament, and not the executive government, can remove an Auditor-General

- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Gearoid Fitzgerald
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY

Lismore City Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Lismore City Council

Special Schedules

for the year ended 30 June 2024

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Lismore City 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	32,416	34,270
Plus or minus adjustments ²	b	154	57
Notional general income	c = a + b	32,570	34,327
Permissible income calculation			
Rate peg percentage	d	3.70%	4.70%
Less expiring special variation amount	e	(129)	-
Plus rate peg amount ³	f = d x (c + e)	1,200	1,613
Sub-total	g = (c + e + f)	33,641	35,940
Plus (or minus) last year's carry forward total	h	841	212
Sub-total	j = (h + i)	841	212
Total permissible income	k = g + j	34,482	36,152
Less notional general income yield	l	34,270	36,088
Catch-up or (excess) result	m = k - l	212	65
Carry forward to next year ⁶	p = m + n + o	212	65

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

Lismore City Council

To the Councillors of Lismore City Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Lismore City 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:

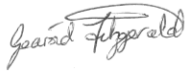
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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.



Gearoid Fitzgerald
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY

Lismore City Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Buildings	7,412	7,412	1,949	2,295	105,733	163,615	37.0%	33.0%	17.0%	12.0%	1.0%
	Sub-total	7,412	7,412	1,949	2,295	100,016	163,615	37.0%	33.0%	17.0%	12.0%	1.0%
Other structures	Other structures	3,120	3,120	671	686	23,273	40,587	31.0%	30.0%	19.0%	20.0%	0.0%
	Sub-total	3,120	3,120	671	686	23,273	40,587	31.0%	30.0%	19.0%	20.0%	0.0%
Roads	Sealed roads	57,527	57,527	6,037	7,939	448,329	794,920	19.0%	43.0%	17.0%	7.0%	14.0%
	Unsealed roads	1,625	1,625	621	1,528	5,582	25,507	0.0%	0.0%	90.0%	10.0%	0.0%
	Bridges	9,354	9,354	550	495	89,101	158,106	29.0%	25.0%	34.0%	5.0%	7.0%
	Footpaths	787	787	200	193	29,446	41,917	22.0%	68.0%	8.0%	2.0%	0.0%
	Bulk earthworks	–	–	–	–	435,004	435,004	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	69,293	69,293	7,408	10,155	1,007,463	1,455,454	44.0%	28.2%	14.8%	4.6%	8.4%
Water supply network	Water supply network	27,043	27,043	1,807	2,593	175,492	312,921	33.0%	24.0%	23.0%	17.0%	3.0%
	Sub-total	27,043	27,043	1,807	2,593	175,492	312,921	33.0%	24.0%	23.0%	17.0%	3.0%
Sewerage network	Sewerage network	43,139	43,139	5,004	5,352	313,706	509,245	27.0%	36.0%	17.0%	6.0%	14.0%
	Sub-total	43,139	43,139	5,004	5,352	313,706	509,245	27.0%	36.0%	17.0%	6.0%	14.0%
Stormwater drainage	Stormwater drainage	2,100	2,100	544	596	118,131	155,250	43.0%	32.0%	23.0%	0.0%	2.0%
	Sub-total	2,100	2,100	544	596	118,131	155,250	43.0%	32.0%	23.0%	0.0%	2.0%

Lismore City Council

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

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Open space / recreational assets	Swimming pools	3,275	3,275	660	335	5,174	13,751	0.0%	49.0%	1.0%	50.0%	0.0%
	Other Open Space/Recreation	692	692	129	129	612	2,511	0.0%	8.0%	25.0%	54.0%	13.0%
	Sub-total	3,967	3,967	789	464	5,786	16,262	0.0%	42.7%	4.7%	50.6%	2.0%
Total – all assets		156,074	156,074	18,172	22,141	1,743,867	2,653,334	38.5%	29.8%	16.8%	7.0%	7.9%

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

Infrastructure asset condition assessment 'key'

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

Lismore City Council

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	93,590	192.19%	259.01%	22.73%	> 100.00%
Depreciation, amortisation and impairment ^{2,3}	48,696				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard ^{4,5}	156,074	8.47%	12.22%	15.02%	< 2.00%
Net carrying amount of infrastructure assets	1,841,721				
Asset maintenance ratio					
Actual asset maintenance	22,141	121.84%	106.95%	80.18%	> 100.00%
Required asset maintenance	18,172				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council ^{6,7}	156,074	5.88%	8.18%	9.89%	
Gross replacement cost	2,653,334				

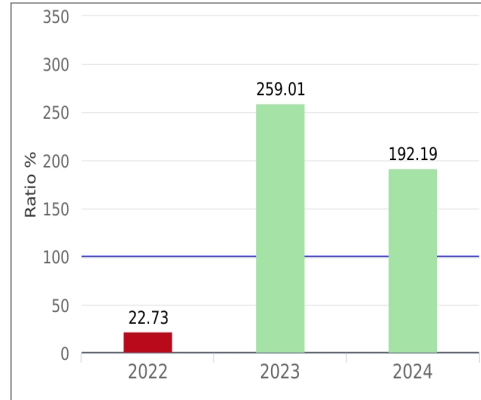
(*) All asset performance indicators are calculated using classes identified in the previous table.

- (1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.
- (2) 2024: Includes reinstatement costs for impaired assets of \$50,391 and a net impairment loss of \$20,682, favourably impacting this ratio as a result of the flood events in 2022. Adjusted for impairment, this ratio would be 154.21% for 2024.
- (3) 2023: Included reinstatement costs for impaired assets of \$29,870 and impairment reversals of \$2,408, favourably impacting this ratio as a result of the flood events in 2022. Adjusted for impairment, this ratio would have been 124.62% for 2023.
- (4) 2024: Includes flood repair costs of \$55,002, adversely impacting this ratio as a result of the flood events in 2022. Adjusted for these, this ratio would be 5.49% for 2024.
- (5) 2023: Included flood repair costs of \$97,395, adversely impacting this ratio as a result of the flood events in 2022. Adjusted for these, this ratio would have been 6.30% for 2023.
- (6) 2024: Includes flood repair costs of \$55,002, adversely impacting this ratio as a result of the flood events in 2022. Adjusted for these, this ratio would be 3.81% for 2023.
- (7) 2023: Included flood repair costs of \$97,395, adversely impacting this ratio as a result of the flood events in 2022. Adjusted for these, this ratio would have been 4.21% for 2023.

Lismore City Council

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	192.19%
Council's buildings and infrastructure renewals ratio was 192.19% for the 2023/2024 financial year, which is well above the benchmark of 100%. This ratio is still being favourably impacted by flood restoration works. Adjusted for this, the ratio would be 154.21%. The 2022/2023 ratio adjusted for impacts of impairment was 124.62%.	

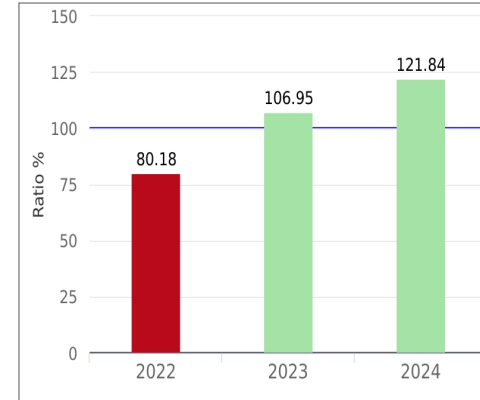
Benchmark: — > 100.00%

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	121.84%
Council's asset maintenance ratio was 121.84% for the 2023/2024 financial year. This ratio demonstrates Council is investing sufficient funds towards the maintenance of its buildings and infrastructure assets.	

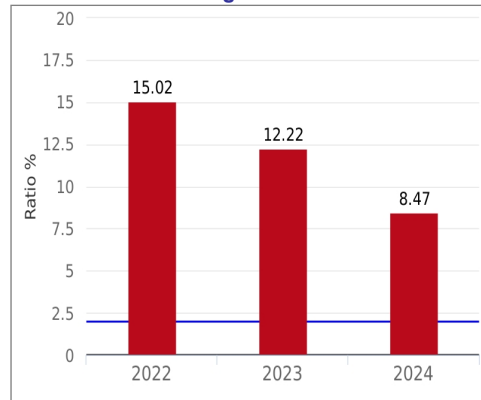
Benchmark: — > 100.00%

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	8.47%
Council's infrastructure backlog ratio was 8.47% for the 2023/2024 financial year. Adjusted for the impacts of impairment and estimated flood repair costs, this ratio would be 5.49%. The 2022/2023 ratio adjusted for impacts of impairment was 6.30%. Council continues to work towards reducing its infrastructure backlog through the development of its asset management plans and increased funding allocations in its long term financial plan.	

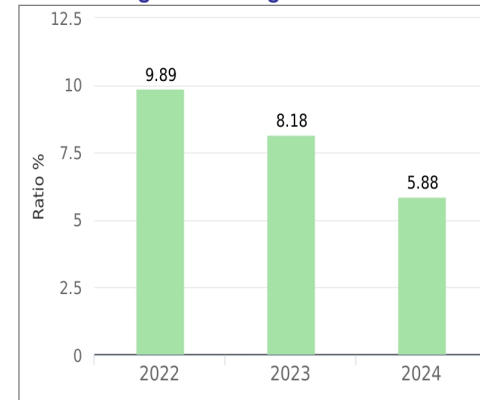
Benchmark: — < 2.00%

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	5.88%
Council's proportion of outstanding renewal works compared to the total value of assets improved to 5.88% for the 2023/2024 financial year. This has been aided by ongoing flood recovery works.	

Lismore City Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment ^{2,3}	194.02%	335.32%	215.96%	116.20%	164.08%	99.88%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard ^{4,5}							
Net carrying amount of infrastructure assets	6.43%	7.39%	14.91%	15.04%	13.29%	29.24%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	124.95%	105.96%	143.50%	125.76%	106.95%	101.75%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council ^{6,7}							
Gross replacement cost	4.71%	5.17%	8.57%	8.55%	8.42%	18.28%	

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

(2) 2024: This ratio was favourably impacted by the reinstatement costs for impairment assets as a result of the flood events of 2022. Adjusted for this, these ratios would be 157.13% for General Fund, 141.71% for Water Fund and 150.78% for Sewer Fund for 2023.

(3) 2023: This ratio was favourably impacted by the reinstatement costs for impairment assets as a result of the flood events of 2022. Adjusted for this, these ratios would have been 139.30% for General Fund, 103.02% for Water Fund and 83.57% for Sewer Fund for 2023.

(4) 2024: This ratio was adversely impacted by the inclusion of repair costs as a result of the flood events of 2022. Adjusted for this, these ratios would be 4.72% for General Fund and 4.73% for Sewer Fund for 2024. Water Fund was not impacted.

(5) 2023: This ratio was adversely impacted by the inclusion of repair costs as a result of the flood events of 2022. Adjusted for this, these ratios would be 4.47% for General Fund, 14.57% for Water Fund and 8.68% for Sewer Fund for 2023.

(6) 2024: This ratio was adversely impacted by the inclusion of repair costs as a result of the flood events of 2022. Adjusted for this, these ratios would be 3.23% for General Fund and 2.91% for Sewer Fund for 2024. Water Fund was not impacted.

Lismore City Council

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

⁽⁷⁾ 2023: This ratio was adversely impacted by the inclusion of repair costs as a result of the flood events of 2022. Adjusted for this, these ratios would be 3.13% for General Fund, 8.29% for Water Fund and 5.42% for Sewer Fund for 2023.