

# ANNUAL FINANCIAL STATEMENTS



FOR THE YEAR ENDED 30 JUNE 2024





*Journey Through Time*, created by local school students and artist Steven Campbell.

## Acknowledgement of Country

Cessnock City Council acknowledges that within its local government area boundaries are the traditional lands of the Wonnarua people, the Awabakal people and the Darkinjung people. We acknowledge these Aboriginal peoples as the traditional custodians of the land on which our offices and operations are located, and pay our respects to Elders past and present. We also acknowledge all other Aboriginal and Torres Strait Islander people who now live within the Cessnock Local Government Area.

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**August 2024**

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### Disclaimer

While every reasonable effort has been made to ensure that this document is correct at the time of printing, Cessnock City Council, its agents and employees, disclaim any and all liability to any person in respect of anything or the consequences of anything done or omitted to be done in reliance upon the whole or any part of this document.

***GENERAL PURPOSE  
FINANCIAL STATEMENTS***  
FOR THE YEAR ENDED 30 JUNE



# Cessnock City Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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### Overview

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

62 - 78 Vincent Street  
Cessnock NSW 2325

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

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

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

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

# Cessnock City Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Understanding Council's Financial Statements

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#### Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

#### What you will find in the Statements

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

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

##### 2. The Statement of Comprehensive Income

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

##### 3. The Statement of Financial Position

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

##### 4. The Statement of Changes in Equity

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

##### 5. The Statement of Cash Flows

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

# Cessnock City Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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

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

- 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 21 August 2024.



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Jay Suvaal  
Mayor  
21 August 2024



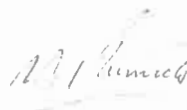
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James Hawkins  
Deputy Mayor  
21 August 2024



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Ken Liddell  
General Manager  
21 August 2024



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Matthew Plumridge  
Responsible Accounting Officer  
21 August 2024



## Cessnock City Council

### Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Restated Actual 2023
<b>Income from continuing operations</b>				
63,854	Rates and annual charges	B2-1	<b>65,986</b>	62,120
9,768	User charges and fees	B2-2	<b>9,997</b>	12,069
2,335	Other revenues	B2-3	<b>2,836</b>	2,755
11,703	Grants and contributions provided for operating purposes	B2-4	<b>19,301</b>	19,451
36,697	Grants and contributions provided for capital purposes	B2-4	<b>104,578</b>	57,067
1,508	Interest and investment income		<b>3,853</b>	2,288
–	Other income		<b>842</b>	534
<u>125,865</u>	<b>Total income from continuing operations</b>		<u><b>207,393</b></u>	<u>156,284</u>
<b>Expenses from continuing operations</b>				
39,794	Employee benefits and on-costs	B3-1	<b>42,362</b>	35,841
22,415	Materials and services	B3-2	<b>37,062</b>	46,653
419	Borrowing costs		<b>263</b>	107
18,572	Depreciation, amortisation and impairment of non-financial assets	B3-3	<b>22,987</b>	18,902
11,470	Other expenses	B3-4	<b>5,555</b>	9,094
2,500	Net loss from the disposal of assets	B4-1	<b>10,220</b>	11,676
<u>95,170</u>	<b>Total expenses from continuing operations</b>		<u><b>118,449</b></u>	<u>122,273</u>
<u>30,695</u>	<b>Operating result from continuing operations</b>		<u><b>88,944</b></u>	<u>34,011</u>
<u>30,695</u>	<b>Net operating result for the year attributable to Council</b>		<u><b>88,944</b></u>	<u>34,011</u>
<u>(6,002)</u>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<u><b>(15,634)</b></u>	<u>(23,056)</u>

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

## Cessnock City Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	Restated 2023
<b>Net operating result for the year – from Income Statement</b>		<b>88,944</b>	34,011
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain on revaluation of infrastructure, property, plant and equipment	C1-6	<u>(85,434)</u>	80,596
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>(85,434)</b>	80,596
<b>Total other comprehensive income for the year</b>		<b>(85,434)</b>	80,596
<b>Total comprehensive income for the year attributable to Council</b>		<b>3,510</b>	114,607

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

## Cessnock City Council

## Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	Restated 2023	1 July 2022
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	C1-1	18,994	21,236	8,777
Investments	C1-2	64,139	51,890	65,167
Receivables	C1-4	15,429	14,804	15,510
Inventories		518	501	559
Non-current assets classified as 'held for sale'		1,313	975	–
Other		1,049	3,084	2,779
<b>Total current assets</b>		<b>101,442</b>	<b>92,490</b>	<b>92,792</b>
<b>Non-current assets</b>				
Infrastructure, property, plant and equipment (IPPE)	C1-6	1,295,120	1,280,247	1,151,577
Right of use assets		–	5	6
<b>Total non-current assets</b>		<b>1,295,120</b>	<b>1,280,252</b>	<b>1,151,583</b>
<b>Total assets</b>		<b>1,396,562</b>	<b>1,372,742</b>	<b>1,244,375</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	C2-1	14,214	10,440	7,814
Contract liabilities	C2-2	20,424	8,877	10,869
Lease liabilities		–	2	4
Borrowings	C2-3	969	1,192	1,192
Employee benefit provisions	C2-4	9,607	9,614	9,387
Provisions	C2-5	42	42	42
<b>Total current liabilities</b>		<b>45,256</b>	<b>30,167</b>	<b>29,308</b>
<b>Non-current liabilities</b>				
Payables	C2-1	3,924	4,130	3,611
Lease liabilities		–	–	2
Borrowings	C2-3	6,146	7,109	3,938
Employee benefit provisions	C2-4	770	350	292
Provisions	C2-5	28,518	22,548	13,393
<b>Total non-current liabilities</b>		<b>39,358</b>	<b>34,137</b>	<b>21,236</b>
<b>Total liabilities</b>		<b>84,614</b>	<b>64,304</b>	<b>50,544</b>
<b>Net assets</b>		<b>1,311,948</b>	<b>1,308,438</b>	<b>1,193,831</b>
<b>EQUITY</b>				
Accumulated surplus		724,860	635,916	601,349
IPPE revaluation reserve	C3-1	587,088	672,522	592,482
<b>Total equity</b>		<b>1,311,948</b>	<b>1,308,438</b>	<b>1,193,831</b>

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

## Cessnock City Council

### Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus Restated	IPPE revaluation reserve Restated	Total equity Restated
<b>\$ '000</b>							
Opening balance at 1 July		635,916	672,522	1,308,438	594,472	592,482	1,186,954
Correction of prior period errors	F3-1	–	–	–	6,877	–	6,877
<b>Opening balance</b>		<b>635,916</b>	<b>672,522</b>	<b>1,308,438</b>	<b>601,349</b>	<b>592,482</b>	<b>1,193,831</b>
Net operating result for the year		88,944	–	88,944	26,403	–	26,403
Correction of prior period errors	F3-1	–	–	–	7,608	–	7,608
<b>Net operating result for the period</b>		<b>88,944</b>	<b>–</b>	<b>88,944</b>	<b>34,011</b>	<b>–</b>	<b>34,011</b>
<b>Other comprehensive income</b>							
Gain on revaluation of infrastructure, property, plant and equipment	C1-6	–	(85,434)	(85,434)	–	80,596	80,596
Other reserves movements		–	–	–	556	(556)	–
<b>Other comprehensive income</b>		<b>–</b>	<b>(85,434)</b>	<b>(85,434)</b>	<b>556</b>	<b>80,040</b>	<b>80,596</b>
<b>Total comprehensive income</b>		<b>88,944</b>	<b>(85,434)</b>	<b>3,510</b>	<b>34,567</b>	<b>80,040</b>	<b>114,607</b>
<b>Closing balance at 30 June</b>		<b>724,860</b>	<b>587,088</b>	<b>1,311,948</b>	<b>635,916</b>	<b>672,522</b>	<b>1,308,438</b>

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

## Cessnock City 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>				
63,854	Rates and annual charges		<b>65,158</b>	62,542
9,768	User charges and fees		<b>11,105</b>	13,895
1,508	Interest received		<b>3,052</b>	1,646
48,400	Grants and contributions		<b>71,254</b>	48,810
–	Bonds, deposits and retentions received		<b>838</b>	957
2,335	Other		<b>6,000</b>	6,149
<i>Payments:</i>				
(39,794)	Payments to employees		<b>(42,274)</b>	(36,173)
(22,415)	Payments for materials and services		<b>(34,561)</b>	(43,570)
(419)	Borrowing costs		<b>(263)</b>	(107)
–	Bonds, deposits and retentions refunded		<b>–</b>	(441)
(11,970)	Other		<b>–</b>	(2,072)
<u>51,267</u>	<b>Net cash flows from operating activities</b>	F1-1	<u><b>80,309</b></u>	<u>51,636</u>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Sale of investments		<b>40,000</b>	74,000
–	Proceeds from sale of IPPE		<b>2,161</b>	1,749
<i>Payments:</i>				
–	Purchase of investments		<b>(40,036)</b>	(60,547)
–	Acquisition of term deposits		<b>(12,000)</b>	–
(78,000)	Payments for IPPE		<b>(71,488)</b>	(57,546)
<u>(78,000)</u>	<b>Net cash flows from investing activities</b>		<u><b>(81,363)</b></u>	<u>(42,344)</u>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
–	Proceeds from borrowings		<b>–</b>	4,363
<i>Payments:</i>				
(1,186)	Repayment of borrowings		<b>(1,186)</b>	(1,192)
–	Principal component of lease payments		<b>(2)</b>	(4)
<u>(1,186)</u>	<b>Net cash flows from financing activities</b>		<u><b>(1,188)</b></u>	<u>3,167</u>
<u>(27,919)</u>	<b>Net change in cash and cash equivalents</b>		<u><b>(2,242)</b></u>	<u>12,459</u>
<u>21,236</u>	Cash and cash equivalents at beginning of year		<u><b>21,236</b></u>	<u>8,777</u>
<u>(6,683)</u>	Cash and cash equivalents at end of year	C1-1	<u><b>18,994</b></u>	<u>21,236</u>
<u>65,000</u>	plus: Investments on hand at end of year	C1-2	<u><b>64,139</b></u>	<u>51,890</u>
<u><b>58,317</b></u>	<b>Total cash, cash equivalents and investments</b>		<u><b>83,133</b></u>	<u>73,126</u>

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

# Cessnock City 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 21 August 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 Office of Local Government (OLG) directs Council to amend the financial statements.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2022 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

#### **Historical cost convention**

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

#### **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) fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) tip remediation provisions
- (iii) employee benefit provisions

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

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

### **Monies and other assets received by Council**

#### **The Consolidated Fund**

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

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

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

- General purpose operations
- Section 355 Committees



## A1-1 Basis of preparation (continued)

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### The Trust Fund

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

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

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

### Volunteer services

Volunteer services are used throughout a variety of Council functions. These include Section 355 Committees for community halls and tidy towns projects, library services and performing arts centre services. The value to Council of these services has not been recognised in the income statement as they cannot be readily measured.

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

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

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2023.

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

### New accounting standards adopted during the year

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

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

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

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

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

## B Financial Performance

### B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023 Restated	2024	2023 Restated	2024	2023	2024	2023
<b>\$ '000</b>										
<b>Functions or activities</b>										
A connected, safe, and creative community	10,901	10,099	21,993	19,598	(11,092)	(9,499)	6,714	6,138	277,882	224,616
A sustainable and prosperous economy	1,296	840	1,851	2,030	(555)	(1,190)	815	531	2	610
A sustainable and healthy environment	27,656	23,159	17,450	20,899	10,206	2,260	6,247	2,939	160,326	131,229
Accessible infrastructure, services and facilities	30,917	32,089	22,470	30,182	8,447	1,907	27,662	26,301	850,991	922,451
Civic leadership and effective governance	136,623	90,097	54,685	49,564	81,938	40,533	82,441	40,609	107,361	93,836
<b>Total functions and activities</b>	<b>207,393</b>	<b>156,284</b>	<b>118,449</b>	<b>122,273</b>	<b>88,944</b>	<b>34,011</b>	<b>123,879</b>	<b>76,518</b>	<b>1,396,562</b>	<b>1,372,742</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 connected, safe and creative community**

Developing safe and connected neighbourhoods that support healthy and fulfilling lifestyles for people of all ages.

### **A sustainable and prosperous economy**

Achieving long term economic security through a mix of diverse business and employment options.

### **A sustainable and healthy environment**

Acting on climate change, building resilience and promoting a sustainable balance between development and preserving our natural environment.

### **Accessible Infrastructure, services and facilities**

Increasing the range and accessibility of the services we need along with the investment in improved infrastructure.

### **Civic leadership and effective governance**

Ensuring that we have strong leadership and good governance and that we foster community participation in decision making.

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	37,032	34,803
Farmland	2,748	2,674
Mining	1,528	1,473
Business	6,315	6,115
Less: pensioner rebates (mandatory)	(763)	(791)
Less: pensioner rebates (Council policy)	(97)	(97)
<b>Rates levied to ratepayers</b>	<b>46,763</b>	<b>44,177</b>
Pensioner rate subsidies received	420	446
<b>Total ordinary rates</b>	<b>47,183</b>	<b>44,623</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	17,410	16,133
Stormwater management services	610	591
Waste management services (non-domestic)	1,011	979
Section 611 charges	(5)	18
Other	1	7
Less: pensioner rebates (mandatory)	(393)	(401)
Less: pensioner rebates (Council policy)	(47)	(48)
<b>Annual charges levied</b>	<b>18,587</b>	<b>17,279</b>
Pensioner annual charges subsidies received:		
– Domestic waste management	216	218
<b>Total annual charges</b>	<b>18,803</b>	<b>17,497</b>
<b>Total rates and annual charges</b>	<b>65,986</b>	<b>62,120</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 that are not subsidised by the NSW Government.

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

## B2-2 User charges and fees

\$ '000	2024	2023
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>		
Inspection services	311	281
Private works – section 67	–	1
Regulatory/ statutory fees	201	246
Section 10.7 certificates (EP&A Act)	310	269
Section 603 certificates	167	150
Town planning	2,185	2,119
Building permits and fees	694	683
<b>Total fees and charges – statutory/regulatory</b>	<b>3,868</b>	<b>3,749</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>		
Aerodrome	121	63
Cemeteries	225	248
Transport for NSW works (state roads not controlled by Council)	2,312	5,077
Waste disposal tipping fees	2,025	1,578
Cessnock performing arts centre	428	477
Onsite sewerage management fees	508	520
Swimming pool fees	234	196
Other	276	161
<b>Total fees and charges – other</b>	<b>6,129</b>	<b>8,320</b>
<b>Total other user charges and fees</b>	<b>9,997</b>	<b>12,069</b>
<b>Total user charges and fees</b>	<b>9,997</b>	<b>12,069</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised at a point in time	7,812	9,950
User charges and fees recognised over time	2,185	2,119
<b>Total user charges and fees</b>	<b>9,997</b>	<b>12,069</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 the fee is recognised on a straight-line basis over the expected life of the membership.

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

**B2-3 Other revenues**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
Fines	<b>949</b>	882
Legal fees recovery – rates and charges (extra charges)	<b>463</b>	599
Legal fees recovery – other	–	5
Commissions and agency fees	<b>157</b>	33
Diesel rebate	<b>62</b>	39
Sales – general	<b>581</b>	547
Section 355 committees	<b>181</b>	153
Other	<b>30</b>	12
Metal Sales	<b>413</b>	485
<b>Total other revenue</b>	<b>2,836</b>	<b>2,755</b>

## B2-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023 Restated	Capital 2024	Capital 2023 Restated
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	264	1,526	–	–
Financial assistance – local roads component	182	515	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	5,716	6,487	–	–
Financial assistance – local roads component	2,075	2,230	–	–
<b>Amount recognised as income during current year</b>	<b>8,237</b>	<b>10,758</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Airport upgrades	–	–	–	3,626
Community and Culture	627	850	854	670
Drainage/flood mitigation	178	46	1,456	2,223
Environmental programs	248	127	–	233
Natural disasters	2,995	1,448	5,800	–
Other	1,056	905	711	–
Other Roads, Bridges and Transport	3,129	2,243	14,016	13,212
Recreation	8	60	5,036	2,838
Rural Fire Services	–	226	1,120	2,034
Transport (roads to recovery)	1,065	1,065	–	–
Transport for NSW contributions (regional roads, block grant)	1,757	1,723	–	614
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>11,064</b>	<b>8,693</b>	<b>28,993</b>	<b>25,450</b>
<b>Non-cash contributions</b>				
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	–	–	63,520	22,596
<b>Total other contributions – non-cash</b>	<b>–</b>	<b>–</b>	<b>63,520</b>	<b>22,596</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>11,064</b>	<b>8,693</b>	<b>92,513</b>	<b>48,046</b>
<b>Total grants and non-developer contributions</b>	<b>19,301</b>	<b>19,451</b>	<b>92,513</b>	<b>48,046</b>
<b>Comprising:</b>				
– Commonwealth funding	9,469	12,929	4,228	3,865
– State funding	5,772	5,186	23,623	21,215
– Other funding	4,060	1,336	64,662	22,966
	<b>19,301</b>	<b>19,451</b>	<b>92,513</b>	<b>48,046</b>

## B2-4 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023 Restated
<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	–	–	2,598	2,103
S 7.11 – contributions towards amenities/services		–	–	8,028	5,355
S 7.12 – fixed development consent levies		–	–	439	330
<b>Total developer contributions – cash</b>		<b>–</b>	<b>–</b>	<b>11,065</b>	<b>7,788</b>
<b>Non-cash contributions</b>					
S 7.11 – contributions towards amenities/services		–	–	1,000	1,233
<b>Total developer contributions non-cash</b>		<b>–</b>	<b>–</b>	<b>1,000</b>	<b>1,233</b>
<b>Total developer contributions</b>		<b>–</b>	<b>–</b>	<b>12,065</b>	<b>9,021</b>
<b>Total contributions *</b>		<b>–</b>	<b>–</b>	<b>12,065</b>	<b>9,021</b>
<b>Timing of revenue recognition for grants and contributions</b>					
Grants and contributions recognised over time		–	–	28,993	25,080
Grants and contributions recognised at a point in time		19,301	19,451	75,585	31,987
<b>Total grants and contributions</b>		<b>19,301</b>	<b>19,451</b>	<b>104,578</b>	<b>57,067</b>

(\*) Development contributions are not included here. Development contributions are recognised as revenue in the reporting year they are received. Full details of development contributions revenue, expenditure and unspent amounts can be found in Note F5.

### Unspent grants and contributions <sup>1</sup>

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	3,895	2,436	8,274	9,869
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	3,304	2,758	–	–
<b>Add:</b> Funds received and not recognised as revenue in the current year	–	–	18,928	6,163
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(3,460)	(1,299)	–	–
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	–	–	(7,438)	(7,758)
<b>Unspent funds at 30 June</b>	<b>3,739</b>	<b>3,895</b>	<b>19,764</b>	<b>8,274</b>

(1) Development contributions are not included here. Development contributions are recognised as revenue in the reporting year they are received. Full details of development contributions revenue, expenditure and unspent amounts can be found in Note F4.

### Material accounting policy information

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations



## B2-4 Grants and contributions (continued)

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

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

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

## B3 Costs of providing services

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

\$ '000	2024	2023
Salaries and wages	33,658	30,103
Employee leave entitlements (ELE)	7,491	6,764
Superannuation	4,789	4,141
Workers' compensation insurance	2,030	1,597
Fringe benefit tax (FBT)	384	201
Other	169	34
<b>Total employee costs</b>	<b>48,521</b>	<b>42,840</b>
Less: capitalised costs	(6,159)	(6,999)
<b>Total employee costs expensed</b>	<b>42,362</b>	<b>35,841</b>

#### Material accounting policy information

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

**B3-2 Materials and services**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
Raw materials and consumables	<b>9,682</b>	28,406
Contractor costs	<b>19,136</b>	5,809
Election expenses	<b>5</b>	–
Electricity and heating	<b>530</b>	518
Insurance	<b>2,132</b>	1,725
Street lighting	<b>979</b>	1,135
Telephone and communications	<b>265</b>	324
Valuation fees	<b>264</b>	256
Other expenses	<b>2,665</b>	1,189
Section 355 committees	<b>185</b>	123
<b>Legal expenses:</b>		
– Legal expenses	<b>1,219</b>	7,168
<b>Total materials and services</b>	<b>37,062</b>	<b>46,653</b>
<b>Total materials and services</b>	<b>37,062</b>	<b>46,653</b>

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

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment		2,174	2,312
Office equipment		404	385
Furniture and fittings		19	22
Library books		173	196
<b>Infrastructure:</b>			
	C1-6		
– Buildings		2,613	2,357
– Roads		7,740	7,837
– Bridges		745	672
– Footpaths		394	324
– Stormwater drainage		1,397	1,192
– Swimming pools		68	64
– Other open space/recreational assets		1,600	1,408
– Other infrastructure		119	45
Right of use assets		5	1
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C1-6	5,536	2,087
<b>Total gross depreciation and amortisation costs</b>		<b>22,987</b>	<b>18,902</b>
<b>Total depreciation and amortisation costs</b>		<b>22,987</b>	<b>18,902</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>22,987</b>	<b>18,902</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.

##### Impairment of non-financial assets

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

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

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

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

## B3-4 Other expenses

\$ '000	Notes	2024	2023 Restated
<b>Impairment of receivables</b>			
Other		(465)	(85)
<b>Total impairment of receivables</b>	C1-4	<b>(465)</b>	<b>(85)</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		292	164
– NSW fire brigade levy		500	424
– NSW rural fire service levy		804	804
– Waste levy		4,536	4,361
Donations, contributions and assistance to other organisations (Section 356)		126	(109)
Adjustment for remediation provision estimates		(238)	3,535
<b>Total other</b>		<b>6,020</b>	<b>9,179</b>
<b>Total other expenses</b>		<b>5,555</b>	<b>9,094</b>

## B4 Gains or losses

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

\$ '000	Notes	2024	2023
<b>Gain (or loss) on disposal of infrastructure, property, plant and equipment</b>			
	C1-6		
Proceeds from disposal		1,292	1,141
Less: carrying amount of assets sold/written off		<u>(11,406)</u>	<u>(12,799)</u>
<b>Gain (or loss) on disposal</b>		<u>(10,114)</u>	<u>(11,658)</u>
<b>Gain (or loss) on disposal of investments</b>			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		40,000	60,500
Less: carrying amount of investments sold/redeemed/matured		<u>(40,000)</u>	<u>(60,500)</u>
<b>Gain (or loss) on disposal</b>		<u>–</u>	<u>–</u>
<b>Gain (or loss) on disposal of non-current assets classified as 'held for sale'</b>			
	C1-5		
Proceeds from disposal – non-current assets 'held for sale'		869	608
Less: carrying amount of 'held for sale' assets sold/written off		<u>(975)</u>	<u>(626)</u>
<b>Gain (or loss) on disposal</b>		<u>(106)</u>	<u>(18)</u>
<b>Net gain (or loss) from disposal of assets</b>		<u>(10,220)</u>	<u>(11,676)</u>

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 21 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----		
<b>Revenues</b>					
<b>Rates and annual charges</b>	63,854	65,986	2,132	3%	<b>F</b>
<b>User charges and fees</b>	9,768	9,997	229	2%	<b>F</b>
<b>Other revenues</b>	2,335	2,836	501	21%	<b>F</b>
Increases in rental income, income from retail sale of stock and commissions and agency fee income have resulted in a favourable variance to budget.					
<b>Operating grants and contributions</b>	11,703	19,301	7,598	65%	<b>F</b>
Favourable variance due to Council's success in achieving additional grants under the Natural Disaster (floods) and other roads repair programs.					
<b>Capital grants and contributions</b>	36,697	104,578	67,881	185%	<b>F</b>
Favourable variance due to dedicated assets and developer contributions due to higher than expected housing demand.					
<b>Interest and investment revenue</b>	1,508	3,853	2,345	156%	<b>F</b>
Council's term deposits returned higher interest due to an increase in cash rates.					
<b>Other income</b>	-	842	842	∞	<b>F</b>
<b>Expenses</b>					
<b>Employee benefits and on-costs</b>	39,794	42,362	(2,568)	(6)%	<b>U</b>
<b>Materials and services</b>	22,415	37,062	(14,647)	(65)%	<b>U</b>
The unfavourable variance is due to increased expenses due to grant projects not included in original budget and operating expenses related to projects that were originally budgeted in the capital works program. Increases in fuel and insurance expenses also contributed to the unfavourable variance. \$5m of materials budgets for expenses including insurance, street lighting and electricity were included in the Other expenses category resulting in a misalignment of budgets to actual expenses.					
<b>Borrowing costs</b>	419	263	156	37%	<b>F</b>
A new loan budgeted for 2023-24 has been deferred to 2024-25					
<b>Depreciation, amortisation and impairment of non-financial assets</b>	18,572	22,987	(4,415)	(24)%	<b>U</b>
Depreciation has increased as a result of revaluation of assets as well as increases in infrastructure assets dedicated and acquired by Council all of which result in an increase in depreciation expense not included in the original budget.					
<b>Other expenses</b>	11,470	5,555	5,915	52%	<b>F</b>
Expenses of \$5m budgeted for in Other Expenses had their actual costs included in Materials. These costs included					

## B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
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insurance, street lighting and electricity.

<b>Net losses from disposal of assets</b>	<b>2,500</b>	<b>10,220</b>	<b>(7,720)</b>	<b>(309)%</b>	<b>U</b>
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Losses on disposal occurred due to infrastructure renewed prior to the end of its effective life. Many of these disposals were as a result of grant funded projects that have led to complete asset renewal.

### Statement of cash flows

<b>Cash flows from operating activities</b>	<b>51,267</b>	<b>80,309</b>	<b>29,042</b>	<b>57%</b>	<b>F</b>
Favourable variance in Operating Activities was due to increase in grants and contribution. Increase in materials and services was due to costs to deliver increased capital works programs.					
<b>Cash flows from investing activities</b>	<b>(78,000)</b>	<b>(81,363)</b>	<b>(3,363)</b>	<b>4%</b>	<b>U</b>
<b>Cash flows from financing activities</b>	<b>(1,186)</b>	<b>(1,188)</b>	<b>(2)</b>	<b>0%</b>	<b>U</b>



## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2024	2023
<b>Cash assets</b>		
Cash on hand and at bank	15,509	20,634
Deposits at call	3,485	602
<b>Total cash and cash equivalents</b>	<b>18,994</b>	<b>21,236</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	18,994	21,236
<b>Balance as per the Statement of Cash Flows</b>	<b>18,994</b>	<b>21,236</b>

#### C1-2 Financial investments

\$ '000	2024 Current	2023 Current
<b>Financial assets at fair value through the profit and loss</b>		
Managed funds	4,139	3,890
<b>Total</b>	<b>4,139</b>	<b>3,890</b>
<b>Debt securities at amortised cost</b>		
Term deposits	60,000	48,000
<b>Total</b>	<b>60,000</b>	<b>48,000</b>
<b>Total financial investments</b>	<b>64,139</b>	<b>51,890</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>83,133</b>	<b>73,126</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 and loss (FVTPL)

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.

## C1-2 Financial investments (continued)

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

### **Financial assets through profit or loss**

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in Treasury Corporation's TCorpIM Medium Term Growth Fund in the Statement of Financial Position.

## 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>83,133</b>	73,126
Less: Externally restricted cash, cash equivalents and investments	<u>(60,576)</u>	<u>(38,985)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>22,557</b>	34,141
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	<u>17,256</u>	5,647
<b>External restrictions – included in liabilities</b>	<b>17,256</b>	5,647
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	<u>41,945</u>	31,800
Transport for NSW contributions	–	182
Stormwater management	<u>945</u>	926
Domestic waste management	<u>430</u>	430
<b>External restrictions – other</b>	<b>43,320</b>	33,338
<b>Total external restrictions</b>	<b>60,576</b>	38,985

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>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>22,557</b>	34,141
Less: Internally restricted cash, cash equivalents and investments	<u>(19,248)</u>	<u>(30,331)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>3,309</b>	3,810
<b>Internal allocations</b>		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	<u>622</u>	2,794
Employees leave entitlement	<u>1,624</u>	2,519
Carry over works	–	385
Deposits, retentions and bonds	<u>4,205</u>	4,144
Bridge replacement	<u>296</u>	346
Energy efficiency	<u>141</u>	95
Insurance provisions	<u>50</u>	761
Miscellaneous and property	<u>494</u>	816
Operations and programs	<u>639</u>	473
Property investment fund	<u>2,133</u>	3,112
Civil Works	–	95
Waste depot and rehabilitation	<u>7,738</u>	12,448
Unexpended Loan Funds	<u>585</u>	2,129
Committed Projects (SRV)	–	214

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

<b>\$ '000</b>	<b>2024</b>	2023
Sale of Land for Unpaid Rates - Trust Account	<u>721</u>	<u>–</u>
<b>Total internal allocations</b>	<b><u>19,248</u></b>	<b><u>30,331</u></b>

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	5,188	–	4,485	–
User charges and fees	24	–	22	–
Accrued revenues				
Interest on investments	1,688	–	887	–
Competitive building fees	171	–	181	–
Government grants and subsidies	6,298	–	6,627	–
Net GST receivable	1,437	–	1,361	–
Premises inspections	142	–	108	–
Transport for NSW	265	–	277	–
Other debtors	483	–	1,587	–
<b>Total</b>	<b>15,696</b>	<b>–</b>	<b>15,535</b>	<b>–</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(23)	–	(379)	–
Other debtors	(244)	–	(352)	–
<b>Total provision for impairment – receivables</b>	<b>(267)</b>	<b>–</b>	<b>(731)</b>	<b>–</b>
<b>Total net receivables</b>	<b>15,429</b>	<b>–</b>	<b>14,804</b>	<b>–</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.

## C1-5 Non-current assets classified as held for sale

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Non-current assets held for sale</b>				
Land and Buildings	1,313	-	975	-
<b>Total non-current assets held for sale</b>	<b>1,313</b>	<b>-</b>	<b>975</b>	<b>-</b>
<b>Total non-current assets classified as held for sale</b>	<b>1,313</b>	<b>-</b>	<b>975</b>	<b>-</b>

### Material accounting policy information

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

## C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period										At 30 June 2024		
	Gross carrying amount <sup>2</sup> Restated	Accumulated depreciation and impairment Restated	Net carrying amount Restated	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers renewals	WIP transfers new assets	Found assets (Other Comprehensive Income)	Other movements (details...)	Tfrs from/(to) 'held for sale' category	Revaluation increments/ (decrements)	Gross carrying amount <sup>2</sup>	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>																
Capital work in progress	31,360	–	31,360	21,956	13,744	(804)	–	(6,423)	(9,813)	–	5	–	–	50,026	–	50,026
Plant and equipment	28,386	(20,635)	7,751	–	5,106	(964)	(2,174)	–	264	–	4	–	–	30,674	(20,687)	9,987
Office equipment	5,755	(4,700)	1,055	–	402	–	(404)	–	122	–	(4)	–	–	6,278	(5,108)	1,170
Furniture and fittings	1,496	(1,398)	98	–	55	–	(19)	–	–	–	–	–	–	1,551	(1,418)	133
<b>Land:</b>																
– Operational land	40,403	–	40,403	–	–	–	–	–	–	–	(505)	(1,313)	16,167	54,751	–	54,751
– Community land	59,322	–	59,322	–	–	–	–	–	–	1,850	(12,346)	–	14,509	63,336	–	63,336
– Crown Land	–	–	–	–	–	–	–	–	–	–	12,851	–	6,013	18,864	–	18,864
– Land under roads (post 30/6/08)	2,039	–	2,039	–	–	–	–	–	–	–	–	–	1,042	3,081	–	3,081
<b>Infrastructure:</b>																
– Buildings	148,660	(71,297)	77,363	948	1,989	(2,186)	(2,613)	3,534	402	–	–	–	5,319	161,605	(76,849)	84,756
– Roads	953,518	(161,252)	792,266	10,869	38,412	(5,571)	(7,740)	888	4,180	–	–	–	(179,279)	909,052	(255,028)	654,024
– Bridges	75,079	(7,822)	67,257	3,570	3,206	(1,698)	(745)	1,855	–	–	–	–	3,926	85,956	(8,584)	77,372
– Footpaths	30,616	(4,149)	26,467	111	5,665	(816)	(394)	–	2,452	–	–	–	40,097	81,449	(7,868)	73,581
– Stormwater drainage	143,343	(23,430)	119,913	47	17,946	(36)	(1,397)	–	1,617	–	–	–	5,327	169,483	(26,066)	143,417
– Swimming pools	6,152	(3,012)	3,140	–	–	–	(68)	–	–	–	–	–	88	6,338	(3,177)	3,161
– Other open space/recreational assets	51,960	(16,710)	35,250	545	4,018	(133)	(1,600)	100	722	–	–	–	826	58,115	(18,386)	39,729
– Other infrastructure	10,895	(67)	10,828	–	–	–	(119)	–	97	–	–	–	531	11,504	(167)	11,337
<b>Other assets:</b>																
– Library books	6,586	(5,715)	871	–	158	–	(173)	–	3	–	–	–	–	6,747	(5,888)	859
<b>Reinstatement, rehabilitation and restoration assets (refer Note 11):</b>																
– Tip assets	15,735	(10,871)	4,864	–	6,208	–	(5,536)	–	–	–	–	–	–	21,943	(16,407)	5,536
<b>Total infrastructure, property, plant and equipment</b>	<b>1,611,305</b>	<b>(331,058)</b>	<b>1,280,247</b>	<b>38,046</b>	<b>96,909</b>	<b>(12,208)</b>	<b>(22,982)</b>	<b>(46)</b>	<b>46</b>	<b>1,850</b>	<b>5</b>	<b>(1,313)</b>	<b>(85,434)</b>	<b>1,740,753</b>	<b>(445,633)</b>	<b>1,295,120</b>

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

(2) Refer to Note F3-1 for details regarding restatement of prior year

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period								At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>(1)</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers renewals	WIP transfers new assets	Trfs from/(to) 'held for sale' category	Revaluation increments/(decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	Restated	Restated	Restated									Restated	Restated	Restated
	\$ '000													
Capital work in progress	16,540	–	16,540	8,188	15,325	(430)	–	(5,113)	(3,150)	–	–	31,360	–	31,360
Plant and equipment	26,074	(19,274)	6,800	–	3,693	(825)	(2,312)	–	395	–	–	28,386	(20,635)	7,751
Office equipment	5,566	(4,315)	1,251	–	182	–	(385)	–	7	–	–	5,755	(4,700)	1,055
Furniture and fittings	1,496	(1,377)	119	–	–	–	(22)	–	–	–	–	1,496	(1,398)	98
<b>Land:</b>														
– Operational land	40,441	–	40,441	–	–	–	–	–	531	(1,586)	1,016	40,403	–	40,403
– Community land	45,839	–	45,839	–	2,271	–	–	–	(531)	–	11,743	59,322	–	59,322
– Land under roads (post 30/6/08)	1,101	–	1,101	–	422	–	–	–	–	–	516	2,039	–	2,039
<b>Infrastructure:</b>														
– Buildings	144,913	(77,679)	67,234	845	700	(475)	(2,357)	145	22	–	11,250	148,660	(71,297)	77,363
– Roads	882,596	(149,037)	733,559	6,788	22,568	(6,147)	(7,837)	1,141	400	–	41,805	953,518	(161,252)	792,266
– Bridges	69,497	(6,937)	62,560	530	1,012	(376)	(672)	–	610	–	3,591	75,079	(7,822)	67,257
– Footpaths	25,657	(3,705)	21,952	7	3,742	(253)	(324)	–	63	–	1,278	30,616	(4,149)	26,467
– Stormwater drainage	134,177	(21,102)	113,075	18	1,797	(110)	(1,192)	–	–	–	6,325	143,343	(23,430)	119,913
– Swimming pools	5,901	(2,821)	3,080	8	–	(5)	(64)	–	–	–	122	6,152	(3,012)	3,140
– Other open space/recreational assets	44,999	(14,915)	30,084	635	3,678	(590)	(1,408)	55	1,186	–	1,610	51,960	(16,710)	35,250
– Other infrastructure	6,960	(1,091)	5,869	–	3,442	(4,017)	(45)	3,772	467	–	1,340	10,895	(67)	10,828
<b>Other assets:</b>														
– Library books	6,440	(5,519)	921	–	146	–	(196)	–	–	–	–	6,586	(5,715)	871
<b>Reinstatement, rehabilitation and restoration assets (refer Note 11):</b>														
– Tip assets	9,936	(8,784)	1,152	–	5,800	–	(2,087)	–	–	–	–	15,735	(10,871)	4,864
<b>Total infrastructure, property, plant and equipment</b>	<b>1,468,133</b>	<b>(316,556)</b>	<b>1,151,577</b>	<b>17,019</b>	<b>64,778</b>	<b>(13,228)</b>	<b>(18,901)</b>	<b>–</b>	<b>–</b>	<b>(1,586)</b>	<b>80,596</b>	<b>1,611,305</b>	<b>(331,058)</b>	<b>1,280,247</b>

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

(2) Refer to Note F3-1 for details regarding restatement of prior years



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

### Material accounting policy information

#### Useful Life

Land and road formation 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>	Years	<b>Other equipment</b>	Years
Office equipment	4 to 10	Playground equipment	23
Office furniture	4 to 10	Benches, seats etc.	10 to 20
Computer equipment	2 to 5		
Vehicles	6.5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	4 to 8	Sub-structure	30 to 110
Other plant and equipment	4 to 15	Superstructure	35 to 110
		Roof Frame	150
<b>Stormwater Drainage assets</b>		Roof	20 to 110
Culverts	120	Electrical	45
Stormwater Pipes	120	Hydraulic	20 to 105
Stormwater Pits	120	Mechanical	22
		Fit-Out Fittings	35
<b>Transportation assets</b>		Fit-outs Floor Coverings	25
Sealed roads: surface	20 to 25		
Sealed roads: Base and sub base	65 to 200	<b>Other infrastructure assets</b>	
Unsealed roads: surface and base	10 to 65	Swimming pools	94
Bridge: concrete: structure	100	Other open space/recreational assets	11 to 120
Bridge: concrete: other	25 to 38	Playgrounds	23
Bridge: timber - structure	80	Runways and Taxiways: surface	20
Bridge: timber - other	25 to 38	Runways and Taxiways: structure	65 to 200
Kerb, gutter and footpaths	100 to 120		

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

#### Revaluation Model

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

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

#### Land under roads

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

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

#### Crown reserves

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

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

#### Rural Fire Service assets

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

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

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Based on a review of relevant accounting standards, legislation, service agreements, current finance management agreements and the manner the RFS plant and equipment is purchased, managed and utilised, Council has assessed that it does not have control over RFS plant and equipment and consequently does not recognise these assets as Council assets.

## C2 Liabilities of Council

### C2-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	8,960	–	6,442	–
Prepaid rates	2,633	–	2,402	–
Accrued expenses:				
- Salaries and wages	467	–	792	–
- Other expenditure accruals	–	–	11	–
Security bonds, deposits and retentions	1,837	3,924	793	4,130
Other	317	–	–	–
<b>Total payables</b>	<b>14,214</b>	<b>3,924</b>	<b>10,440</b>	<b>4,130</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	101	414
Payables - trust Fund Deposits	48	48
<b>Total payables</b>	<b>149</b>	<b>462</b>

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.

## C2-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	19,826	-	8,260	-
<b>Total grants received in advance</b>		<b>19,826</b>	<b>-</b>	<b>8,260</b>	<b>-</b>
<b>User fees and charges received in advance:</b>					
Upfront fees facilities		73	-	50	-
Development Application fees	(iii)	525	-	567	-
<b>Total user fees and charges received in advance</b>		<b>598</b>	<b>-</b>	<b>617</b>	<b>-</b>
<b>Total contract liabilities</b>		<b>20,424</b>	<b>-</b>	<b>8,877</b>	<b>-</b>

### Notes

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

(ii) Development application fees are recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided. The undetermined DA fees do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability at end of the year.

### 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)	7,372	7,549
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>7,372</b>	<b>7,549</b>

### Significant changes in contract liabilities

The increase in contract liabilities is due to grant income received for projects to be completed next year.

## C2-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	969	6,146	1,192	7,109
<b>Total borrowings</b>	<b>969</b>	<b>6,146</b>	<b>1,192</b>	<b>7,109</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 and E2.

### (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	8,301	(1,186)	–	–	–	–	7,115
Lease liability (Note C2-1b)	2	(2)	–	–	–	–	–
<b>Total liabilities from financing activities</b>	<b>8,303</b>	<b>(1,188)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,115</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	5,130	3,171	–	–	–	–	8,301
Lease liability (Note C2-1b)	6	(4)	–	–	–	–	2
<b>Total liabilities from financing activities</b>	<b>5,136</b>	<b>3,167</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,303</b>

### (b) Financing arrangements

\$ '000	2024	2023
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#### Total facilities

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

Bank overdraft facilities <sup>1</sup>	1,000	1,000
Credit cards/purchase cards	100	100
<b>Total financing arrangements</b>	<b>1,100</b>	<b>1,100</b>

#### Drawn facilities

Financing facilities drawn down at the reporting date are:

#### Undrawn facilities

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

– Bank overdraft facilities	1,000	1,000
– Credit cards/purchase cards	100	100
<b>Total undrawn financing arrangements</b>	<b>1,100</b>	<b>1,100</b>

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

## C2-4 Employee benefit provisions

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Annual leave	3,596	–	3,329	–
Sick leave	318	–	340	–
Long service leave	5,693	770	5,945	350
<b>Total employee benefit provisions</b>	<b>9,607</b>	<b>770</b>	<b>9,614</b>	<b>350</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	7,695	5,668
	<b>7,695</b>	<b>5,668</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.

## C2-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current Restated
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	42	28,518	42	22,548
<b>Sub-total – asset remediation/restoration</b>	<b>42</b>	<b>28,518</b>	<b>42</b>	<b>22,548</b>
<b>Total provisions</b>	<b>42</b>	<b>28,518</b>	<b>42</b>	<b>22,548</b>

### Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
<b>2024</b>		
At beginning of year	22,590	22,590
Additional provisions	5,970	5,970
Total other provisions at end of year	<b>28,560</b>	<b>28,560</b>
<b>2023</b>		
At beginning of year	18,057	18,057
Other	4,533	4,533
Total other provisions at end of year	<b>22,590</b>	<b>22,590</b>

#### Material accounting policy information

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

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

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

#### Asset remediation – tips and quarries

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

Council uses the Cessnock Waste Management Centre at 1967 Old Maitland Road, Cessnock for current disposal of waste. Council or its past entities, has previously used the following sites for waste disposal:

1. Dunlop Drive, Paxton – former sanitary depot
2. Old Maitland Road, Cessnock – former landfill
3. Albury Street, Abermain – former landfill
4. Off Mitchell Avenue, Kurri Kurri – former sanitary depot adjacent to Hunter Expressway
5. Hollingshed Road, Greta – former landfill
6. Stanford Road, Heddon Greta – former landfill adjacent to Hunter Expressway

Due to the location or access complications, it is unlikely that Council will remediate the following site:

1. Heddon Greta, former landfill

Council resigned as Crown Land Manager on 27 June 2018 for the below sites with care and control of these sites now residing with the state government. Council acknowledges that there is a risk of future rehabilitation of these sites in the event of contamination. Council can not reliably estimate costs on these sites given that access and control is not available to assess any contamination or estimated costs. Further, Council has not been advised of any legal requirement to remediate these sites.

1. Abermain – former landfill

## C2-5 Provisions (continued)

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2. Kurri Kurri – former sanitary depot adjacent to Hunter Expressway
3. Greta – former landfill

Council engaged experts to provide cost estimates for remediating the current and former waste sites remaining in the care and control of Council. Australian Government Bond rates (ranging from 3.74% to 4.55%) were used to discount the future cash flows for the sites.

The after-care costs estimated for the current waste site is \$945,000 as at 30 June 2024, noting that this does not include the cost of capping and closure of the site.

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

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

Where movements in provisions relate to change in estimates or discount rates for former landfill sites, adjustments will be made directly to the operating statement. Estimates will continue to be updated as Council continues to investigate its obligations for remediation of contaminated sites.

## C3 Reserves

### C3-1 Nature and purpose of reserves

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#### **IPPE Revaluation reserve**

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



## 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 whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the 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 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 the finance team under policies approved by the Councillors.

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

The risks associated with the financial instruments held are:

- Market risk - 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 and price risk

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	678	714
Impact of a 10% movement in price of investments		
– Equity / Income Statement	6,777	7,135

#### (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.

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

### 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
	Not yet overdue	< 5 years	≥ 5 years	
<b>2024</b>				
Gross carrying amount	–	5,188	–	5,188
2023				
Gross carrying amount	–	4,485	–	4,485

#### 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	10,031	–	–	66	411	10,508
Expected loss rate (%)	4.40%	8.90%	18.90%	34.40%	49.40%	6.35%
ECL provision <sup>1</sup>	18	–	–	23	203	244
2023						
Gross carrying amount	10,229	92	23	36	670	11,050
Expected loss rate (%)	0.00%	8.90%	18.90%	33.90%	48.90%	3.19%
ECL provision <sup>1</sup>	–	8	4	12	328	352

(1) The provision excludes government grants and government agency payments

### (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.

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
<b>2024</b>							
Payables	0.00%	5,761	12,061	-	-	17,822	18,138
Borrowings	3.62%	-	969	3,677	2,469	7,115	7,115
<b>Total financial liabilities</b>		<b>5,761</b>	<b>13,030</b>	<b>3,677</b>	<b>2,469</b>	<b>24,937</b>	<b>25,253</b>
<b>2023</b>							
Payables	0.00%	4,923	9,976	-	-	14,899	14,570
Borrowings	3.67%	-	1,186	3,898	3,217	8,301	8,301
<b>Total financial liabilities</b>		<b>4,923</b>	<b>11,162</b>	<b>3,898</b>	<b>3,217</b>	<b>23,200</b>	<b>22,871</b>

## D2-1 Fair value measurement

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

- Financial assets and liabilities
- Infrastructure, property plant and equipment (excluding work in progress)

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

The table below shows the assigned level for each asset and liability held at fair value by Council:

### Recurring fair value measurements

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2024	2023
		2024	2023	2024	2023	2024	2023
<b>Recurring fair value measurements</b>							
<b>Financial assets</b>							
Managed Funds	C1-2	4,138	–	–	–	4,138	–
<b>Total financial assets</b>		<b>4,138</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,138</b>	<b>–</b>
<b>Infrastructure, property, plant and equipment</b>							
	C1-6						
Plant and Equipment		–	–	9,987	7,751	9,987	7,751
Office Equipment		–	–	1,170	1,054	1,170	1,054
Furniture and Fittings		–	–	133	98	133	98
Operational Land		54,751	42,841	–	–	54,751	42,841
Community Land		–	–	63,336	53,748	63,336	53,748
Crown Land		–	–	18,864	–	18,864	–
Land Under Roads (post 30/6/08)		–	–	3,081	2,039	3,081	2,039
Buildings		84,757	77,363	–	–	84,757	77,363
Roads		–	–	654,024	792,266	654,024	792,266
Bridges		–	–	77,372	67,257	77,372	67,257
Footpaths		–	–	73,581	26,467	73,581	26,467
Stormwater Drainage		–	–	143,417	119,913	143,417	119,913
Swimming Pools		–	–	3,162	3,140	3,162	3,140
Other Open Space / Recreational Assets		–	–	39,729	35,250	39,729	35,250
Other Infrastructure		–	–	11,337	10,828	11,337	10,828
Library Books		–	–	859	871	859	871
Landfill Rehabilitation		–	–	5,536	4,864	5,536	4,864
<b>Total infrastructure, property, plant and equipment</b>		<b>139,508</b>	<b>120,204</b>	<b>1,105,588</b>	<b>1,125,546</b>	<b>1,245,096</b>	<b>1,245,750</b>
<b>Non-current assets classified as held for sale</b>							
	C1-5						
Land and Buildings		1,313	975	–	–	1,313	975
<b>Total NCA's classified as held for sale</b>		<b>1,313</b>	<b>975</b>	<b>–</b>	<b>–</b>	<b>1,313</b>	<b>975</b>

### Transfers between level 1 and level 2 fair value hierarchies

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

## D2-1 Fair value measurement (continued)

### Valuation techniques

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

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

#### Financial assets

Council holds units in the TCorpIM Medium Term Growth Fund. Prices are observable, however, no active market exists for these funds as they are only accessible to government agencies. The unit price of each fund is equal to the total fair value of the net assets held by the fund divided by the total number of units on issue for that fund. Unit prices are calculated and published daily.

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

##### Roads

A comprehensive revaluation has been undertaken on the road assets including carparks by Council's asset management staff utilising unit rates. In addition, a condition assessment has been undertaken by external consultants during the year on the road network which identified changes to written down values.

##### Footpaths

A comprehensive revaluation has been undertaken on the road assets including carparks by Council's asset management staff utilising unit rates. In addition, a condition assessment has been undertaken by internal staff during the year on the footpath network which identified changes to written down values.

### Fair value measurements using significant unobservable inputs (level 3)

#### The valuation process for level 3 fair value measurements

##### Plant, equipment, office equipment, furniture, fittings and library books

Council reports these assets at depreciated historical cost which is not materially different from fair value. There has been no change to the valuation process during the reporting period.

##### Operational Land

Operational land was last comprehensively revalued in 2023 by a registered property valuer. Values were determined based on sales of land in the locality and standard valuation principles adopted. In the years when a comprehensive revaluation is not required, valuations are based on the land values provided by the Valuer-General. There has been no change to the valuation process during the reporting period.

##### Community and Council Controlled Crown Land

Valuations of Community land and Council controlled Crown land have been based on the land values provided by the Valuer-General. There has been no change to the valuation process during the reporting period.

##### Land Under Roads

Land under roads is defined as land acquired after 1 July 2008 and includes land under footpaths, nature strips and median strips in accordance with AASB 1051 Land Under Roads. The valuation was calculated using the average square kilometre rate calculated using the Valuer-General average LGA unit value. A discount of 90% was applied to the average unit value to reflect restrictions placed on land under roads. There has been no change to the valuation process during the reporting period.

##### Buildings, Bridges, Stormwater Drainage, Swimming Pools, Other Open Space/Recreational Assets and Other Infrastructure

Comprehensive revaluations are carried out every five years or sooner if there is any indication that the current carrying value of assets is materially different from their fair value. In years when a comprehensive valuation is not due, indexation has been applied per the appropriate producer price indexes from the Australian Bureau of Statistics or the Department of Primary Industries (Stormwater Drainage).

##### Landfill Rehabilitation

Council recognises a provision that reflects the estimated future costs to rehabilitate its landfill site at the time the work is needed. A discount rate is applied to reflect the present value of the provision for the current waste site. Council reviews the carrying amount of the provision at each reporting date to determine whether it continues to reflect management's best estimate of the costs to be incurred. There has been no change to the valuation techniques during the reporting period.

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

## D2-1 Fair value measurement (continued)

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	<b>Valuation technique/s</b>	<b>Unobservable inputs</b>
Plant, equipment, office equipment, furniture, fittings and library books	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value.
Operational Land Community and Crown Land	Market value, Valuer-General Valuer-General	Market value, land value Land value, land area, level of restriction
Land under roads Infrastructure assets	Discounted Valuer-General Cost approach	Land value, discount rate Asset condition, remaining lives using componentisation
Landfill rehabilitation	Discounted cash flow	Environmental legislation, timing of expected cash outflows required to settle the obligation, discount percentage, rehabilitation cost estimates.

## D2-1 Fair value measurement (continued)

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

\$ '000	Plant and equipment		Land		Buildings		Infrastructure	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>9,774</b>	9,091	<b>55,788</b>	85,126	–	67,234	<b>1,055,120</b>	970,179
<b>Total gains or losses for the period</b>								
Recognised in profit or loss – realised (refer to Note B4-1)	–	–	–	–	–	–	–	–
Recognised in other comprehensive income – revaluation surplus	–	–	<b>37,731</b>	12,259	<b>5,319</b>	–	<b>10,698</b>	56,062
<b>Other movements</b>								
Transfers from/(to) level 2 FV hierarchy	–	–	<b>42,841</b>	(42,879)	<b>77,363</b>	(67,234)	<b>(818,733)</b>	–
Purchases (GBV)	<b>5,721</b>	4,021	<b>8,746</b>	1,813	<b>2,937</b>	–	<b>29,337</b>	44,227
Disposals (WDV)	<b>(964)</b>	(825)	<b>(3,761)</b>	–	<b>(2,186)</b>	–	<b>(1,867)</b>	(11,498)
Depreciation and impairment	<b>(2,770)</b>	(2,915)	–	–	<b>(2,613)</b>	–	<b>(3,929)</b>	(11,544)
Transfer from WIP	<b>388</b>	402	–	(531)	<b>3,937</b>	–	<b>4,391</b>	7,694
Adjustments and transfers	–	–	<b>(1,313)</b>	–	–	–	–	–
<b>Closing balance</b>	<b>12,149</b>	9,774	<b>140,032</b>	55,788	<b>84,757</b>	–	<b>275,017</b>	1,055,120

\$ '000	Rehabilitation Assets		Total	
	2024	2023	2024	2023
<b>Opening balance</b>	<b>4,864</b>	1,151	<b>1,125,546</b>	1,132,781
Recognised in profit or loss – realised (refer to Note B4-1)	–	–	–	–
Recognised in other comprehensive income – revaluation surplus	–	–	<b>53,748</b>	68,321
Transfers from/(to) level 2 FV hierarchy	–	–	<b>(698,529)</b>	(110,113)
Purchases (GBV)	<b>6,208</b>	5,800	<b>52,949</b>	55,861
Disposals (WDV)	–	–	<b>(8,778)</b>	(12,323)
Depreciation and impairment	<b>(5,536)</b>	(2,087)	<b>(14,848)</b>	(16,546)
Transfer from WIP	–	–	<b>8,716</b>	7,565
Adjustments and transfers	–	–	<b>(1,313)</b>	–
<b>Closing balance</b>	<b>5,536</b>	4,864	<b>517,491</b>	<b>1,125,546</b>

### Highest and best use

All assets valued at fair value in this note are being used 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 formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

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

##### *Description of the funding arrangements*

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

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

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

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

The past service contribution for each pooled employer is a share of the total past service contributions of \$20.0m 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.

##### *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 past service 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.

Council's expected contribution to the plan for the next annual reporting period is \$279,968.



## D3-1 Contingencies (continued)

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

<b>Defined Benefits reserves only</b> *	<b>\$millions</b>	<b>Asset Coverage</b>
Assets	2,237.5	
Past Service Liabilities	2,141.9	104.5%
Vested Benefits	2,159.8	103.6%

\* excluding other accumulation accounts and reserves in both assets and liabilities.

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	3.5% for FY 23/24 2.5% per annum 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 year of review will be completed by December 2024.

### (ii) Statewide Mutual Limited

Council is a member of Statewide Mutual Limited, Australia's largest member owned Local Government self-insurance pool, working with Councils to reduce their exposure to risk.

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 2024 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 Mutual Limited

Council is a member of the StateCover Mutual Limited which provides workplace compensation insurance.

StateCover Mutual Limited provides support and advice to Council on developing return to work programs, incident and claims management and assistance with meeting legislative compliance.

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

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

## 2. Other liabilities

### (i) Third party claims

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

Council believes that it is appropriately covered for all claims through its insurance coverage and at 30 June 2024 and does not expect any material liabilities to eventuate.

Council had the following pending legal matters:

- Various actions in appeal against Council planning decisions.

## D3-1 Contingencies (continued)

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The potential costs of the claims are unlikely to be significant and amounts of any claims are unable to be quantified at 30 June 2024.

### (ii) Rehabilitation Works

Council may own properties that may be subject to rehabilitation works due to possible contamination. This may result in future liabilities but it is not presently known the extent or value of this liability.

Council may also be responsible for rehabilitation works on former sites used by Council due to possible contamination. Having resigned as the Reserve Trust Manager in July 2018 the below sites are not able to be accessed to undertake cost estimates. These are considered a contingent liability due to the unlikely nature of the rehabilitation occurring due to ongoing location and/or access complications:

1. Kurri Kurri, former sanitary depot
2. Heddon Greta, former landfill
3. Abermain, former landfill
4. Greta, former landfill

Council management have assessed the above sites and have determined that council does not have an existing legal obligation to rehabilitate these sites and consequently have not provided for any future rehabilitation as at 30 June 2024. Any confirmation that Council does have a legal obligation will require Council to provide for the sites and face future liabilities to rehabilitate.

### ASSETS NOT RECOGNISED

#### (i) Land under roads

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

## 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	1,558	1,342
Post-employment benefits	193	191
<b>Total</b>	<b>1,751</b>	<b>1,533</b>

#### Other transactions with KMP and their related parties

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

Nature of the transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000					
<b>2024</b>					
Payments for recycling bin services <sup>1</sup>	2,502	–	14 day terms on invoices	–	–
Payments received for other services provided	–	–	Nil	–	–
Payments made for services received <sup>2</sup>	120	–	14 day terms on invoices	–	–
<b>2023</b>					
Payments for recycling bin services <sup>1</sup>	2,063	–	14 day terms on invoices	–	–
Payments received for other services provided	–	–	Nil	–	–
Payments made for services received <sup>2</sup>	174	–	14 day terms on invoices	–	–

(1) Relates to payments to Hunter Resources Recovery, a company in which Council has an interest, to provide recycling services. The contract was awarded through a competitive tender process based on market rates for these services. Amounts are payable on a monthly basis for the term of the contract. Hunter Resource Recovery details have not been consolidated into Council's financial statements as the amounts are not material to Council operations.

(2) Council uses Arrow Collaborative Services Limited, a company in which Council has an association with, for a variety of services including legal services, training and environment management.

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

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	<b>64</b>	63
Councillors' fees	<b>332</b>	365
Other Councillors' expenses (including Mayor)	<b>71</b>	57
<b>Total</b>	<b>467</b>	<b>485</b>

## E2 Other relationships

### E2-1 Audit fees

\$ '000	2024	2023
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>Audit and other assurance services</b>		
Audit and review of financial statements	101	159
<b>Remuneration for audit and other assurance services</b>	<b>101</b>	<b>159</b>
<b>Total Auditor-General remuneration</b>	<b>101</b>	<b>159</b>
<b>Total audit fees</b>	<b>101</b>	<b>159</b>

## F Other matters

### F1-1 Statement of Cash Flows information

#### (a) Reconciliation of Operating Result

\$ '000	2024	2023
<b>Operating result</b>	<b>88,944</b>	34,011
<b>Add/(less) non-cash items:</b>		
Depreciation and amortisation	22,987	18,902
(Gain) / loss on disposal of assets	10,220	11,676
Non-cash capital grants and contributions	(64,520)	(23,829)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as ‘at fair value’ or ‘held for trading’	(213)	(176)
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(161)	791
Increase / (decrease) in provision for impairment of receivables	(464)	(85)
(Increase) / decrease of inventories	(17)	58
(Increase) / decrease of other current assets	2,035	(305)
Increase / (decrease) in payables	2,518	3,025
Increase / (decrease) in other accrued expenses payable	(336)	(619)
Increase / (decrease) in other liabilities	1,386	739
Increase / (decrease) in contract liabilities	11,547	(1,992)
Increase / (decrease) in employee benefit provision	413	285
Increase / (decrease) in other provisions	5,970	9,155
<b>Net cash flows from operating activities</b>	<b>80,309</b>	<b>51,636</b>

#### (b) Non-cash investing and financing activities

Other dedications	70,417	20,177
<b>Total non-cash investing and financing activities</b>	<b>70,417</b>	<b>20,177</b>

## 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>		
Office Equipment	19	107
Furniture & Fittings	14	–
Buildings	2	1,246
Roads	10,329	5,744
Bridges	1,368	2,328
Footpaths	670	1,518
Stormwater Drainage	688	280
Other Open Space / Recreational Assets	234	305
Other Infrastructure (Cessnock Airport Runway and Taxiways)	–	20
Library Books	10	6
Tip Asset	383	368
Plant and Equipment	4,969	770
<b>Total commitments</b>	<b>18,686</b>	<b>12,692</b>

### Details of capital commitments

Major projects that Council has material commitments for at 30 June 2024 and anticipated to be spent during 2024-2025 include:

- Natural Disaster landslip projects - grant funded \$5.6m
- Heavy Vehicle capital replacements \$3.3m
- Wollombi Road - Major Road Project - grant funded \$1.9m
- Waste garbage collection trucks (2) \$991k
- Sawyers Gully Road project \$963k
- Sandy Creek Road project \$882k

## F3 Changes from prior year statements

### F3-1 Correction of errors

#### Nature of prior period errors

##### Found Assets

Council did not recognise in the year(s) in which they occurred, \$6.9m of non-cash contributions from dedicated land assets. This was offset by not recognising \$3.7m of land asset disposals in the year in which they were dedicated to Council. The error was discovered while undertaking a comprehensive revaluation of all land assets held by Council. This error understated prior year Grants and Contributions for Capital Purposes and prior year loss on disposal of assets expense. These amounts are considered material in terms of the operating result of Council and accordingly have been adjusted as outlined.

##### Prior Waste Sites

Council had previously accounted for remediation costs on former waste sites used by Council or its past entities. Legal advice received in the 2024 Financial Year clearly outlines that Council resigned as reserve trust manager via a letter to the Minister for Lands and Forestry dated 27 June 2018.

As a consequence of this resignation as reserve trust manager, Council is not responsible for the care, management and control of the sites under the Crown Lands Management Act 2016.

Council does not consider itself presently required to remediate the sites, nor is responsible for the ongoing testing for contamination on the sites. Further to this, Council is not able to legally access the sites for this purpose. Previous provided

### F3-1 Correction of errors (continued)

costs were charged to Other Expenses over multiple years with the balance held in Provisions within the Balance Sheet. The change of \$11.35m is considered to be material in terms of the operating result of the Council and the balance of the Provisions.

#### Changes to the opening Statement of Financial Position at 1 July 2022

##### Statement of Financial Position

\$ '000	Original Balance 1 July, 2022	Impact Increase/ (decrease)	Restated Balance 1 July, 2022
Infrastructure, property, plant and equipment (IPPE)	1,149,322	2,255	1,151,577
<b>Total assets</b>	<b>1,242,120</b>	<b>2,255</b>	<b>1,244,375</b>
Provisions (non-current)	18,015	(4,622)	13,393
<b>Total liabilities</b>	<b>55,166</b>	<b>(4,622)</b>	<b>50,544</b>
<b>Net assets</b>	<b>1,186,954</b>	<b>6,877</b>	<b>1,193,831</b>
Accumulated surplus	594,472	6,877	601,349
<b>Total equity</b>	<b>1,186,954</b>	<b>6,877</b>	<b>1,193,831</b>

#### Adjustments to the comparative figures for the year ended 30 June 2023

##### Statement of Financial Position

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Infrastructure, property, plant and equipment	1,277,112	3,135	1,280,247
<b>Total non-current assets</b>	<b>1,277,117</b>	<b>3,135</b>	<b>1,280,252</b>
Provision (non-current)	33,899	(11,350)	22,549
<b>Net assets</b>	<b>1,293,952</b>	<b>14,485</b>	<b>1,308,437</b>
IPPE revaluation reserve	672,522	–	672,522
Accumulated surplus	621,430	14,485	635,915
<b>Total equity</b>	<b>1,293,952</b>	<b>14,485</b>	<b>1,308,437</b>

##### Income Statement

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Grants and contributions provided for capital purposes	56,187	880	57,067
<b>Total income from continuing operations</b>	<b>155,404</b>	<b>880</b>	<b>156,284</b>
Other expenses	15,823	(6,728)	9,095
<b>Total expenses from continuing operations</b>	<b>129,002</b>	<b>(6,728)</b>	<b>122,274</b>
<b>Net operating result for the year</b>	<b>26,402</b>	<b>7,608</b>	<b>34,010</b>

##### Statement of Comprehensive Income



## F3-1 Correction of errors (continued)

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Net operating result for the year	26,402	7,608	34,010
Other comprehensive income	80,596	–	80,596
Total comprehensive income for the year	106,998	7,608	114,606

## 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					
Drainage	41	–	–	–	2	–	–	43	–
Roads	3,664	2,372	–	–	166	(421)	–	4,297	–
Parking	135	–	–	–	6	–	–	141	–
Open space	5,551	3,195	–	–	362	(1,539)	–	7,569	–
Community facilities	3,540	790	–	–	196	(193)	–	4,333	–
Other	393	87	–	–	23	(125)	–	382	–
Tourist facilities	620	115	–	–	38	–	–	773	–
Transport	4,283	262	–	–	223	(1)	–	4,767	–
Cycleway Facilities	–	1,207	–	–	106	–	–	2,793	–
<b>S7.11 contributions – under a plan</b>	<b>18,227</b>	<b>8,028</b>	<b>–</b>	<b>–</b>	<b>1,122</b>	<b>(2,279)</b>	<b>–</b>	<b>25,098</b>	<b>–</b>
<b>S7.12 levies – under a plan</b>	<b>1,256</b>	<b>439</b>	<b>–</b>	<b>–</b>	<b>64</b>	<b>(381)</b>	<b>–</b>	<b>1,378</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>19,483</b>	<b>8,467</b>	<b>–</b>	<b>–</b>	<b>1,186</b>	<b>(2,660)</b>	<b>–</b>	<b>26,476</b>	<b>–</b>
S7.4 planning agreements	12,317	2,598	1,000	–	668	(114)	–	15,469	–
<b>Total contributions</b>	<b>31,800</b>	<b>11,065</b>	<b>1,000</b>	<b>–</b>	<b>1,854</b>	<b>(2,774)</b>	<b>–</b>	<b>41,945</b>	<b>–</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.

### F4-2 S7.11 Contributions - 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 NUMBER 2 - TOURIST DEVELOPMENT</b>									
Tourist facilities	190	–	–	–	10	–	–	200	–
<b>Total</b>	<b>190</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10</b>	<b>–</b>	<b>–</b>	<b>200</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 4 - NULKABA FLOOD MITIGATION</b>									
Drainage	41	–	–	–	2	–	–	43	–
<b>Total</b>	<b>41</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>43</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 5 - CARPARKING CESSNOCK CBD</b>									
Parking	135	–	–	–	6	–	–	141	–

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## F4-2 S7.11 Contributions - under a plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
<b>Total</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>141</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 6 - RESIDENTIAL CONTRIBUTIONS PLAN</b>										
Open space	325	137	-	-	19	(481)	-	-	-	
Community facilities	662	117	-	-	33	(193)	-	619	-	
Roads	299	178	-	-	18	(421)	-	70	-	
Other	194	-	-	-	12	-	-	210	-	
<b>Total</b>	<b>1,480</b>	<b>432</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>(1,095)</b>	<b>-</b>	<b>899</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 7 - TOURISM CONTRIBUTIONS PLAN</b>										
Roads	70	-	-	-	-	-	-	70	-	
Tourist facilities	430	115	-	-	28	-	-	573	-	
Other	136	6	-	-	7	-	-	149	-	
<b>Total</b>	<b>636</b>	<b>121</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>792</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 8 - BLACKHILL QUARRY CONTRIBUTION PLAN</b>										
Roads	277	78	-	-	16	-	-	371	-	
<b>Total</b>	<b>277</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>371</b>	<b>-</b>	
<b>Site Specific Contributions Plan - Bellbird North</b>										
Open space	1,048	-	-	-	53	-	-	1,101	-	
Community facilities	893	-	-	-	45	-	-	938	-	
Transport	1,833	-	-	-	92	-	-	1,925	-	
Other	(17)	-	-	-	-	(10)	-	(27)	-	
<b>Total</b>	<b>3,757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190</b>	<b>(10)</b>	<b>-</b>	<b>3,937</b>	<b>-</b>	
<b>Site Specific Contributions Plan - Nulkaba</b>										
Open space	178	-	-	-	9	-	-	187	-	
Community facilities	224	-	-	-	11	-	-	235	-	
Transport	411	-	-	-	21	-	-	432	-	
Other	11	-	-	-	1	-	-	12	-	
<b>Total</b>	<b>824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>866</b>	<b>-</b>	
<b>Site Specific Contributions Plan - Mount View Road Millfield</b>										
Open space	2	-	-	-	-	-	-	2	-	
Community facilities	2	-	-	-	1	-	-	3	-	
Transport	2	-	-	-	-	-	-	2	-	
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	
<b>Site Specific Contributions Plan - Averys Village Heddon Greta</b>										
Open space	1,367	171	-	-	74	(450)	-	1,162	-	
Community facilities	949	130	-	-	51	-	-	1,130	-	
Transport	2,037	262	-	-	110	(1)	-	2,408	-	

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## F4-2 S7.11 Contributions - under a plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
Other	46	-	-	-	2	(1)	-	47	-	
<b>Total</b>	<b>4,399</b>	<b>563</b>	<b>-</b>	<b>-</b>	<b>237</b>	<b>(452)</b>	<b>-</b>	<b>4,747</b>	<b>-</b>	
<b>City Wide Infrastructure Contributions Plan</b>										
Open space	2,631	2,887	-	-	207	(608)	-	5,117	-	
Community facilities	810	543	-	-	55	-	-	1,408	-	
Roads	3,018	2,116	-	-	132	-	-	3,786	-	
Cycleway facilities	-	1,207	-	-	106	-	-	2,793	-	
Other	23	81	-	-	1	(114)	-	(9)	-	
<b>Total</b>	<b>6,482</b>	<b>6,834</b>	<b>-</b>	<b>-</b>	<b>501</b>	<b>(722)</b>	<b>-</b>	<b>13,095</b>	<b>-</b>	

(\*) City Wide Infrastructure Contributions Plan - Cycleway Facilities & Roads previously consolidated

## S7.12 Levies – under a plan

### Section 7.12 Contributions

Commercial Precincts	1,256	439	-	-	64	(381)	-	1,378	-
<b>Total</b>	<b>1,256</b>	<b>439</b>	<b>-</b>	<b>-</b>	<b>64</b>	<b>(381)</b>	<b>-</b>	<b>1,378</b>	<b>-</b>

## F4-3 S7.4 planning agreements

### S7.4 planning agreements

Drainage	3	-	-	-	-	(3)	-	-	-
Roads	2,136	-	-	-	108	(61)	-	2,183	-
Open space	2,568	1,525	-	-	147	(22)	-	4,218	-
Community facilities	7,162	1,074	1,000	-	390	(13)	-	8,613	-
Other	447	-	-	-	22	(14)	-	455	-
<b>Total</b>	<b>12,316</b>	<b>2,599</b>	<b>1,000</b>	<b>-</b>	<b>667</b>	<b>(113)</b>	<b>-</b>	<b>15,469</b>	<b>-</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>(6,092)</b>	<b>(5.94)%</b>	(11.75)%	3.42%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions	<b>102,602</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>83,301</b>	<b>40.21%</b>	50.98%	55.60%	> 60.00%
Total continuing operating revenue	<b>207,180</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>40,866</b>	<b>2.03x</b>	2.98x	3.74x	> 1.50x
Current liabilities less specific purpose liabilities	<b>20,156</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation	<b>17,158</b>	<b>11.82x</b>	5.65x	10.93x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>1,451</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>5,165</b>	<b>7.28%</b>	6.11%	6.86%	< 10.00%
Rates and annual charges collectable	<b>70,936</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>78,994</b>	<b>12.11</b>	10.49	10.23	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>6,524</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

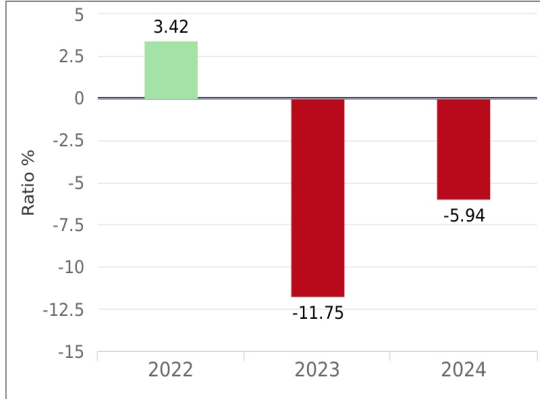
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

**End of the audited financial statements**

## G Additional Council disclosures (unaudited)

### G1-1 Statement of performance measures – consolidated results (graphs)

#### 1. Operating performance ratio



#### Purpose of operating performance ratio

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

#### Commentary on 2023/24 result

2023/24 ratio (5.94)%

This ratio correlates with the operating result excluding capital income from grants and contributions which is a deficit for 2024, but improved in comparison to 2023. Key factors attributed to this result in 2024 are increased depreciation and employee costs.

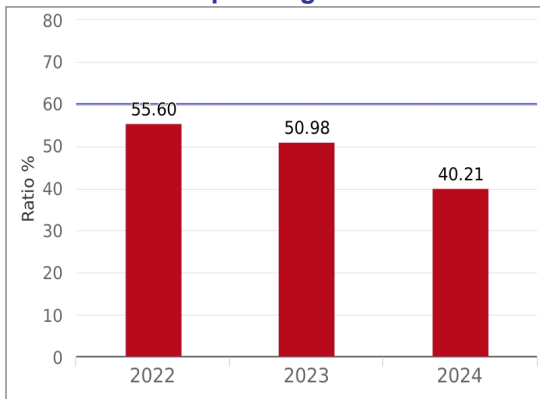
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



#### Purpose of own source operating revenue ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 40.21%

Council has received 85% of the prepayment of Financial Assistance Grant for 2024-25, and also was successful in obtaining grant funds during the year with many being paid in advance prior to delivery of works, and also non-cash contributions or dedications from developers, which if excluded, would show that Council's own source of operating revenues from ongoing activities be above the benchmark.

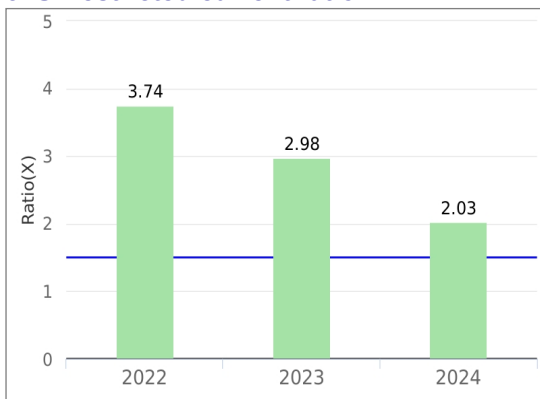
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 3. Unrestricted current ratio



#### Purpose of unrestricted current ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 2.03x

This result higher than the benchmark demonstrates that Council has a satisfactory level of working capital to satisfy its financial obligations. The decline in 2024 is due to an increase in restricted funds such developer contributions and unspent Wollombi Road grant.

Benchmark: — > 1.50x

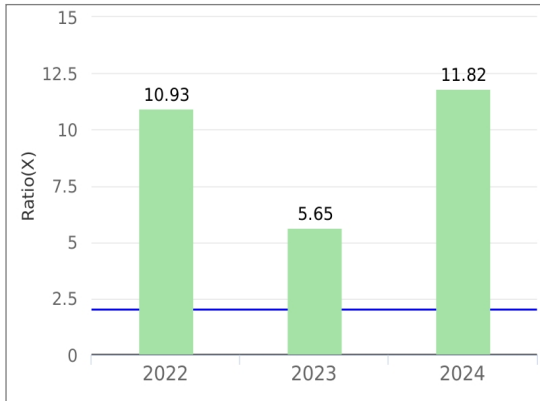
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## G1-1 Statement of performance measures – consolidated results (graphs) (continued)

### 4. Debt service cover ratio



#### Purpose of debt service cover ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 11.82x

This ratio improved due to the higher operating income in 2024.

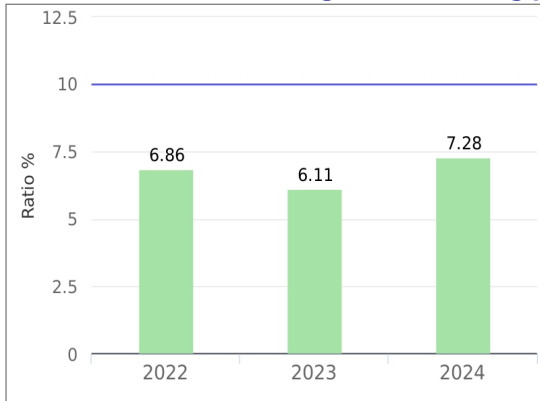
Benchmark: — > 2.00x

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### 5. Rates and annual charges outstanding percentage



#### Purpose of rates and annual charges outstanding percentage

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

#### Commentary on 2023/24 result

2023/24 ratio 7.28%

This ratio has declined due to an increase in outstanding rates and annual charges, due to the current macro-economic conditions.

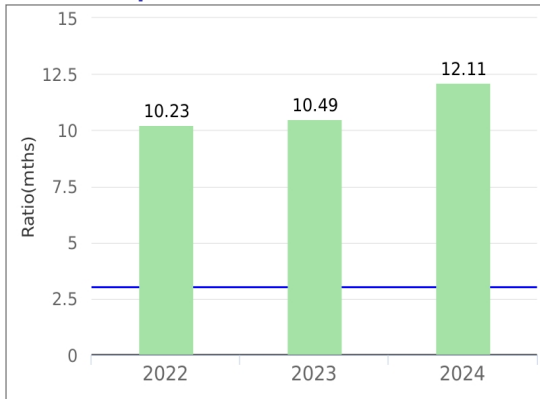
Benchmark: — < 10.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### 6. Cash expense cover ratio



#### Purpose of cash expense cover ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 12.11 months

The improved ratio shows Council can pay expenses without a demand on additional cash flows, demonstrating liquidity strength despite the current economic climate.

Benchmark: — > 3.00months

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

## G1-2 Financial review

### Key financial figures of Council over the past 5 years

\$ '000	2024	2023	2022	2021	2020
<b>Inflows:</b>					
Rates and annual charges revenue	65,986	62,120	59,210	55,899	53,355
User charges revenue	9,997	12,069	21,684	14,128	7,973
Interest and investment revenue (losses)	3,853	2,288	656	445	836
Grants income – operating and capital	111,814	67,497	57,619	53,246	33,259
Total income from continuing operations	207,393	156,284	150,114	132,554	101,718
Sale proceeds from IPPE	2,161	1,749	4,917	3,367	1,312
New loan borrowings and advances	–	4,363	–	2,948	–
<b>Outflows:</b>					
Employee benefits and on-cost expenses	42,362	35,841	33,271	35,449	35,330
Borrowing costs	263	107	188	263	318
Materials and contracts expenses	37,062	46,653	39,165	33,121	21,951
Total expenses from continuing operations	118,449	122,273	99,736	95,910	78,324
Total cash purchases of IPPE	71,488	57,546	27,591	20,909	24,935
Total loan repayments (incl. leases)	1,188	1,202	1,577	1,667	1,569
Operating surplus/(deficit) (excl. capital income)	(15,634)	(23,056)	618	(9,950)	(203)
<b>Financial position figures</b>					
Current assets	101,442	92,490	92,792	72,275	56,097
Current liabilities	45,256	30,167	29,308	26,824	22,870
Net current assets	56,186	62,323	63,484	45,451	33,227
Available working capital (Unrestricted net current assets)	6,031	10,685	10,479	4,464	(682)
Cash and investments – unrestricted	3,309	3,810	1,721	1,713	614
Cash and investments – internal restrictions	19,248	30,331	36,581	29,903	25,365
Cash and investments – total	83,133	73,126	73,944	54,766	47,507
Total borrowings outstanding (loans, advances and finance leases)	7,115	8,301	5,136	6,689	5,349
Total value of IPPE (excl. land and earthworks)	1,600,721	1,509,541	1,380,752	1,269,470	1,185,012
Total accumulated depreciation	445,633	331,058	316,556	291,226	287,388
Indicative remaining useful life (as a % of GBV)	72%	78%	77%	77%	76%

**Source:** published audited financial statements of Council (current year and prior years)



## G1-3 Council information and contact details

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### Principal place of business:

62 - 78 Vincent Street  
Cessnock NSW 2325

### Contact details

#### Mailing Address:

PO Box 152  
Cessnock NSW 2325

**Telephone:** 02 49934100

**Facsimile:** 02 49932500

#### Opening hours:

9:00am - 5:00pm  
Monday to Friday

**Internet:** [www.cessnock.nsw.gov.au](http://www.cessnock.nsw.gov.au)

**Email:** [council@cessnock.nsw.gov.au](mailto:council@cessnock.nsw.gov.au)

### Officers

#### GENERAL MANAGER

Mr Ken Liddell

#### RESPONSIBLE ACCOUNTING OFFICER

Mr Matthew Plumridge

#### PUBLIC OFFICER

Mr Robert Maginnity

#### AUDITORS

Audit Office of New South Wales  
Level 15, 1 Margaret Street  
Sydney NSW 2000

GPO Box 12 Sydney NSW 2001

### Elected members

#### MAYOR

Councillor Jay Suvaal

#### COUNCILLORS

Councillor John Moores (Deputy Mayor)

Councillor Anthony Burke

Councillor Paul Dunn

Councillor Rosa Grine

Councillor James Hawkins

Councillor Mitchell Hill

Councillor Karen Jackson

Councillor Jessica Jurd

Councillor Ian Olsen

Councillor Paul Paynter

Councillor Anne Sander

Councillor Daniel Watton

### Other information

**ABN:** 60 919 148 928



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Cessnock City Council

To the Councillors of Cessnock City Council

### Opinion

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

In my opinion:

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

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

### Basis for Opinion

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

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

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

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

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

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

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

### **Other Information**

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



Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 October 2024  
SYDNEY



Cr Daniel Watton  
 Mayor  
 Cessnock City Council  
 PO BOX 42  
 CESSNOCK NSW 2324

Contact: Cassie Malone  
 Phone no: 02 9275 7388  
 Our ref: R008-2124742775-8182

30 October 2024

Dear Mayor

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

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

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

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

### INCOME STATEMENT

#### Operating result

	2024 \$m	2023* \$m	Variance %
Rates and annual charges revenue	66.0	62.1	↑ 6.2
Grants and contributions revenue	123.9	76.5	↑ 61.9
Operating result from continuing operations	88.9	34.0	↑ 162
Net operating result before capital grants and contributions	(15.6)	(23.1)	↑ 32.2

\* The 2023 comparatives have been restated to correct prior period errors. Refer Note F3-1 of the financial statements for details.

Rates and annual charges revenue (\$66.0 million) increased by \$3.9 million (6.2 per cent) in 2023–24 due to the rate peg increase of 3.9 per cent and the increase in the number of land parcels in the local government area.

Grants and contributions revenue (\$123.9 million) increased by \$47.4 million (61.9 per cent) in 2023–24 due to:

- increase of \$40.9 million of non-cash contributions for new subdivisions in the local government area
- increase of \$3.0 million of developer contributions recognised during the year
- increase of \$5.9 million of grants recognised received for natural disasters, infrastructure and recreation
- receiving 85 per cent of the financial assistance grants for 2024–25 in advance (100 per cent in 2022-23).

Council’s operating result from continuing operations (\$88.9 million including depreciation, amortisation and impairment expense of \$23.0 million) was \$54.9 million higher than the 2022–23 result. The increase was primarily driven by the increase of \$40.9 million of non-cash contributions for new subdivisions in the local government area.

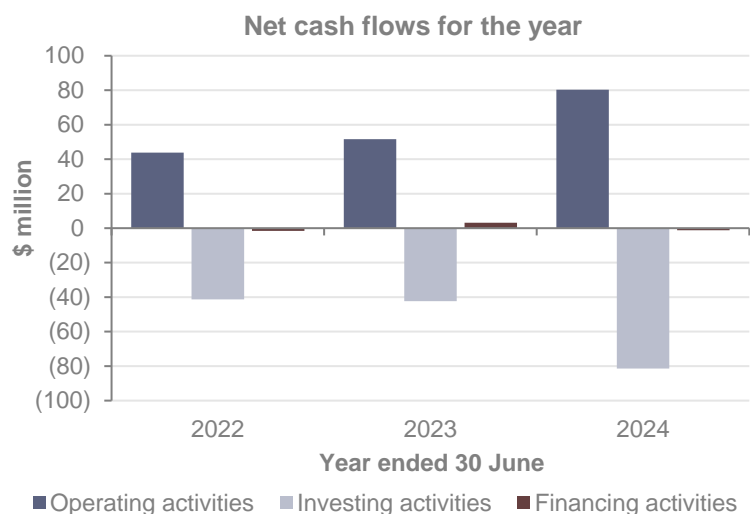
The net operating result before capital grants and contributions (\$15.6 million) was \$7.5 million higher than the 2022–23 result.

## STATEMENT OF CASH FLOWS

Cash inflows from operating activities increased due to the increase in receipts from grants and contributions and a reduction in payments for materials and services.

Cash outflows from investing activities increased due to a reduction in receipts from the sale of investments and an increase in the payments for infrastructure, property, plant and equipment.

Cash inflows from financing activities decreased due to a reduction in the proceeds from borrowings.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>83.1</b>	<b>73.1</b>	Externally restricted balances comprise mainly of developer contributions and unspent grants.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	60.6	39.0	
• Internal allocations	19.2	30.3	

### Debt

At 30 June 2024, Council had:

- \$7.1 million in secured loans (\$8.3 million in 2022–23)
- \$1.0 million in approved overdraft facilities with nil drawn down
- \$0.1 million in credit card facilities with nil drawn down.

## PERFORMANCE

### Performance measures

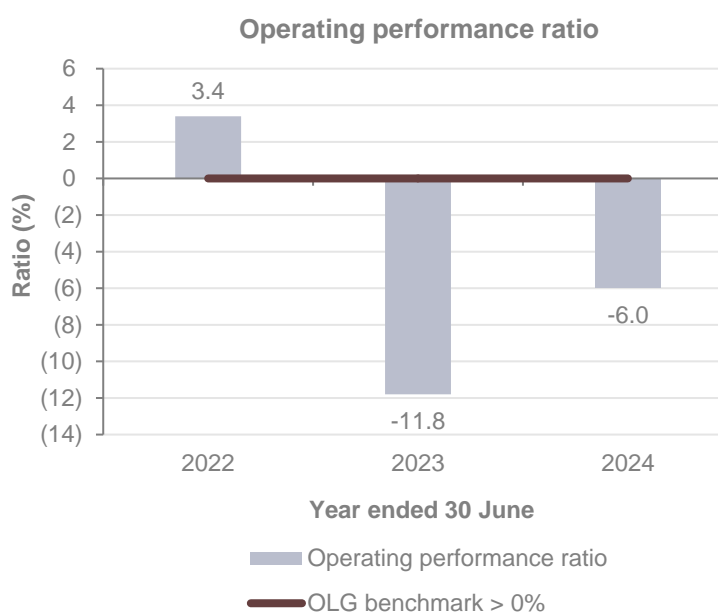
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

#### Operating performance ratio

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

The 2023 ratio was restated to correct prior period errors.

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

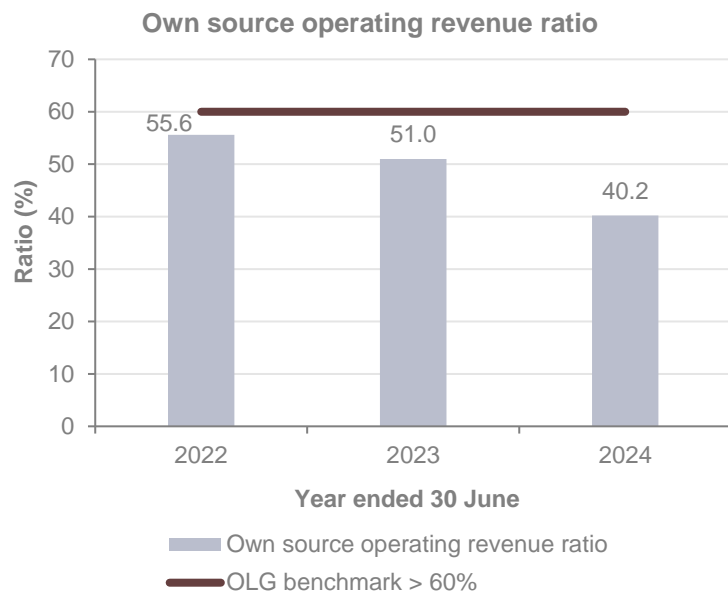


### Own source operating revenue ratio

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

The 2023 ratio was restated to correct prior period errors.

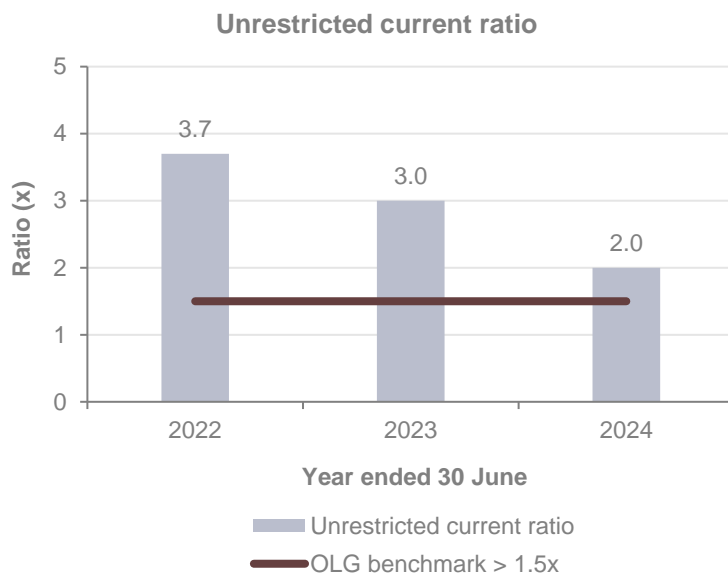
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



### Unrestricted current ratio

Council met the benchmark for the current reporting period.

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



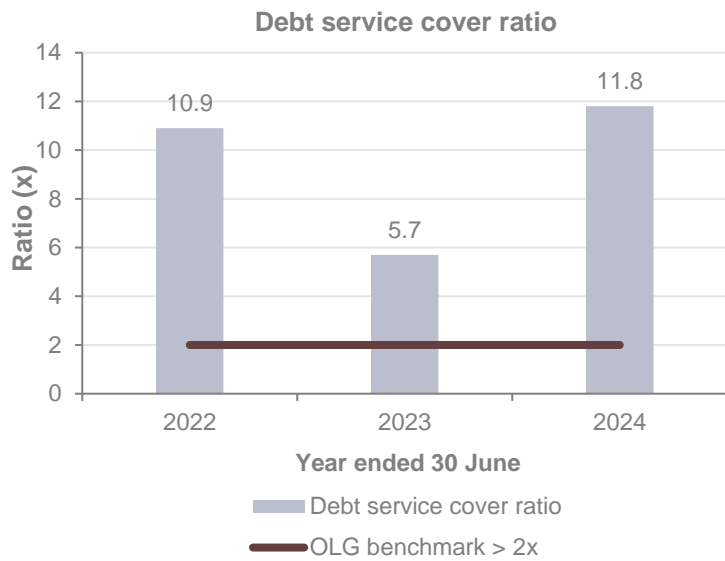


### Debt service cover ratio

Council met the benchmark for the current reporting period.

The 2023 ratio was restated to correct prior period errors.

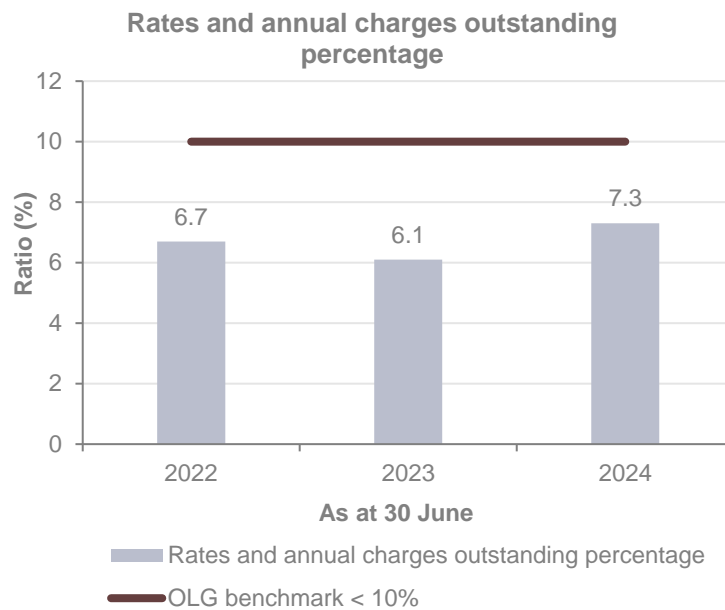
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



### Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

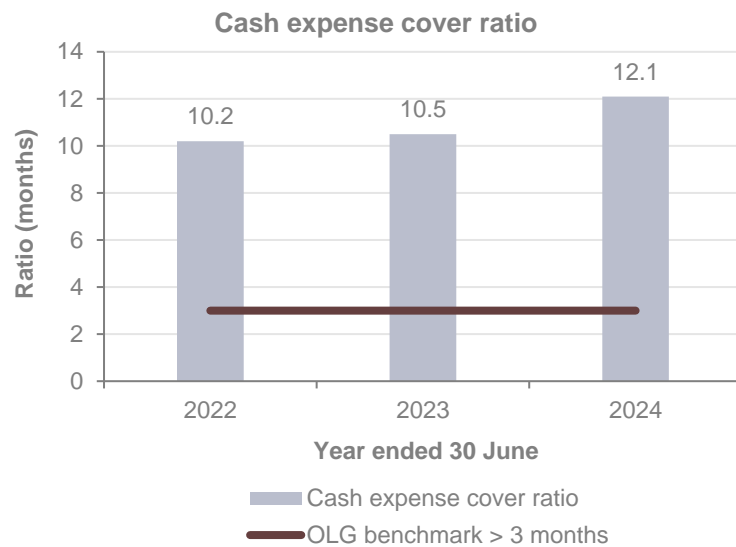
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



## Cash expense cover ratio

Council met the benchmark for the current reporting period.

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



## Infrastructure, property, plant and equipment renewals

Council renewed \$38.0 million of infrastructure, property, plant and equipment during the 2023–24 financial year. A further \$33.4 million was spent on new assets and \$63.5 million of new assets were dedicated to Council as part of new sub-division developments.

## OTHER MATTERS

### Legislative compliance

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

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

Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales



62-78 Vincent Street, Cessnock NSW 2325 | PO Box 152 Cessnock NSW 2325  
02 4993 4100 | [council@cessnock.nsw.gov.au](mailto:council@cessnock.nsw.gov.au) | [www.cessnock.nsw.gov.au](http://www.cessnock.nsw.gov.au)

The background is a solid orange color. There are several white geometric shapes: a thin line that curves from the top left towards the center, a larger rounded shape in the top right corner, and a large, light-orange shape in the bottom left corner. The text is centered in the middle of the page.

# ***SPECIAL SCHEDULES***

FOR THE YEAR ENDED 30 JUNE

Cessnock City Council

Special Schedules

for the year ended 30 June 2024

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Contents

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**Special Schedules:**

Permissible income for general rates

2

Report on infrastructure assets as at 30 June 2024

6

# Cessnock City 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	45,470	47,943
Plus or minus adjustments <sup>2</sup>	b	686	904
<b>Notional general income</b>	c = a + b	<b>46,156</b>	<b>48,847</b>
<b>Permissible income calculation</b>			
Percentage increase	d	3.85%	5.30%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	1,777	2,589
<b>Sub-total</b>	g = (c + e + f)	<b>47,933</b>	<b>51,436</b>
Plus (or minus) last year's carry forward total	h	25	15
<b>Sub-total</b>	j = (h + i)	<b>25</b>	<b>15</b>
<b>Total permissible income</b>	k = g + j	<b>47,958</b>	<b>51,451</b>
Less notional general income yield	l	47,943	51,437
<b>Catch-up or (excess) result</b>	m = k - l	<b>15</b>	<b>14</b>
<b>Carry forward to next year <sup>4</sup></b>	p = m + n + o	<b>15</b>	<b>14</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).
- (4) 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

#### Cessnock City Council

To the Councillors of Cessnock City Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Cessnock City Council (the Council) for the year ending 30 June 2025.

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

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

### Basis for Opinion

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

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

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

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

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

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

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

### Emphasis of Matter - Basis of Accounting

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

## **Other Information**

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



Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 October 2024  
SYDNEY

# Cessnock City 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	12,866	99,953	1,139	2,034	84,756	161,605	12.4%	15.3%	41.5%	26.2%	4.6%	
	<b>Sub-total</b>	<b>12,866</b>	<b>99,953</b>	<b>1,139</b>	<b>2,034</b>	<b>84,756</b>	<b>161,605</b>	<b>12.4%</b>	<b>15.3%</b>	<b>41.5%</b>	<b>26.2%</b>	<b>4.6%</b>	
<b>Roads</b>	Sealed roads	17,095	316,717	8,216	9,868	481,311	698,455	30.9%	23.5%	37.5%	6.4%	1.7%	
	Unsealed roads	2,823	29,574	2,161	2,025	64,864	86,650	46.8%	18.8%	26.2%	3.2%	5.0%	
	Bridges	58	430	300	195	77,372	85,956	72.7%	25.0%	2.1%	0.2%	0.0%	
	Footpaths	334	2,831	55	133	73,581	81,449	65.8%	26.1%	6.2%	1.9%	0.0%	
	Other road assets	567	6,023	11	168	107,849	123,948	65.0%	29.8%	4.1%	0.9%	0.2%	
	<b>Sub-total</b>	<b>20,877</b>	<b>355,575</b>	<b>10,743</b>	<b>12,389</b>	<b>804,977</b>	<b>1,076,458</b>	<b>42.1%</b>	<b>24.2%</b>	<b>27.5%</b>	<b>4.7%</b>	<b>1.5%</b>	
<b>Stormwater drainage</b>	Stormwater drainage	243	12,664	400	1,012	143,417	169,483	56.5%	35.0%	8.0%	0.4%	0.1%	
	<b>Sub-total</b>	<b>243</b>	<b>12,664</b>	<b>400</b>	<b>1,012</b>	<b>143,417</b>	<b>169,483</b>	<b>56.5%</b>	<b>35.0%</b>	<b>8.0%</b>	<b>0.4%</b>	<b>0.1%</b>	
<b>Open space / recreational assets</b>	Open Space	3,040	15,107	2,858	3,181	39,729	58,115	41.4%	21.3%	20.2%	13.5%	3.6%	
	Swimming Pools	170	4,682	207	221	3,161	6,338	0.0%	0.0%	97.4%	2.6%	0.0%	
	<b>Sub-total</b>	<b>3,210</b>	<b>19,789</b>	<b>3,065</b>	<b>3,402</b>	<b>42,890</b>	<b>64,453</b>	<b>37.3%</b>	<b>19.2%</b>	<b>27.8%</b>	<b>12.4%</b>	<b>3.3%</b>	
<b>Other infrastructure assets</b>	Other	–	–	281	389	11,337	11,504	99.4%	0.6%	0.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>281</b>	<b>389</b>	<b>11,337</b>	<b>11,504</b>	<b>99.4%</b>	<b>0.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
<b>Total – all assets</b>		<b>37,196</b>	<b>487,981</b>	<b>15,628</b>	<b>19,226</b>	<b>1,087,377</b>	<b>1,483,503</b>	<b>40.7%</b>	<b>24.0%</b>	<b>26.6%</b>	<b>6.8%</b>	<b>1.9%</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

# Cessnock City Council

## Report on infrastructure assets as at 30 June 2024

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

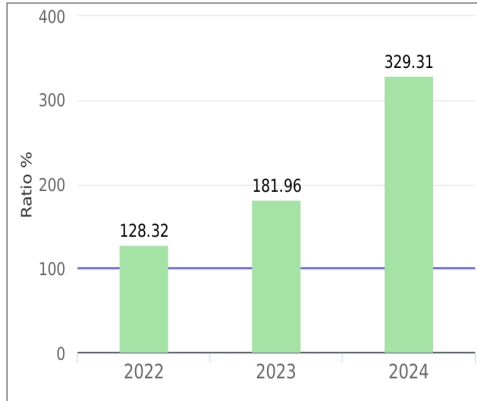
\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1,2</sup>	<b>48,329</b>	<b>329.31%</b>	181.96%	128.32%	> 100.00%
Depreciation, amortisation and impairment	<b>14,676</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>37,196</b>	<b>3.27%</b>	3.08%	3.67%	< 2.00%
Net carrying amount of infrastructure assets <sup>2</sup>	<b>1,137,403</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>19,226</b>	<b>123.02%</b>	117.02%	117.62%	> 100.00%
Required asset maintenance	<b>15,628</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>487,981</b>	<b>32.89%</b>	17.92%	17.88%	
Gross replacement cost	<b>1,483,503</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.

(2) As per the Local Government Code of Accounting Practice and Financial Reporting 2020/21, WIP is now included in the applicable ratios. Prior year's ratios have not been updated to reflect the inclusion of WIP.

**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	329.31%

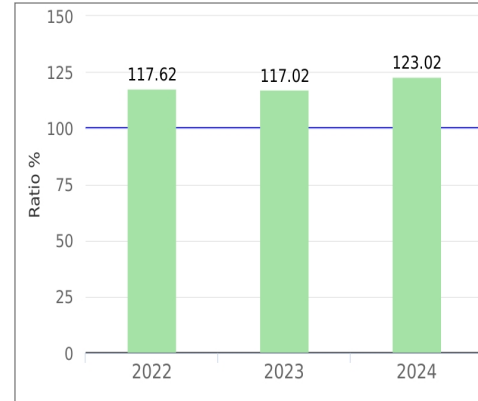
Benchmark: — > 100.00%

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	123.02%

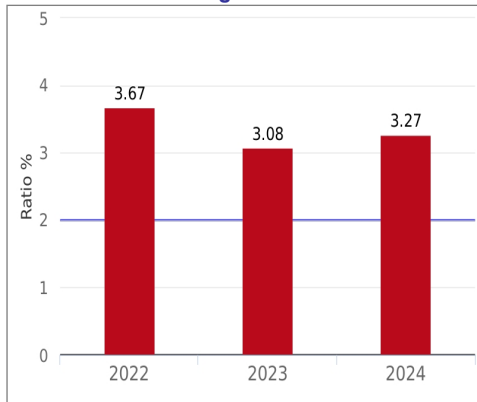
Benchmark: — > 100.00%

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	3.27%

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	32.89%



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