



**MOSMAN**  
**AUDITED FINANCIAL**  
**STATEMENTS 2023/2024**

# Mosman Municipal Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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# Mosman Municipal Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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### Overview

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

Civic Centre, Mosman Square, MOSMAN, NSW 2088

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.mosman.nsw.gov.au](http://www.mosman.nsw.gov.au)

## Mosman Municipal Council

### General Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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

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


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

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

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

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

Signed in accordance with a resolution of Council made on 03 September 2024.



Carolyn Corrigan  
Mayor  
03 September 2024



Pip Friedrich  
Deputy Mayor  
03 September 2024



Dominic Johnson  
General Manager  
03 September 2024



Vanessa Canepa  
Responsible Accounting Officer  
03 September 2024

## Mosman Municipal Council

### Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Income from continuing operations</b>				
30,949	Rates and annual charges	B2-1	<b>31,018</b>	29,643
9,961	User charges and fees	B2-2	<b>9,907</b>	9,532
3,322	Other revenues	B2-3	<b>3,691</b>	3,746
3,041	Grants and contributions provided for operating purposes	B2-4	<b>3,418</b>	3,861
2,125	Grants and contributions provided for capital purposes	B2-4	<b>6,192</b>	3,834
651	Interest and investment income		<b>1,653</b>	1,066
3,897	Other income	B2-5	<b>6,281</b>	7,193
–	Net gain from the disposal of assets		–	28
181	Net share of interests in joint ventures and associates using the equity method		<b>190</b>	153
54,127	<b>Total income from continuing operations</b>		<b>62,350</b>	59,056
<b>Expenses from continuing operations</b>				
20,195	Employee benefits and on-costs	B3-1	<b>18,993</b>	17,731
21,609	Materials and services	B3-2	<b>22,600</b>	19,820
307	Borrowing costs		<b>254</b>	305
5,809	Depreciation, amortisation and impairment of non-financial assets	B3-3	<b>6,504</b>	6,190
3,291	Other expenses	B3-4	<b>3,363</b>	3,058
515	Net loss from the disposal of assets		<b>896</b>	–
51,726	<b>Total expenses from continuing operations</b>		<b>52,610</b>	47,104
2,401	<b>Operating result from continuing operations</b>		<b>9,740</b>	11,952
2,401	<b>Net operating result for the year attributable to Council</b>		<b>9,740</b>	11,952
275	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>3,548</b>	8,118

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

## Mosman Municipal Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Net operating result for the year – from Income Statement</b>		<b>9,740</b>	11,952
<b>Other comprehensive income:</b>			
Amounts that will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<u>973</u>	<u>36,535</u>
<b>Other comprehensive income (loss) for the year</b>		<b>973</b>	36,535
<b>Total comprehensive income (loss) for the year attributable to Council</b>		<b><u>10,713</u></b>	<u>48,487</u>

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

## Mosman Municipal Council

### Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	4,054	11,730
Investments	C1-2	25,000	19,000
Receivables	C1-4	3,649	3,077
Inventories		210	202
Contract assets and contract cost assets		53	186
<b>Total current assets</b>		<b>32,966</b>	<b>34,195</b>
<b>Non-current assets</b>			
Receivables	C1-4	246	336
Infrastructure, property, plant and equipment (IPPE)	C1-5	584,226	573,443
Investment property	C1-6	54,061	52,974
Intangible assets		157	172
Right of use assets		604	719
Investments accounted for using the equity method		1,515	1,440
<b>Total non-current assets</b>		<b>640,809</b>	<b>629,084</b>
<b>Total assets</b>		<b>673,775</b>	<b>663,279</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	17,127	15,269
Contract liabilities	C3-2	2,323	3,333
Lease liabilities		115	111
Borrowings	C3-3	888	868
Employee benefit provisions	C3-4	3,736	3,868
<b>Total current liabilities</b>		<b>24,189</b>	<b>23,449</b>
<b>Non-current liabilities</b>			
Lease liabilities		542	658
Borrowings	C3-3	3,853	4,741
Employee benefit provisions	C3-4	224	177
<b>Total non-current liabilities</b>		<b>4,619</b>	<b>5,576</b>
<b>Total liabilities</b>		<b>28,808</b>	<b>29,025</b>
<b>Net assets</b>		<b>644,967</b>	<b>634,254</b>
<b>EQUITY</b>			
Accumulated surplus		304,840	295,100
IPPE revaluation reserve	C4-1	340,127	339,154
<b>Council equity interest</b>		<b>644,967</b>	<b>634,254</b>
<b>Total equity</b>		<b>644,967</b>	<b>634,254</b>

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

## Mosman Municipal Council

### Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		295,100	339,154	634,254	283,148	302,619	585,767
Net operating result for the year		9,740	–	9,740	11,952	–	11,952
<b>Net operating result for year ended 30 June</b>		<b>9,740</b>	<b>–</b>	<b>9,740</b>	<b>11,952</b>	<b>–</b>	<b>11,952</b>
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	973	973	–	36,535	36,535
<b>Total comprehensive income (loss)</b>		<b>9,740</b>	<b>973</b>	<b>10,713</b>	<b>11,952</b>	<b>36,535</b>	<b>48,487</b>
<b>Closing balance at 30 June</b>		<b>304,840</b>	<b>340,127</b>	<b>644,967</b>	<b>295,100</b>	<b>339,154</b>	<b>634,254</b>

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



## Mosman Municipal Council

### Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
30,922	Rates and annual charges		31,116	29,468
5,209	Grants and contributions		7,756	8,963
11,431	User charges and fees		10,641	9,649
5,766	Other		11,300	7,354
–	Bonds, deposits and retentions received		3,527	2,075
649	Interest received		1,414	897
<i>Payments:</i>				
(19,597)	Payments to employees		(19,078)	(17,861)
(21,644)	Payments for materials and services		(25,310)	(19,603)
(312)	Borrowing costs		(263)	(346)
–	Bonds, deposits and retentions refunded		(1,425)	(1,424)
(3,132)	Other		(4,157)	(2,663)
9,292	<b>Net cash flows from operating activities</b>	F1-1	<b>15,521</b>	<b>16,509</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Redemption of term deposits		35,000	35,000
–	Proceeds from sale of IPPE		34	285
–	Distributions received from joint ventures and associates		115	57
<i>Payments:</i>				
–	Acquisition of term deposits		(41,000)	(43,000)
(9,241)	Payments for IPPE		(16,366)	(9,793)
(9,241)	<b>Net cash flows from investing activities</b>		<b>(22,217)</b>	<b>(17,451)</b>
<b>Cash flows from financing activities</b>				
<i>Payments:</i>				
(821)	Repayment of borrowings		(868)	(1,384)
–	Principal component of lease payments		(112)	(107)
(821)	<b>Net cash flows from financing activities</b>		<b>(980)</b>	<b>(1,491)</b>
(770)	<b>Net change in cash and cash equivalents</b>		<b>(7,676)</b>	<b>(2,433)</b>
13,853	Cash and cash equivalents at beginning of year		11,730	14,163
13,083	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>4,054</b>	<b>11,730</b>

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

# Mosman Municipal Council

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# Mosman Municipal Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 03 September 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

Council is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

#### Historical cost convention

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

#### Significant accounting estimates and judgements

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

#### Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-5
- (ii) estimated fair values of investment properties – refer Note C1-6
- (iii) employee benefit provisions – refer C3-4.

#### Significant judgements in applying the Council's accounting policies

##### Performance Obligation

Council has made a significant judgement about the treatment of the Bridgepoint footbridge external signboard lease. The lease arrangement was entered into in 2020. It was originally classified as a VPA arrangement which required the income to be accounted for in the year in which the funds were received. Due to the timing of the payment, income was accounted for in the preceding period of the lease. Given the length of time the arrangement has been in place, it is more appropriate to treat the income as a lease payment. Under accounting standards, income is accounted for in the year the lease actually applies. Consequently, the income received in June 2024, which was predominantly related to a lease period in the 2024/25 financial year, will be accounted for in the 2024/25 financial year.

#### Monies and other assets received by Council

##### The Consolidated Fund

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

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

## A1-1 Basis of preparation (continued)

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### Volunteer services

Council enjoys the assistance of volunteers in the Community Care and Art Gallery services. Council does not recognise these services in the Financial Statement as they would not be purchased if not donated.

### New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods.

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

It is not anticipated that the adoption of Australian Accounting Standards issued but not yet effective will affect the financial statements of the Council.

### New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations which were mandatorily effective from the first time at 30 June 2024.

The following amendment materially applied for the first time to the Council:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*. This Australian Accounting Standard amends AASB 101 *Presentation of Financial Statements* to require entities to disclose their material accounting policy information rather than their significant accounting policies.

The amendment has led to a reduction of accounting policy information being disclosed by the Council.

## 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
<b>Functions or activities</b>										
A Safe, Caring and Inclusive Community	919	865	2,302	2,290	(1,383)	(1,425)	632	591	1,954	1,266
A Culturally Rich and Vibrant Community	1,725	916	4,805	4,253	(3,080)	(3,337)	1,165	398	27,583	33,576
An Attractive and Sustainable Environment	8,392	7,899	8,589	7,583	(197)	316	117	110	131,793	132,099
An Engaged, Business Friendly Community with Strong Civic Leadership	26,721	25,395	14,358	12,087	12,363	13,308	1,078	1,465	100,752	108,135
Well Designed, Liveable and Accessible Places	22,890	22,396	14,689	14,419	8,201	7,977	5,445	4,986	342,781	320,790
A Healthy and Active Village Lifestyle	1,703	1,585	7,867	6,472	(6,164)	(4,887)	1,173	145	68,912	67,413
<b>Total functions and activities</b>	<b>62,350</b>	<b>59,056</b>	<b>52,610</b>	<b>47,104</b>	<b>9,740</b>	<b>11,952</b>	<b>9,610</b>	<b>7,695</b>	<b>673,775</b>	<b>663,279</b>

## B1-2 Components of functions or activities

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

### **A Safe Caring and Inclusive Community**

- Assist residents to feel connected to their community and each other
- Ensure support is available for people in need
- Promote opportunities to acknowledge and embrace diversity

### **A Culturally Rich and Vibrant Community**

- Celebrate Mosman's unique identity and heritage
- Nurture cultural and creative endeavours
- Provide further opportunities to laugh, learn and play

### **An Attractive and Sustainable Environment**

- Protect and enhance Mosman's natural areas and local biodiversity
- Use and encourage sustainable practices
- Effectively manage parklands for community use

### **An Engaged, Business-Friendly Community with Strong Civic Leadership**

- Council delivers high-quality, convenient service to customers
- Utilise local and regional partnerships to benefit Mosman
- Provide support for business precincts and the local economy

### **Well-designed, Livable and Accessible Places**

- Enhance daily life by providing high-quality public infrastructure and public spaces
- Value and strengthen the special aesthetic qualities of Mosman
- Improve access for everyone to, from and within Mosman

### **A Healthy and Active Village Lifestyle**

- Protect and enhance Mosman's village atmosphere
- Support active, healthy lifestyle
- Facilitate safe environments for everyday living

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	20,709	19,945
Business	2,111	2,039
Less: pensioner rebates (mandatory)	(96)	(105)
<b>Rates levied to ratepayers</b>	<b>22,724</b>	<b>21,879</b>
Pensioner rate subsidies received	55	54
<b>Total ordinary rates</b>	<b>22,779</b>	<b>21,933</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	8,001	7,472
Stormwater management services	240	239
Section 611 charges	21	22
Less: pensioner rebates (mandatory)	(42)	(39)
Less: pensioner rebates (Council policy)	(4)	(6)
<b>Annual charges levied</b>	<b>8,216</b>	<b>7,688</b>
Pensioner annual charges subsidies received:		
– Domestic waste management	23	22
<b>Total annual charges</b>	<b>8,239</b>	<b>7,710</b>
<b>Total rates and annual charges</b>	<b>31,018</b>	<b>29,643</b>

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

#### Material accounting policy information

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

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

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



## B2-2 User charges and fees

\$ '000	Timing	2024	2023
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>			
Domestic waste management services	2	162	116
<b>Total specific user charges</b>		<b>162</b>	<b>116</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Planning and building regulation	2	959	1,109
Regulatory fees	2	182	255
Section 10.7 certificates (EP&A Act)	2	144	137
Section 603 certificates	2	91	71
<b>Total fees and charges – statutory/regulatory</b>		<b>1,376</b>	<b>1,572</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>			
Recycling income (non-domestic)	1	63	86
Parking fees – on street	2	2,870	2,814
Parking fees – foreshore	2	1,684	1,727
Parking permits – foreshore and resident schemes	1	567	523
Restoration charges	1	332	255
Development related road and footpath fees	1	807	493
Community Services, Cultural Services and Library	2	646	459
Regulation Fees use of roads, footpaths and verges	1	718	748
Fees for use of parks, sports and other facilities	1	474	512
Other	2	208	227
<b>Total fees and charges – other</b>		<b>8,369</b>	<b>7,844</b>
<b>Total other user charges and fees</b>		<b>9,745</b>	<b>9,416</b>
<b>Total user charges and fees</b>		<b>9,907</b>	<b>9,532</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		2,961	2,618
User charges and fees recognised at a point in time (2)		6,946	6,914
<b>Total user charges and fees</b>		<b>9,907</b>	<b>9,532</b>

### 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, 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 parking permits - foreshore and resident scheme, the fee is recognised on a straight-line basis over the expected life of the permit.

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

## B2-3 Other revenues

\$ '000	Timing	2024	2023
Fines	2	3,382	3,372
Other	1	247	286
Workers compensation insurance incentives	1	62	88
<b>Total other revenue</b>		<b>3,691</b>	<b>3,746</b>

### Timing of revenue recognition for other revenue

Other revenue recognised over time (1)		306	374
Other revenue recognised at a point in time (2)		3,385	3,372
<b>Total other revenue</b>		<b>3,691</b>	<b>3,746</b>

### Material accounting policy information for other revenue

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

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

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

## B2-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>General purpose (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	8	199	–	–
Financial assistance – local roads component	4	68	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	769	854	–	–
Financial assistance – local roads component	249	288	–	–
<b>Amount recognised as income during current year</b>	<b>1,030</b>	<b>1,409</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Aged care	629	591	–	–
Employment and training programs	–	25	–	–
Environmental programs	–	10	76	100
Heritage and cultural	–	12	–	–
Library	121	86	–	–
Library – special projects	17	56	–	–
LIRS subsidy	–	6	–	–
Recreation and culture	259	386	1,591	1,754
Storm/flood damage	–	–	41	–
Street lighting	112	110	–	–
Transport (roads to recovery)	149	240	–	–
Transport (other roads and bridges funding)	56	93	809	412
Other specific grants	49	31	–	–
Transport for NSW contributions (regional roads, block grant)	123	115	–	–
Other (youth programs)	3	3	–	–
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>1,518</b>	<b>1,764</b>	<b>2,517</b>	<b>2,266</b>
<b>Non-cash contributions</b>				
Recreation and culture	–	–	741	–
<b>Total other contributions – non-cash</b>	<b>–</b>	<b>–</b>	<b>741</b>	<b>–</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>1,518</b>	<b>1,764</b>	<b>3,258</b>	<b>2,266</b>
<b>Total grants and non-developer contributions</b>	<b>2,548</b>	<b>3,173</b>	<b>3,258</b>	<b>2,266</b>
<b>Comprising:</b>				
– Commonwealth funding	1,585	2,029	–	212
– State funding	843	1,005	2,490	2,054
– Other funding	120	139	768	–
	<b>2,548</b>	<b>3,173</b>	<b>3,258</b>	<b>2,266</b>

## B2-4 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Developer contributions:</b>					
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.4 – contributions using planning agreements	F4	870	688	–	–
S 7.12 – fixed development consent levies		–	–	2,934	1,568
<b>Total contributions</b>		<b>870</b>	<b>688</b>	<b>2,934</b>	<b>1,568</b>
<b>Total grants and contributions</b>		<b>3,418</b>	<b>3,861</b>	<b>6,192</b>	<b>3,834</b>
<b>Timing of revenue recognition for grants and contributions</b>					
Grants and contributions recognised over time (1)		163	387	2,517	2,266
Grants and contributions recognised at a point in time (2)		3,255	3,474	3,675	1,568
<b>Total grants and contributions</b>		<b>3,418</b>	<b>3,861</b>	<b>6,192</b>	<b>3,834</b>

### Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	461	331	1,664	2,896
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,122	242	–	–
<b>Add:</b> Funds received and not recognised as revenue in the current year	68	1	219	1,602
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(145)	(68)	–	(2,684)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(134)	(45)	(1,664)	(150)
<b>Unspent funds at 30 June</b>	<b>1,372</b>	<b>461</b>	<b>219</b>	<b>1,664</b>
Unspent capital grants.				
<b>Contributions</b>				
Unspent funds at 1 July	1,473	1,266	3,605	2,683
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	906	692	2,311	1,575
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	(1,471)	(485)	(652)	(653)
<b>Unspent contributions at 30 June</b>	<b>908</b>	<b>1,473</b>	<b>5,264</b>	<b>3,605</b>

## B2-4 Grants and contributions (continued)

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### 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 provision of a service or reaching milestone events when building new infrastructure assets. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

#### Capital grants

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

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

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

#### Developer contributions

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

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 Other income

\$ '000	Notes	2024	2023
<b>Fair value increment on investment properties</b>			
Fair value increment on investment properties		1,087	2,764
<b>Total fair value increment on investment properties</b>	C1-6	<b>1,087</b>	<b>2,764</b>
<b>Rental income</b>			
<b>Investment properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		2,127	2,089
<b>Total Investment properties</b>		<b>2,127</b>	<b>2,089</b>
<b>Other lease income</b>			
Other Property Leases		3,067	2,340
<b>Total other lease income</b>		<b>3,067</b>	<b>2,340</b>
<b>Total rental income</b>	C2-1	<b>5,194</b>	<b>4,429</b>
<b>Total other income</b>		<b>6,281</b>	<b>7,193</b>

## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	14,865	14,184
Employee termination costs (where material – other than vested leave paid)	126	11
Employee leave entitlements (ELE)	1,834	1,566
Superannuation – defined contribution plans	1,664	1,463
Superannuation – defined benefit plans	175	200
Workers' compensation insurance	280	294
Fringe benefit tax (FBT)	49	13
<b>Total employee costs expended</b>	<b>18,993</b>	<b>17,731</b>
Number of 'full-time equivalent' employees (FTE) at year end	145	148
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	160	164

#### Material accounting policy information

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

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

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

## B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		82	106
– Aged services		200	184
– Art Gallery and Community Centre		444	348
– Bushcare		419	406
– Childrens Services		16	14
– Cleansing		167	137
– Companion Animal Control		27	27
– Communications and Events		314	234
– Development assessment and urban planning		320	526
– Infrastructure		2,892	2,227
– Internal audit		155	129
– Library		217	248
– Parks, gardens and civic spaces		2,133	1,945
– Plant running		104	86
– Recreational facilities		807	765
– Recruitment expenses		19	16
– Structures		1,880	1,688
– Swim Centre Management		202	190
– Temp Staff and Agency Casuals		385	147
– Waste management		4,375	4,141
– Youth Services		31	22
– Other contractor and consultancy costs		389	174
Audit Fees	E2-1	75	64
Infringement notice contract costs (SEINS)		449	386
Councillor and Mayoral fees and associated expenses	E1-2	232	232
Advertising		296	306
Bank charges		164	141
Computer software charges		1,448	1,144
Electricity and heating		470	305
Insurance		855	786
Postage		61	55
Printing and stationery		56	74
Street lighting		355	392
Subscriptions and publications		179	176
Telephone and communications		287	246
Travel expenses		460	373
Training costs (other than salaries and wages)		168	88
Other expenses		240	198
Catering		123	114
Equipment maintenance		8	37
Leases – property		61	59
Water		195	131
<b>Legal expenses:</b>			
– Legal expenses: planning and development		274	422
– Legal expenses: other		332	119
Expenses from leases of low value assets		234	212
<b>Total materials and services</b>		<b>22,600</b>	<b>19,820</b>



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

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment		171	170
Office equipment		193	153
Furniture and fittings		40	19
Land improvements (depreciable)		11	11
<b>Infrastructure:</b>	C1-5		
– Buildings – non-specialised		754	441
– Buildings – specialised		483	629
– Roads		2,609	2,589
– Footpaths		316	306
– Stormwater drainage		570	570
– Other open space/recreational assets		1,023	985
Right of use assets		115	115
Library books		203	186
Intangible assets		16	16
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>6,504</b>	<b>6,190</b>

#### 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. Useful lives are included in C1-5 for IPPE assets

##### Impairment of non-financial assets

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

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

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

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

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

## B3-4 Other expenses

\$ '000	Notes	2024	2023
<b>Impairment of receivables</b>			
User charges and fees		–	5
Other		<b>262</b>	348
<b>Total impairment of receivables</b>	C1-4	<b>262</b>	<b>353</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– Department of planning levy		<b>237</b>	227
– NSW fire brigade levy		<b>1,481</b>	1,196
– Waste levy		<b>1,140</b>	1,042
Donations, contributions and assistance to other organisations (Section 356)		<b>243</b>	240
<b>Total other expenses</b>		<b>3,363</b>	<b>3,058</b>

### Material accounting policy information

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

Impairment expenses are recognised when identified.

## B4 Performance against budget

### B4-1 Material budget variations

Council's original budget was adopted by the Council on 06 June 2024 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 -----	
<b>Revenues</b>				
Rates and annual charges	30,949	31,018	69	0% <b>F</b>
User charges and fees	9,961	9,907	(54)	(1)% <b>U</b>
Other revenues	3,322	3,691	369	11% <b>F</b>
Operating grants and contributions	3,041	3,418	377	12% <b>F</b>
Capital grants and contributions	2,125	6,192	4,067	191% <b>F</b>
Interest and investment revenue	651	1,653	1,002	154% <b>F</b>
Net gains from disposal of assets	-	-	-	∞ <b>F</b>
Other income	3,897	6,281	2,384	61% <b>F</b>
Joint ventures and associates – net profits	181	190	9	5% <b>F</b>
<b>Expenses</b>				
Employee benefits and on-costs	20,195	18,993	1,202	6% <b>F</b>
Materials and services	21,609	22,600	(991)	(5)% <b>U</b>
Borrowing costs	307	254	53	17% <b>F</b>
Depreciation, amortisation and impairment of non-financial assets	5,809	6,504	(695)	(12)% <b>U</b>
Other expenses	3,291	3,363	(72)	(2)% <b>U</b>
Net losses from disposal of assets	515	896	(381)	(74)% <b>U</b>
<b>Statement of cash flows</b>				
Cash flows from operating activities	9,292	15,521	6,229	67% <b>F</b>
Cash flows from investing activities	(9,241)	(22,217)	(12,976)	140% <b>U</b>
Cash flows from financing activities	(821)	(980)	(159)	19% <b>U</b>

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Cash assets</b>		
Cash on hand and at bank	254	730
Cash equivalent assets		
– Deposits at call	1,800	1,000
– Short-term deposits	2,000	10,000
<b>Total cash and cash equivalents</b>	<b>4,054</b>	<b>11,730</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	4,054	11,730
<b>Balance as per the Statement of Cash Flows</b>	<b>4,054</b>	<b>11,730</b>

## C1-2 Financial investments

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
<b>Debt securities at amortised cost</b>				
Long term deposits	25,000	–	19,000	–
<b>Total financial investments</b>	<b>25,000</b>	<b>–</b>	<b>19,000</b>	<b>–</b>

### 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 or 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		
<b>Total cash, cash equivalents and investments</b>	<b>29,054</b>	30,730
Less: Externally restricted cash, cash equivalents and investments	<u>(10,787)</u>	<u>(9,582)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>18,267</b>	21,148
<b>External restrictions</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants included in liabilities – general fund	373	1,884
Specific purpose unexpended grants (recognised as revenue) – general fund	1,152	175
Developer contributions – general	6,172	5,077
Domestic waste management	<u>3,090</u>	<u>2,446</u>
<b>Total external restrictions</b>	<b>10,787</b>	9,582

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

\$ '000	2024	2023
(b) Internal allocations		
<b>Internal allocations</b>		
At 30 June, Council has internally allocated funds to the following:		
Deposits, retentions and bonds	4,971	4,047
Employees leave entitlement	792	809
Capital works	397	4,812
Building Renewal	4,900	4,000
Plant and vehicle replacement	409	382
Art Gallery Trust	<u>67</u>	<u>67</u>
<b>Total internal allocations</b>	<b>11,536</b>	14,117

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

## C1-4 Receivables

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Rates and annual charges	675	225	673	315
Interest and extra charges	117	–	99	–
User charges and fees	1,189	–	866	–
Accrued revenues				
– Interest on investments	408	–	187	–
– Other income accruals	952	–	715	–
Government grants and subsidies	25	–	290	–
Loans to non-profit organisations	–	21	–	21
Net GST receivable	512	–	485	–
Other debtors	3	–	3	–
<b>Total</b>	<b>3,881</b>	<b>246</b>	<b>3,318</b>	<b>336</b>
<b>Less: provision for impairment</b>				
User charges and fees	(191)	–	(202)	–
Other debtors	(41)	–	(39)	–
<b>Total provision for impairment – receivables</b>	<b>(232)</b>	<b>–</b>	<b>(241)</b>	<b>–</b>
<b>Total net receivables</b>	<b>3,649</b>	<b>246</b>	<b>3,077</b>	<b>336</b>

\$ '000	2024	2023
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	241	243
– previous impairment losses reversed	(9)	(2)
<b>Balance at the end of the year</b>	<b>232</b>	<b>241</b>

### Material accounting policy information

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

### Impairment

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

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

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

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

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

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 5 years past due, whichever occurs first.

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

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

## C1-5 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 <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	7,531	–	7,531	2,081	–	–	–	(7,189)	–	–	2,423	–	2,423
Plant and equipment	1,595	(1,106)	489	–	223	(14)	(171)	–	97	–	1,789	(1,165)	624
Office equipment	1,145	(621)	524	–	504	–	(193)	–	31	–	1,680	(814)	866
Furniture and fittings	459	(112)	347	–	19	–	(40)	–	–	–	478	(152)	326
Art collection	5,956	–	5,956	–	800	–	–	–	–	1,368	8,124	–	8,124
<b>Land:</b>													
– Operational land	190,146	–	190,146	–	–	–	–	–	–	–	190,145	–	190,145
– Community land	30,690	–	30,690	–	–	–	–	–	–	–	30,690	–	30,690
– Crown land	40,248	–	40,248	–	–	–	–	–	–	–	40,248	–	40,248
Land improvements – depreciable	1,054	(176)	878	–	92	–	(11)	–	–	–	1,146	(186)	960
<b>Infrastructure:</b>													
– Buildings – non-specialised	58,503	(15,379)	43,124	1,536	–	–	(754)	–	–	–	60,040	(16,134)	43,906
– Buildings – specialised	27,883	(6,669)	21,214	5,903	–	–	(483)	3,481	–	–	37,267	(7,152)	30,115
– Roads	205,443	(91,775)	113,668	2,324	–	(208)	(2,609)	308	62	–	207,285	(93,740)	113,545
– Footpaths	25,968	(7,245)	18,723	335	–	(14)	(316)	–	–	–	26,221	(7,493)	18,728
– Stormwater drainage	81,436	(21,591)	59,845	166	–	(6)	(570)	30	–	119	87,425	(27,841)	59,584
– Other open space/recreational assets	58,300	(19,265)	39,035	2,819	–	(688)	(1,023)	3,370	81	(514)	61,431	(18,351)	43,080
<b>Other assets:</b>													
– Heritage collections	13	–	13	–	–	–	–	–	–	–	13	–	13
– Library books	1,974	(1,233)	741	–	311	–	(203)	–	–	–	2,285	(1,436)	849
– Other	306	(35)	271	–	–	–	–	–	(271)	–	–	–	–
<b>Total infrastructure, property, plant and equipment</b>	<b>738,650</b>	<b>(165,207)</b>	<b>573,443</b>	<b>15,164</b>	<b>1,949</b>	<b>(930)</b>	<b>(6,373)</b>	<b>–</b>	<b>–</b>	<b>973</b>	<b>758,690</b>	<b>(174,464)</b>	<b>584,226</b>

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



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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	4,606	–	4,606	4,886	–	–	–	(1,960)	–	–	7,531	–	7,531
Plant and equipment	1,586	(936)	650	–	9	–	(170)	–	–	–	1,595	(1,106)	489
Office equipment	897	(469)	428	249	–	–	(153)	–	–	–	1,145	(621)	524
Furniture and fittings	315	(93)	222	145	–	–	(19)	–	–	–	459	(112)	347
Art collection	5,895	–	5,895	–	61	–	–	–	–	–	5,956	–	5,956
<b>Land:</b>													
– Operational land	186,675	–	186,675	–	–	–	–	–	–	3,471	190,146	–	190,146
– Community land	31,282	–	31,282	–	–	–	–	–	(592)	–	30,690	–	30,690
Land improvements – depreciable	1,054	(165)	889	–	–	–	(11)	–	–	–	1,054	(176)	878
– Crown land	39,656	–	39,656	–	–	–	–	–	592	–	40,248	–	40,248
<b>Infrastructure:</b>													
– Buildings – non-specialised	53,479	(14,659)	38,820	184	–	(68)	(720)	251	–	4,658	58,503	(15,379)	43,124
– Buildings – specialised	24,745	(6,319)	18,426	813	–	(6)	(350)	178	–	2,155	27,883	(6,669)	21,214
– Roads	187,816	(89,186)	98,630	1,969	81	(128)	(2,589)	359	–	15,347	205,443	(91,775)	113,668
– Footpaths	23,083	(6,939)	16,144	915	–	(10)	(306)	–	–	1,982	25,968	(7,245)	18,723
– Stormwater drainage	75,103	(21,021)	54,082	1,085	–	(7)	(570)	–	–	5,255	81,436	(21,591)	59,845
– Other open space/recreational assets	52,983	(18,280)	34,703	514	–	(37)	(985)	1,172	–	3,667	58,300	(19,265)	39,035
<b>Other assets:</b>													
– Heritage collections	13	–	13	–	–	–	–	–	–	–	13	–	13
– Library books	1,755	(1,047)	708	219	–	–	(186)	–	–	–	1,974	(1,233)	741
– Other	177	(35)	142	97	31	–	–	–	–	–	306	(35)	271
<b>Total infrastructure, property, plant and equipment</b>	<b>691,120</b>	<b>(159,149)</b>	<b>531,971</b>	<b>11,076</b>	<b>182</b>	<b>(256)</b>	<b>(6,059)</b>	<b>–</b>	<b>–</b>	<b>36,535</b>	<b>738,650</b>	<b>(165,207)</b>	<b>573,443</b>

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

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

### Material accounting policy information

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

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

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

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

#### Useful lives of IPPE

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

<b>Plant and equipment</b>	<b>Years</b>	<b>Other equipment</b>	<b>Years</b>
Office equipment	5 to 10	Playground equipment	30
Office furniture	10 to 20	Benches, seats etc.	20
Computer equipment	4		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
<b>Transportation assets</b>		<b>Stormwater assets</b>	
Sealed roads: surface (asphalt)	35	Drains	80 to 100
Road pavement (road base)	90	Culverts	50 to 80
Road pavement (concrete)	100	Flood control structures	80 to 100
Kerb & gutter (concrete and sandstone)	90		
Footpaths (concrete)	90	<b>Other infrastructure assets</b>	
Footpaths (asphalt)	40	Swimming pools	50
		Other open space/recreational assets	20
		Other infrastructure	20

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

#### Revaluation model

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

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

#### Land under roads

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

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

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

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### **Crown reserves**

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Where Crown Reserves are under a lease arrangement they are accounted for under AASB 16 Leases, refer to Note C2-1 Council as Lessor

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

## C1-6 Investment properties

\$ '000	2024	2023
<b>Owned investment property</b>		
Investment property on hand at fair value	54,061	52,974
<b>Total owned investment property</b>	<b>54,061</b>	<b>52,974</b>
<b>Owned investment property</b>		
<b>At fair value</b>		
Opening balance at 1 July	52,974	50,210
Net gain/(loss) from fair value adjustments	1,087	2,764
<b>Closing balance at 30 June</b>	<b>54,061</b>	<b>52,974</b>

### Material accounting policy information

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as part of other income.

## C2 Leasing activities

### C2-1 Council as a lessor

#### Operating leases

Council leases out a number of properties commercial tenant for retail and food premises, other businesses and community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-6) and/or IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

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

\$ '000	2024	2023
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#### (i) Assets held as investment property

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

Lease income (excluding variable lease payments not dependent on an index or rate)	2,127	2,089
<b>Total income relating to operating leases for investment property assets</b>	<b>2,127</b>	<b>2,089</b>

#### Operating lease expenses

#### (ii) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	3,067	2,340
<b>Total income relating to operating leases for Council assets</b>	<b>3,067</b>	<b>2,340</b>

#### Material accounting policy information

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

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

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

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

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Prepaid rates	280	–	270	–
Goods and services – operating expenditure	1,753	–	2,194	–
Goods and services – capital expenditure	1,620	–	1,614	–
Accrued Expenses	558	–	377	–
Security bonds, deposits and retentions	12,916	–	10,814	–
<b>Total payables</b>	<b>17,127</b>	<b>–</b>	<b>15,269</b>	<b>–</b>

#### 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	10,590	8,958
<b>Total payables</b>	<b>10,590</b>	<b>8,958</b>

#### Material accounting policy information

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

The financial liabilities of the Council comprise trade payables, bank, other loans and lease liabilities

#### Payables

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

## C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Unexpended capital grants (to construct Council controlled assets)	(i)	219	-	1,665	-
Unexpended operating grants (received prior to performance obligation being satisfied)		154	-	219	-
Lease Income Received in Advance		1,387	-	1,047	-
Facilities Booking Received in Advance		244	-	74	-
Other		319	-	328	-
<b>Total contract liabilities</b>		<b>2,323</b>	<b>-</b>	<b>3,333</b>	<b>-</b>

### Notes

(i) 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
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	1,665	150
Operating grants (received prior to performance obligation being satisfied)	134	45
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>1,799</b>	<b>195</b>

### Material accounting policy information

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

## C3-3 Borrowings

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	888	3,853	868	4,741
<b>Total borrowings</b>	<b>888</b>	<b>3,853</b>	<b>868</b>	<b>4,741</b>

(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 Risks relating to financial instruments held.

### (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	5,609	(868)	–	–	–	–	4,741
Lease liability	769	(112)	–	–	–	–	657
<b>Total liabilities from financing activities</b>	<b>6,378</b>	<b>(980)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,398</b>

\$ '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	6,993	(1,384)	–	–	–	–	5,609
Lease liability	876	(107)	–	–	–	–	769
<b>Total liabilities from financing activities</b>	<b>7,869</b>	<b>(1,491)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6,378</b>

### (b) Financing arrangements

\$ '000	2024	2023
<b>Total facilities</b>		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities	90	90
Credit cards/purchase cards	55	55
<b>Total financing arrangements</b>	<b>145</b>	<b>145</b>
<b>Drawn facilities</b>		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	25	22
<b>Total drawn financing arrangements</b>	<b>25</b>	<b>22</b>
<b>Undrawn facilities</b>		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	90	90
– Credit cards/purchase cards	30	33
<b>Total undrawn financing arrangements</b>	<b>120</b>	<b>123</b>

### Additional financing arrangements information

#### Breaches and defaults

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



### C3-3 Borrowings (continued)

#### Security over loans

Loans are secured against rates income

#### Bank overdrafts

The bank overdraft is secured by a mortgage over rates revenue. The bank overdraft facility is secured by a mortgage over rates revenue.

### C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	1,885	–	1,833	–
Long service leave	1,851	224	2,035	177
<b>Total employee benefit provisions</b>	<b>3,736</b>	<b>224</b>	<b>3,868</b>	<b>177</b>

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,645	2,401
	<b>1,645</b>	<b>2,401</b>

#### Material accounting policy information

##### Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period 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.

## 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 Risks and accounting uncertainties

### D1-1 Risks relating to financial instruments held

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's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and investments portfolio. Council has an investment policy which complies with s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up and performance of the portfolio as required by local government regulations.

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

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

The fair value of receivables, loans, investments and financial liabilities approximates the carrying amount.

The risks associated with the financial instruments held are:

- interest rate 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 a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers before placing any cash and investments.

#### (a) Market risk – interest rate

\$ '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>		
Impact of a 2% movement in interest rates		
– Equity / Income Statement	195	298

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

### (b) Credit risk

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

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

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

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

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

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

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

#### 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 rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
<b>2024</b>				
Gross carrying amount	134	766	–	900
2023				
Gross carrying amount	60	928	–	988

##### Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2024</b>						
Gross carrying amount	2,590	166	134	18	372	3,280
Expected loss rate (%)	1.00%	3.00%	17.00%	20.00%	36.00%	5.83%
<b>ECL provision</b>	<b>26</b>	<b>5</b>	<b>23</b>	<b>4</b>	<b>134</b>	<b>192</b>
2023						
Gross carrying amount	2,191	161	61	1	438	2,852
Expected loss rate (%)	3.00%	3.00%	12.00%	15.00%	30.00%	7.34%
<b>ECL provision</b>	<b>66</b>	<b>5</b>	<b>7</b>	<b>–</b>	<b>131</b>	<b>209</b>

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

### (c) Liquidity risk

Payables, lease liabilities and borrowings are both 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
<b>2024</b>							
Payables	0.00%	12,916	4,211	–	–	17,127	17,127
Borrowings	3.89%	–	888	2,967	886	4,741	4,741
<b>Total financial liabilities</b>		<b>12,916</b>	<b>5,099</b>	<b>2,967</b>	<b>886</b>	<b>21,868</b>	<b>21,868</b>
<b>2023</b>							
Payables	0.00%	10,814	4,455	–	–	15,269	15,269
Borrowings	3.89%	–	868	3,287	1,454	5,609	5,609
<b>Total financial liabilities</b>		<b>10,814</b>	<b>5,323</b>	<b>3,287</b>	<b>1,454</b>	<b>20,878</b>	<b>20,878</b>

## D2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investment property

### Fair value hierarchy

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

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

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

**Level 3:** Unobservable inputs for the asset or liability

The table below shows 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
<b>Investment property</b>	C1-6						
Retail, commercial office and residential		54,061	52,974	–	–	54,061	52,974
<b>Total investment property</b>		<b>54,061</b>	<b>52,974</b>	<b>–</b>	<b>–</b>	<b>54,061</b>	<b>52,974</b>
<b>Infrastructure, property, plant and equipment</b>	C1-5						
Plant and equipment		–	–	624	489	624	489
Office equipment		–	–	866	524	866	524
Furniture and fittings		–	–	326	347	326	347
Art collection		–	–	8,124	5,956	8,124	5,956
Operational land		190,145	190,146	–	–	190,145	190,146
Community land		–	–	70,938	70,938	70,938	70,938
Land improvements – depreciable		–	–	960	878	960	878
Buildings non-specialised		43,906	43,124	–	–	43,906	43,124
Buildings specialised		30,115	21,214	–	–	30,115	21,214
Roads		–	–	113,545	113,668	113,545	113,668
Footpaths		–	–	18,728	18,723	18,728	18,723
Stormwater drainage		–	–	59,584	59,845	59,584	59,845
Other open space/recreational assets		–	–	43,080	39,035	43,080	39,035
Heritage collections		–	–	13	13	13	13
Library books		–	–	849	741	849	741
Other assets		–	–	–	271	–	271
<b>Total infrastructure, property, plant and equipment</b>		<b>264,166</b>	<b>254,484</b>	<b>317,637</b>	<b>311,428</b>	<b>581,803</b>	<b>565,912</b>

### Valuation techniques

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (i.e. Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

For all infrastructure assets Council uses a straight line pattern of consumption and brownfield approach.

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

## D2-1 Fair value measurement (continued)

### Investment property

Council obtains independent valuations of its investment property on an annual basis and at the end of each reporting period to ensure the financial statements reflect the most up-to-date valuation. The best evidence of fair value is the current price in an active market for similar assets. The key observable inputs to the valuation are:

- Current rental incomes,
- Rent reviews,
- Capitalisation rates,
- Price per square meter,
- Direct comparison to sales evidence,
- Zoning,
- Location,
- Land area and configuration, and
- Planning controls.

The fair value of the investment property is determined by an independent, qualified valuer on an annual basis. Council reviews the valuation report and discusses significant movements with the valuer. As at 30 June 2024 the valuation of the investment property was performed by APV Valuations and Asset Management Pty Ltd.

### Infrastructure, property, plant and equipment (IPPE)

#### *Plant and Equipment, Office Equipment and Furniture and Fittings.*

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

- Plant and Equipment: Motor vehicles, depot tools and machinery, parking meters and domestic waste service bins.
- Office Equipment: Computer Hardware.
- Furniture and Fittings: Chairs, desks and display systems.

The key unobservable input to the valuation is the remaining useful life. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption and estimated remaining useful life. There has been no change to the valuation process during the reporting period.

#### *Art Collection*

This class comprises Council's collection of art works. The collection was valued at 30 June 2024 by Stella Downer Fine Art. Stella Downer is a member of the Australian Commercial Galleries association and is approved by the Department of Prime Minister and Cabinet's Cultural Gifts Program to value art works.

While it is possible to observe the broad market for works (such as auction house results or retrospective exhibitions) the valuations depend significantly on unobservable inputs such as the aesthetic value and quality of the individual works and its significance in the individual artist's oeuvre.

#### *Operational Land*

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The Level 2 significant observable inputs were used to value operational land. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size and zoning. The most significant inputs into this valuation approach are price per square metre. A full valuation occurred at 30 June 2024 and was performed by APV Valuers and Asset management Pty Ltd.

#### *Community Land*

The cost approach was used to value land improvement. Input such as estimated pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

The Valuer-General issued values with a base-date of 1 July 2019 to all Councils in New South Wales. Community land was therefore revalued in year ending 30 June 2020.

## D2-1 Fair value measurement (continued)

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### **Land Improvements – Depreciable**

This asset class largely comprises trees, plantings and landscaping not captured in the Open Space and Recreational Assets class. These assets may be located on parks, reserves and also within road reserves.

These assets are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of estimated remaining useful life.

There has been no change to the valuation process during the reporting period.

### **Buildings: Non-Specialised and Specialised**

Buildings were valued using the cost approach and professional qualified registered valuers. The last full revaluation of Council's buildings was at 30 June 2022. The 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. While the unit rates based on square metres could be supported from market evidence (level 2), other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using a combination of level 2 and level 3 valuation inputs.

### **Public Roads, Footpaths and Carparks**

Includes: Road pavements and surfaces, steps, footpaths, pram ramps, retaining walls and kerb and gutter, physical traffic devices, lines and signs and street furniture and road related carparks.

Gross replacement cost for road assets were valued by professionally qualified Registered Valuers from Cardno Pty Ltd as at 30 June 2021. Due to the specialised nature of roads assets, valuations were undertaken predominately using the cost approach. Unit rates include all materials, labour and overheads and were estimated from inputs including similar projects costs, direct quotations, unit rate databases and published cost guides. The unit rates have been tailored to suit Mosman. The cost approach is deemed a level 3 input.

The condition and useful lives of the assets were assessed and calculated based on site inspections, observed asset performance and professional engineering judgment.

### **Stormwater Drainage**

Includes: Converters, headwalls, endwalls, pits and access-holes (collectively categorised as 'nodes'), pipes, culverts, drains, Stormwater Quality Improvement Devices (SQIDs) and rainwater re-use tanks.

Gross replacement cost for stormwater drainage assets were valued by Morrison Low as at 30 June 2024. Fair value has been generated this financial year based on the cost (fair value) approach. Unit rates include the costs of materials, labour and overheads. Inputs used to calculate the unit rate included costs from similar projects, direct quotations, panel contractor rates, published cost guides and reference rates. SQID unit rates were developed based on first principles estimating and takes into account excavation, site establishment as well as the supply and installation costs. It also includes an additional 20% to the base unit rate to allow for 'normal' construction and installation overheads. The 2024 construction index was applied to the existing unit rates to update their replacement value.

Drains unit rates are based on similar projects, published cost guides and the 2024 construction index. Drains of the same dimensions have been given the same unit rate. The condition and useful lives of the assets were also assessed and calculated by Morrison Low based on site observations, including CCTV surveys, and Morrison Low's experience in valuation projects for other Council's stormwater assets.

### **Other Open Space/Recreational Assets**

Includes:

- Jetties and seawalls (collectively categorised as 'marine assets'),
- Parks, bushlands, reserves, playgrounds, unmade roads and sporting fields (collectively categorised as 'parks and open space assets')

Gross replacement cost for marine assets were valued by Morrison Low Pty Ltd as at 30 June 2021 in accordance with accepted Australian Accounting Standards. Unit rates for marine assets were estimated using construction costs from recent projects, indexation of previous unit rates, Rawlinson's Construction Guide, bench marking and costs from first principals. They

## D2-1 Fair value measurement (continued)

were then adjusted for condition and comparability. The gross replacement costs were increased by indexing unit rates when there was limited information. Regular inventory and condition audits have been undertaken by experienced Council Officers.

Gross replacement cost for Mosman parks and open space assets were valued by Morrison Low as at 30 June 2024. Unit rates for parks and open space assets were estimated based on Morrison Low Valuers and Asset Management industry experience. Inputs include recent costings from parks and open space works, quoted prices, cost guides and unit rate databases. The condition and useful lives of the assets were assessed and calculated by a suitably qualified employee of Morrison Low Valuers and Asset Management based on site observations, professional knowledge and comparison to similar assets from other Council areas. Useful lives were updated to reflect current asset performance.

Fair values for Open Space assets have been generated on the cost approach.

### **Heritage Collections and Library Books**

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption and estimated remaining useful life.

There has been no change to the valuation process during the reporting period.

## 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	Total	
	2024	2023
<b>Opening balance</b>	<b>565,912</b>	527,360
<b>Total gains or losses for the period</b>		
Recognised in other comprehensive income – revaluation surplus	<b>7,625</b>	36,535
<b>Other movements</b>		
Transfers from/(to) another asset class	<b>7,190</b>	1,960
Purchases (GBV)	<b>15,032</b>	6,372
Disposals (WDV)	<b>(930)</b>	(256)
Depreciation and impairment	<b>(6,373)</b>	(6,059)
<b>Closing balance</b>	<b>588,456</b>	565,912

## Highest and best use

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



## D3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

##### (i) Defined benefit superannuation contribution plans

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

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formula 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).

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

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

The future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current 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 8.0% of salaries for the year ending 30 June 2024 (increasing to 9% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

The adequacy of contributions is assessed at each triennial actuarial investigation, the next of which is due effective 30 June 2024, and monitored annually between triennials.

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

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

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

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

## D3-1 Contingencies (continued)

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 \$134,129.72. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$70,287.62. Council's expected contribution to the plan for the next annual reporting period is \$94,209.39.

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

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

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

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

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

Investment return	6.00% per annum
Salary inflation	3.5% per annum
Increase in CPI	6.0% for FY 23/24 2.5% per annum thereafter

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2024.

### (ii) Statewide Limited

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

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

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

### (iii) StateCover Limited

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

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

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

## D3-1 Contingencies (continued)

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

### **2. Other liabilities**

#### **(i) Third party claims**

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

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

## E People and relationships

### E1 Related party disclosures

#### E1-1 Key management personnel (KMP)

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

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

\$ '000	2024	2023
<b>Compensation:</b>		
Short-term benefits	1,270	1,195
Other long-term benefits	–	43
<b>Total</b>	<b>1,270</b>	<b>1,238</b>

#### E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
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The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	47	46
Councillors' fees	152	148
Other Councillors' expenses (including Mayor)	33	38
<b>Total</b>	<b>232</b>	<b>232</b>

## E2 Other relationships

### E2-1 Audit fees

\$ '000	2024	2023
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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	68	62
<b>Remuneration for audit and other assurance services</b>	<b>68</b>	<b>62</b>
<b>Total Auditor-General remuneration</b>	<b>68</b>	<b>62</b>

#### Non NSW Auditor-General audit firms

##### (i) Audit and other assurance services

Other audit and assurance services	7	2
<b>Remuneration for audit and other assurance services</b>	<b>7</b>	<b>2</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>7</b>	<b>2</b>
<b>Total audit fees</b>	<b>75</b>	<b>64</b>

## F Other matters

### F1-1 Statement of Cash Flows information

#### Reconciliation of net operating result to cash provided from operating activities

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>9,740</b>	11,951
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	<b>6,504</b>	6,190
(Gain) / loss on disposal of assets	<b>896</b>	(28)
Non-cash capital grants and contributions	<b>(741)</b>	–
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	<b>(1,087)</b>	(2,764)
Share of net (profits)/losses of associates/joint ventures using the equity method	<b>(190)</b>	(153)
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	<b>(473)</b>	(880)
Increase / (decrease) in provision for impairment of receivables	<b>(9)</b>	(2)
(Increase) / decrease of inventories	<b>(8)</b>	57
(Increase) / decrease of contract asset	<b>133</b>	(186)
Increase / (decrease) in payables	<b>(441)</b>	136
Increase / (decrease) in other accrued expenses payable	<b>181</b>	20
Increase / (decrease) in other liabilities	<b>2,111</b>	704
Increase / (decrease) in contract liabilities	<b>(1,010)</b>	1,595
Increase / (decrease) in employee benefit provision	<b>(85)</b>	(130)
<b>Net cash flows from operating activities</b>	<b>15,521</b>	16,510

## F2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Unspent Specific Purpose Capital Grants	–	49
Fittings & Fixtures	101	20
Road infrastructure	665	164
Buildings	71	2,741
Open Space & Recreation Assets	30	1,083
<b>Total commitments</b>	<b>867</b>	<b>4,057</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	867	4,057
<b>Total payable</b>	<b>867</b>	<b>4,057</b>

#### Details of capital commitments

Council is obliged to perform certain capital works because contract agreement has been signed. Works to be completed in FY25 include Library Shelving Units, Parking Metres Upgrade, Road Lightings and Reid Park Playground Upgrade.

## F3-1 Events occurring after the reporting date

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

## F4 Statement of developer contributions

### F4-1 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					
<b>S7.12 levies – under a plan</b>	3,605	<b>2,934</b>	–	–	<b>208</b>	<b>(1,483)</b>	–	<b>5,264</b>	–
<b>Total S7.11 and S7.12 revenue under plans</b>	3,605	<b>2,934</b>	–	–	<b>208</b>	<b>(1,483)</b>	–	<b>5,264</b>	–
S7.4 planning agreements	1,472	<b>870</b>	–	–	<b>36</b>	<b>(1,470)</b>	–	<b>908</b>	–
<b>Total contributions</b>	<b>5,077</b>	<b>3,804</b>	–	–	<b>244</b>	<b>(2,953)</b>	–	<b>6,172</b>	–

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.

### S7.12 Levies – under a 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					
<b>CONTRIBUTION PLAN – OPEN SPACE &amp; CAR PARKING</b>									
Open space	3,605	<b>2,934</b>	–	–	<b>208</b>	<b>(1,483)</b>	–	<b>5,264</b>	–
<b>Total</b>	<b>3,605</b>	<b>2,934</b>	–	–	<b>208</b>	<b>(1,483)</b>	–	<b>5,264</b>	–

## F5 Statement of performance measures

### F5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022		Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>3,429</b>	<b>6.25%</b>	10.57%	4.19%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>54,881</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>51,463</b>	<b>84.26%</b>	86.29%	83.55%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>61,073</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>22,179</b>	<b>1.92x</b>	2.41x	2.02x	> 1.50x
Current liabilities less specific purpose liabilities	<b>11,581</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>10,187</b>	<b>8.26x</b>	6.69x	5.07x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>1,234</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>1,017</b>	<b>3.16%</b>	3.56%	2.81%	< 5.00%
Rates and annual charges collectable	<b>32,213</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>29,054</b>	<b>6.81</b>	8.50	7.59	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>4,268</b>	<b>months</b>	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

End of the audited financial statements





**INDEPENDENT AUDITOR'S REPORT**  
**Report on the general purpose financial statements**  
**Mosman Municipal Council**

To the Councillors of Mosman Municipal Council

## Opinion

I have audited the accompanying financial statements of Mosman Municipal 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 Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

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

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

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



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

28 October 2024  
SYDNEY



Cr Ann Marie Kimber  
Mayor  
Mosman Municipal Council  
573 Military Road  
SPIT JUNCTION NSW 2088

Contact: Sue Prichard  
Phone no: 02 8280 5637  
Our ref: [R008-2124742775-7196](#)

28 October 2024

Dear Mayor

## Report on the Conduct of the Audit for the year ended 30 June 2024 Mosman Municipal Council

I have audited the general purpose financial statements (GPFS) of the Mosman Municipal 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	31.0	29.6	4.73
Grants and contributions revenue	9.6	7.7	24.68
Operating result from continuing operations	9.7	11.9	18.49
Net operating result before capital grants and contributions	3.5	8.1	56.79

The Council's operating result from continuing operations (\$9.7 million including depreciation, amortisation and impairment expense of \$6.5 million) was \$2.2 million lower than the 2022–23 result. This was primarily due to increases in rates and annual charges of \$1.4 million, and grants and contributions of \$1.9 million, offset by a \$2.8 million increase to materials and services expenditure, increases in employee benefits and on-costs of \$1.3 million and net loss from disposal of assets of \$0.9 million.

The net operating result before capital grants and contributions (\$3.5 million) was \$4.6 million lower than the 2022–23 result.

Total income (\$62.4million) was \$3.3 million higher than the 2022–23, reflecting increases in:

- rates and annual charges of \$1.4 million;
- grants and contributions of \$1.9 million; and
- user charges and fees of \$0.4 million.

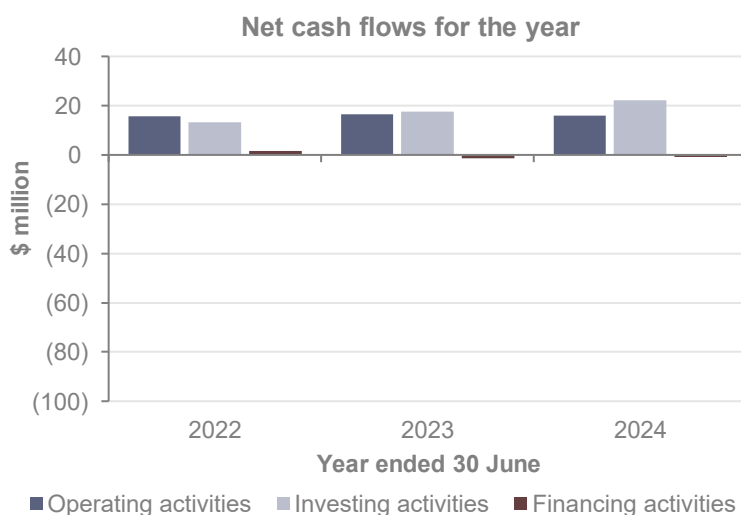
Total expenses \$52.6 million was \$5.5 million higher than the 2022–23, reflecting increases in:

- materials and services of \$2.8 million; and
- employee benefits and on-costs of \$1.3 million.

## STATEMENT OF CASH FLOWS

Cash inflows from operating activities increased due to increases in user charges and fees and rates and annual charges.

Cash outflow from investing activities decreased due to a decrease in purchases of investments and IPPE during the year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>29.1</b>	<b>30.7</b>	Externally restricted balances comprise mainly of unspent grant funding, developer contributions, domestic waste management.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	10.8	9.6	
• Internal allocations	11.5	14.1	

## Debt

At 30 June 2024, Council reported \$4.7 million in loans (30 June 2023: \$5.6 million) and a credit card facility of \$55 thousand (30 June 2023: \$55 thousand). Council's loans are secured over the general rating income of Council.

## PERFORMANCE

### Performance measures

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

#### Operating performance ratio

Council exceeded the benchmark for the current reporting period.

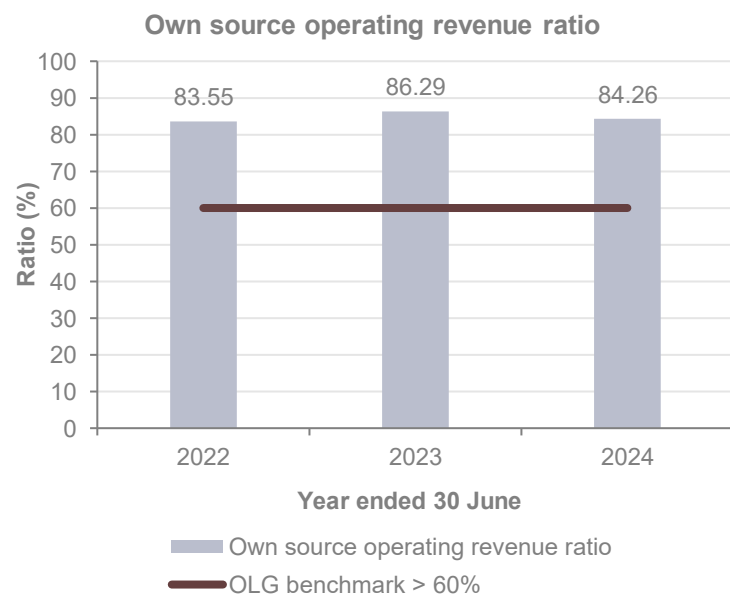
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



#### Own source operating revenue ratio

Council exceeded the benchmark for the current reporting period.

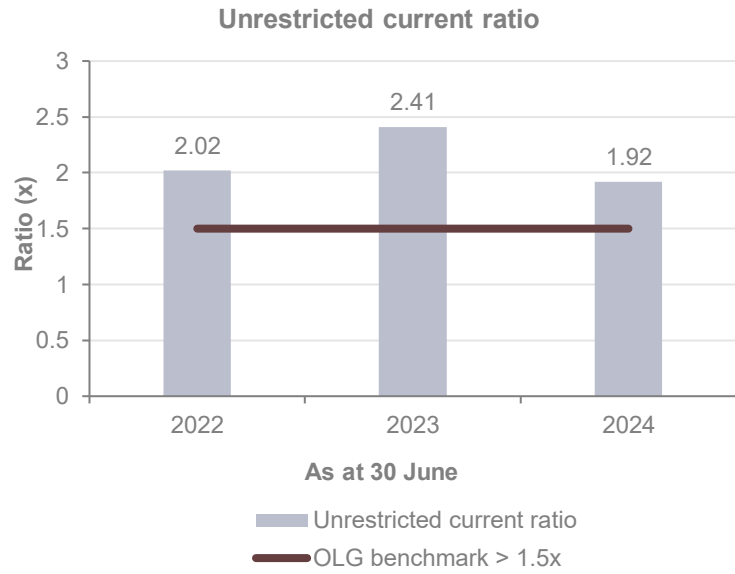
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



### Unrestricted current ratio

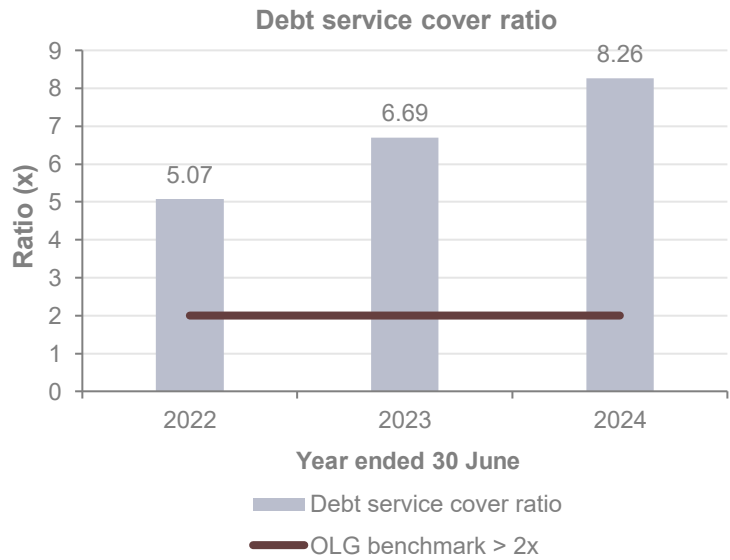
Council exceeded the benchmark for the current reporting period.

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



### Debt service cover ratio

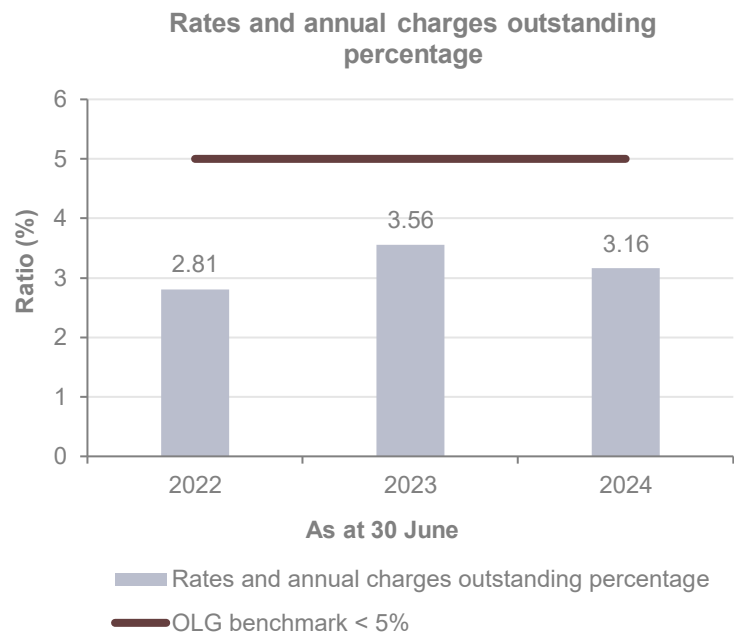
The Council exceeded the OLG benchmark for the current reporting period. The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



## Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

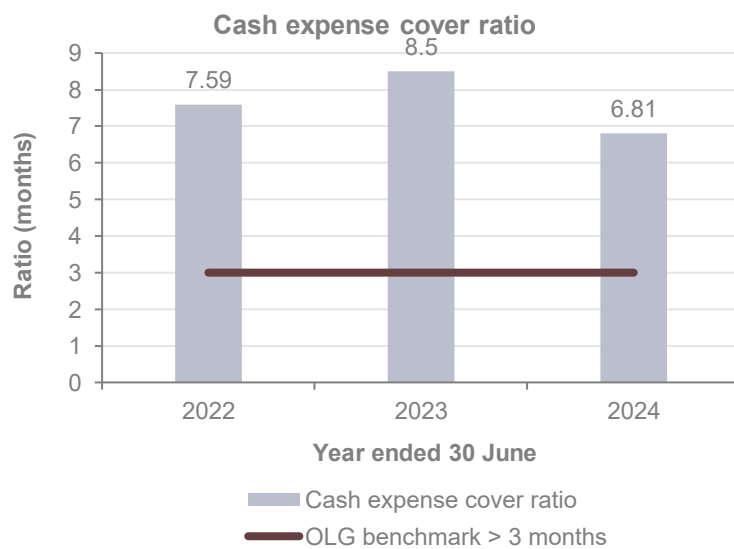
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.



## Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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





## **Infrastructure, property, plant and equipment renewals**

Council renewed \$15.1 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on buildings and other open space/recreational assets. A further \$1.9 million was spent on new assets across a number of asset classes.

## **OTHER MATTERS**

### **Impact of new accounting standards**

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

Council adopted the new accounting standard AASB 2021-2 'Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates' in its 2023–24 financial statements.

The Standard amends AASB 101 'Presentation of Financial Statements' to require entities to disclose their material accounting policy information rather than their significant accounting policies. 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.

Council reviewed their accounting policy information and removed those accounting policies they assessed as not material.

The adoption of AASB 2021-2 does not affect the Council's reported financial position or performance.

### **Legislative compliance**

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

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



Susan Prichard  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

# Mosman Municipal Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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# Mosman Municipal Council

## Special Schedules

for the year ended 30 June 2024

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Contents	Page
<b>Special Schedules:</b>	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2024	7

# Mosman Municipal Council

## Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	22,031	22,849
Plus or minus adjustments <sup>2</sup>	b	17	2
<b>Notional general income</b>	c = a + b	<b>22,048</b>	<b>22,851</b>
<b>Permissible income calculation</b>			
Percentage increase	d	3.70%	5.30%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	816	1,211
<b>Sub-total</b>	g = (c + e + f)	<b>22,864</b>	<b>24,062</b>
Plus (or minus) last year's carry forward total	h	34	49
<b>Sub-total</b>	j = (h + i)	<b>34</b>	<b>49</b>
<b>Total permissible income</b>	k = g + j	<b>22,898</b>	<b>24,111</b>
Less notional general income yield	l	22,849	24,068
<b>Catch-up or (excess) result</b>	m = k - l	<b>49</b>	<b>43</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>49</b>	<b>43</b>

### 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

#### Mosman Municipal Council

To the Councillors of Mosman Municipal Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Mosman Municipal 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, 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.

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](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

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

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



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

28 October 2024  
SYDNEY

## Mosman Municipal Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance <sup>a</sup>	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					
<b>Buildings</b>	Buildings – specialised	–	–	510	568	30,115	37,267	68.6%	13.8%	17.5%	0.0%	0.0%
	Council offices	–	–	235	1,186	11,487	11,778	99.4%	0.1%	0.5%	0.0%	0.0%
	Council works depot	–	–	51	45	2,267	2,969	78.0%	22.0%	0.0%	0.0%	0.0%
	Library	–	–	143	80	5,047	8,290	38.0%	40.3%	21.7%	0.0%	0.0%
	Community & Cultural Centre	–	–	341	137	13,065	19,774	69.6%	28.3%	2.1%	0.0%	0.0%
	Other buildings	–	–	179	180	735	1,018	29.8%	50.0%	20.1%	0.0%	0.0%
	Childcare centres	–	–	21	1	612	1,243	2.0%	65.5%	32.5%	0.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Multistorey car park	–	–	258	96	10,693	14,967	15.4%	84.6%	0.0%	0.0%	0.0%
<b>Sub-total</b>		<b>–</b>	<b>–</b>	<b>1,738</b>	<b>2,293</b>	<b>74,021</b>	<b>97,306</b>	<b>60.8%</b>	<b>29.5%</b>	<b>9.7%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Roads</b>	Sealed roads	60	60	1,369	146	60,131	92,672	19.0%	61.2%	19.6%	0.2%	0.0%
	Footpaths	54	54	118	183	18,727	26,220	23.8%	59.9%	15.7%	0.7%	0.0%
	Other road assets	250	250	51	238	10,763	16,787	30.1%	38.2%	29.7%	2.0%	0.1%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Kerb and Gutter	130	130	37	16	16,097	40,452	8.9%	58.7%	31.8%	0.6%	0.0%
	Retaining Walls	180	180	44	25	21,561	44,825	9.2%	45.1%	44.9%	0.9%	0.0%
	Physical Traffic Devices	25	25	95	76	1,764	3,787	21.4%	55.8%	21.5%	1.4%	0.0%
	Lines and Signs	11	11	29	123	1,099	3,019	25.5%	49.0%	25.0%	0.5%	0.0%
	Street Furniture	167	167	15	108	2,131	5,743	32.3%	33.2%	30.2%	4.3%	0.0%
<b>Sub-total</b>		<b>877</b>	<b>877</b>	<b>1,758</b>	<b>915</b>	<b>132,273</b>	<b>233,505</b>	<b>17.1%</b>	<b>54.9%</b>	<b>27.2%</b>	<b>0.7%</b>	<b>0.0%</b>
<b>Stormwater drainage</b>	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Stormwater quality improvement devices	–	–	75	81	2,643	4,347	5.2%	27.7%	67.1%	0.0%	0.0%
	Rainwater re-use tank	–	–	23	–	752	890	40.6%	59.4%	0.0%	0.0%	0.0%
	Open conduits (drains)	4	4	41	27	5,795	8,274	18.6%	39.2%	42.1%	0.0%	0.1%
	Closed conduits (pipes)	231	231	74	71	42,478	62,816	5.0%	52.6%	41.7%	0.5%	0.2%
	Nodes (pits)	248	248	75	199	7,916	11,098	3.5%	86.2%	9.8%	0.5%	0.0%
<b>Sub-total</b>		<b>483</b>	<b>483</b>	<b>288</b>	<b>378</b>	<b>59,584</b>	<b>87,425</b>	<b>6.5%</b>	<b>54.4%</b>	<b>38.5%</b>	<b>0.5%</b>	<b>0.1%</b>
	Swimming pools	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Marine structures	121	121	52	41	7,208	17,813	16.1%	10.9%	71.4%	1.1%	0.5%
	Sporting fields	121	121	665	513	6,048	7,170	65.5%	27.2%	4.3%	3.1%	0.0%



## Mosman Municipal Council

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

<b>Open space / recreational assets</b>	Parks & reserves	11	11	938	2,197	17,509	22,179	9.1%	18.9%	71.3%	0.7%	0.0%
	Other	69	69	998	655	12,315	14,269	0.7%	24.6%	74.0%	0.7%	0.0%
<b>Sub-total</b>		<b>322</b>	<b>322</b>	<b>2,653</b>	<b>3,406</b>	<b>43,080</b>	<b>61,431</b>	<b>15.8%</b>	<b>18.9%</b>	<b>64.1%</b>	<b>1.1%</b>	<b>0.1%</b>
<b>Total – all assets</b>		<b>1,682</b>	<b>1,682</b>	<b>6,437</b>	<b>6,992</b>	<b>308,958</b>	<b>479,667</b>	<b>23.9%</b>	<b>45.1%</b>	<b>30.4%</b>	<b>0.6%</b>	<b>0.0%</b>

(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

## Mosman Municipal Council

### Report on infrastructure assets as at 30 June 2024

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>15,164</b>	<b>263.49%</b>	193.24%	102.77%	> 100.00%
Depreciation, amortisation and impairment	<b>5,755</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>1,682</b>	<b>0.54%</b>	0.44%	0.37%	< 2.00%
Net carrying amount of infrastructure assets	<b>311,381</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>6,992</b>	<b>108.62%</b>	109.97%	115.89%	> 100.00%
Required asset maintenance	<b>6,437</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>1,682</b>	<b>0.35%</b>	0.29%	0.25%	
Gross replacement cost	<b>479,667</b>				

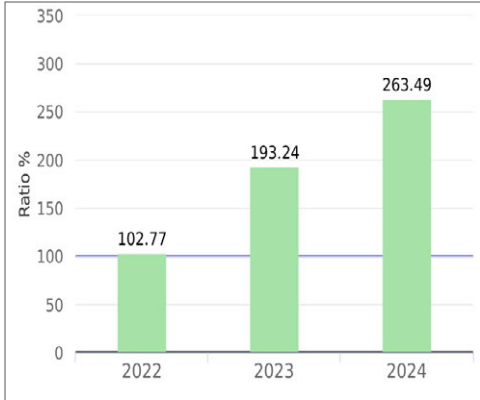
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

# Mosman Municipal Council

## Report on infrastructure assets as at 30 June 2024

### Buildings and infrastructure renewals ratio



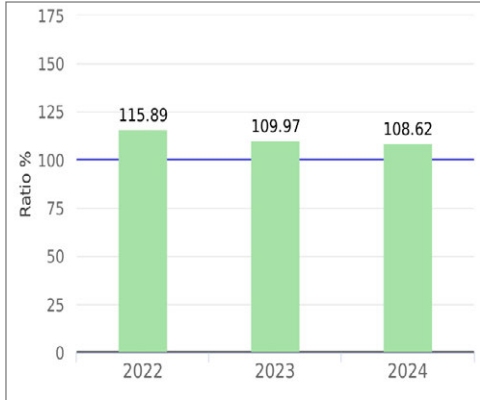
**Buildings and infrastructure renewals ratio**

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	263.49%

Benchmark: — > 100.00% ■ Ratio achieves benchmark  
 Source of benchmark: Code of Accounting Practice and Financial Reporting ■ Ratio is outside benchmark

### Asset maintenance ratio



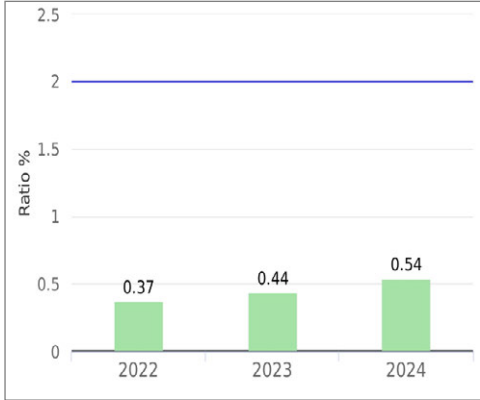
**Asset maintenance ratio**

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	108.62%

Benchmark: — > 100.00% ■ Ratio achieves benchmark  
 Source of benchmark: Code of Accounting Practice and Financial Reporting ■ Ratio is outside benchmark

### Infrastructure backlog ratio



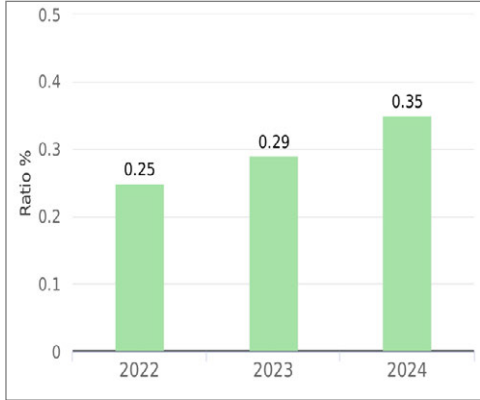
**Infrastructure backlog ratio**

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

Commentary on result	
23/24 ratio	0.54%

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	0.35%

**MOSMAN**  
**AUDITED FINANCIAL**  
**STATEMENTS 2023/2024**

**Mosman**  
**COUNCIL**

