

## **10.7 PRESENTATION OF 2023/24 ANNUAL FINANCIAL STATEMENTS - ATTACHMENTS**

### **1. FY2023-24 ANNUAL FINANCIAL STATEMENTS**

## Attachment 1 - FY2023-24 ANNUAL FINANCIAL STATEMENTS

# Snowy Valleys Council

## ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024



# Snowy Valleys Council

## GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2024

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Snowy Valleys Council

General Purpose Financial Statements  
for the year ended 30 June 2024

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Overview

Snowy Valleys Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:  
76 Capper Street, Tumut

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



## Snowy Valleys 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 31 October 2024**



Julia Ham  
Mayor  
31 October 2024



Hugh Packard  
Councillor  
31 October 2024



Steven Pinnuck  
Interim General Manager  
31 October 2024



Manna Doshii  
Responsible Accounting Officer  
31 October 2024

Snowy Valleys Council | Income Statement | for the year ended 30 June 2024

## Snowy Valleys Council

## Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Income from continuing operations</b>				
22,403	Rates and annual charges	B2-1	22,572	19,860
15,600	User charges and fees	B2-2	19,657	25,456
1,482	Other revenues	B2-3	1,167	4,758
11,356	Grants and contributions provided for operating purposes	B2-4	17,715	20,309
36,690	Grants and contributions provided for capital purposes	B2-4	14,011	14,579
1,292	Interest and investment income	B2-5	2,181	1,159
–	Other income	B2-6	1,681	1,746
–	Reversal of IPPE revaluation decrements previously expensed	B6-1	1,513	4,219
88,823	<b>Total income from continuing operations</b>		<b>80,497</b>	<b>92,086</b>
<b>Expenses from continuing operations</b>				
20,241	Employee benefits and on-costs	B3-1	20,901	21,155
19,706	Materials and services	B3-2	25,156	38,756
237	Borrowing costs	B3-3	264	282
11,638	Depreciation, amortisation and impairment of non-financial assets	B3-4	12,797	11,949
1,448	Other expenses	B3-5	1,487	1,493
–	Net loss from the disposal of assets	B4-1	4,746	3,685
53,270	<b>Total expenses from continuing operations</b>		<b>65,351</b>	<b>77,320</b>
35,553	<b>Operating result from continuing operations</b>		<b>15,146</b>	<b>14,766</b>
35,553	<b>Net operating result for the year attributable to Council</b>		<b>15,146</b>	<b>14,766</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>				
(1,137)			1,135	187

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

Snowy Valleys Council | Statement of Comprehensive Income | for the year ended 30 June 2024

Snowy Valleys Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Net operating result for the year – from Income Statement</b>		<b>15,146</b>	14,766
<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	C1-7	<b>26,674</b>	47,056
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>26,674</b>	47,056
<b>Total other comprehensive income for the year</b>		<b>26,674</b>	47,056
<b>Total comprehensive income for the year attributable to Council</b>		<b>41,820</b>	61,822

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

Snowy Valleys Council | Statement of Financial Position | as at 30 June 2024

## Snowy Valleys Council

## Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	19,306	11,016
Investments	C1-2	29,000	31,500
Receivables	C1-4	8,732	10,920
Inventories	C1-5	1,775	51
Contract assets and contract cost assets	C1-6	642	—
Other		585	587
<b>Total current assets</b>		<b>60,040</b>	<b>54,074</b>
<b>Non-current assets</b>			
Investments	C1-2	6,500	1,500
Receivables	C1-4	11	11
Inventories	C1-5	147	147
Infrastructure, property, plant and equipment (IPPE)	C1-7	797,333	769,715
Investment property	C1-8	350	350
Intangible assets	C1-9	1	132
<b>Total non-current assets</b>		<b>804,342</b>	<b>771,855</b>
<b>Total assets</b>		<b>864,382</b>	<b>825,929</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	3,974	5,155
Contract liabilities	C3-2	10,340	10,632
Borrowings	C3-3	492	799
Employee benefit provisions	C3-4	4,484	4,692
Provisions	C3-5	1,389	2,155
<b>Total current liabilities</b>		<b>20,679</b>	<b>23,433</b>
<b>Non-current liabilities</b>			
Borrowings	C3-3	3,792	4,274
Employee benefit provisions	C3-4	375	385
Provisions	C3-5	650	771
<b>Total non-current liabilities</b>		<b>4,817</b>	<b>5,430</b>
<b>Total liabilities</b>		<b>25,496</b>	<b>28,863</b>
<b>Net assets</b>		<b>838,886</b>	<b>797,066</b>
<b>EQUITY</b>			
Accumulated surplus		624,029	608,883
IPPE revaluation reserve		214,857	188,183
<b>Total equity</b>		<b>838,886</b>	<b>797,066</b>

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

Snowy Valleys Council | Statement of Changes in Equity | for the year ended 30 June 2024

Snowy Valleys Council

Statement of Changes in Equity  
for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		608,883	188,183	797,066	594,117	141,127	735,244
Net operating result for the year		15,146	–	15,146	14,766	–	14,766
Other comprehensive income							
– Gain on revaluation of infrastructure, property, plant and equipment	C1-7	–	26,674	26,674	–	47,056	47,056
Other comprehensive income		–	26,674	26,674	–	47,056	47,056
Total comprehensive income		15,146	26,674	41,820	14,766	47,056	61,822
Closing balance at 30 June		624,029	214,857	838,886	608,883	188,183	797,066

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

Snowy Valleys Council | Statement of Cash Flows | for the year ended 30 June 2024

## Snowy Valleys 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>				
22,302	Rates and annual charges		22,433	19,408
14,878	User charges and fees		22,545	27,442
1,292	Interest received		1,689	868
48,035	Grants and contributions		29,234	32,378
1,483	Other		7,092	10,241
<i>Payments:</i>				
(21,029)	Payments to employees		(21,176)	(20,745)
(19,431)	Payments for materials and services		(29,129)	(44,783)
(236)	Borrowing costs		(286)	(238)
–	Bonds, deposits and retentions refunded		(142)	(31)
(1,448)	Other		(3,539)	(1,758)
45,846	<b>Net cash flows from operating activities</b>	G1-1	<b>28,721</b>	<b>22,782</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Redemption of term deposits		38,000	48,253
–	Sale of real estate assets		72	554
–	Proceeds from sale of IPPE		716	1,124
<i>Payments:</i>				
–	Acquisition of term deposits		(40,500)	(40,752)
–	Purchase of investment property		–	41
(50,011)	Payments for IPPE		(17,930)	(24,639)
(50,011)	<b>Net cash flows from investing activities</b>		<b>(19,642)</b>	<b>(15,419)</b>
<b>Cash flows from financing activities</b>				
<i>Payments:</i>				
(1,217)	Repayment of borrowings		(789)	(1,180)
(1,217)	<b>Net cash flows from financing activities</b>		<b>(789)</b>	<b>(1,180)</b>
(5,382)	<b>Net change in cash and cash equivalents</b>		<b>8,290</b>	<b>6,183</b>
51,238	Cash and cash equivalents at beginning of year		11,016	4,833
45,856	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>19,306</b>	<b>11,016</b>
–	plus: Investments on hand at end of year	C1-2	35,500	33,000
45,856	<b>Total cash, cash equivalents and investments</b>		<b>54,806</b>	<b>44,016</b>

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

## Snowy Valleys Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 31 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not-for-profit entity.

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

#### **Historical cost convention**

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

#### **Significant accounting estimates and judgements**

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

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7

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

- (i) estimated fair values of investment properties - refer Note C1-8
- (ii) estimated landfill and quarry remediation provisions - refer Note C3-5
- (iii) employee benefit provisions - refer Note C3-4

### **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.

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

- General purpose operations
- Water service
- Sewerage service
- Domestic Waste Management

The following Section 355 Committees have been included in the Consolidated Fund:

- Adelong Showground Committee
- Glenroy Heritage Reserve
- Tooma Recreation Reserve

#### **Volunteer services**

continued on next page ...

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## A1-1 Basis of preparation (continued)

Council has recognised volunteer services which is included in the financial statements based on the average salary and on costs Council would be required to pay if the services had not been donated.

Council has recognised the following volunteer average salary and costs:

2022/2023 - \$142,798.55

2023/2024 - \$128,244.08

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

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

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

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not for-Profit Public Sector Entities

This Standard modifies AASB 13 Fair Value Measurement for application by not-for-profit public sector entities such as Council. It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to generate cash inflows and also provides guidance and clarification when valuing assets that are restricted (in their use) at Council.

This includes guidance and clarification regarding the determination of an assets highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values.

Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value.

The standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

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

### New accounting standards adopted during the year

During the year, Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2024.

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

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

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

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

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

## B Financial Performance

### B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Functions or activities</b>										
Our Community	7,767	7,675	9,685	11,878	(1,918)	(4,203)	6,152	3,215	29,392	15,767
Our Economy	1,388	4,847	3,517	2,588	(2,129)	2,259	36	3,278	34,584	33,254
Our Environment	19,308	21,279	14,495	14,534	4,813	6,745	1,216	2,451	119,062	128,861
Our Civic Leadership	21,142	19,490	1,927	3,579	19,215	15,911	7,440	7,560	76,652	73,704
Our Infrastructure	30,892	38,795	35,727	44,741	(4,835)	(5,946)	16,882	18,384	604,692	574,343
<b>Total functions and activities</b>	<b>80,497</b>	<b>92,086</b>	<b>65,351</b>	<b>77,320</b>	<b>15,146</b>	<b>14,766</b>	<b>31,726</b>	<b>34,888</b>	<b>864,382</b>	<b>825,929</b>

## B1-2 Components of functions or activities

---

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

- **Our Community**

The Our Community strategic direction encompasses the activities Council delivers and supports to improve community wellbeing, build resilience and to bring the community together. It includes programs, services and community infrastructure that Council delivers for cultural, recreational and lifelong learning activities.

- **Our Economy**

Our Economy strategic direction focuses on providing services that encourage economic growth and support local businesses and industry. It includes the delivery of services, projects and events that make Snowy Valleys a great place to live and visit.

- **Our Environment**

The Our Environment strategic direction contains the delivery of best practice water, waste water and waste services to contribute to the ongoing sustainability of our community. We protect our natural environment by managing and planning for our growth to minimise impact and advocating for climate change awareness and mitigating action.

- **Our Civic Leadership**

Our Civic Leadership strategic direction centres on Council's actions, advocacy and representation in relation to strategic and long term planning, reporting, governance and customer service. It focuses on making Council's processes more efficient and effective and how Council communicates and consults with the community.

- **Our Infrastructure**

Our Infrastructure includes Council services that plan for, manage, maintain and renew our community infrastructure and transport networks.

**B2 Sources of income****B2-1 Rates and annual charges**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Ordinary rates</b>		
Residential	5,610	4,707
Farmland	5,828	4,968
Mining	10	9
Business	1,086	922
Less: pensioner rebates	(226)	(211)
<b>Rates levied to ratepayers</b>	<b>12,308</b>	<b>10,395</b>
Pensioner rate subsidies received	124	116
<b>Total ordinary rates</b>	<b>12,432</b>	<b>10,511</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	3,296	2,887
Stormwater management services	38	38
Water supply services	1,718	1,595
Sewerage services	4,789	4,440
Waste management services (not domestic)	403	534
Liquid Trade Waste - Annual Charge	31	—
Less: pensioner rebates	(306)	(312)
<b>Annual charges levied</b>	<b>9,969</b>	<b>9,182</b>
Pensioner annual charges subsidies received:		
– Water	55	53
– Sewerage	52	50
– Domestic waste management	64	64
<b>Total annual charges</b>	<b>10,140</b>	<b>9,349</b>
<b>Total rates and annual charges</b>	<b>22,572</b>	<b>19,860</b>

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

**Material accounting policy information**

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

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

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

Snowy Valleys Council | Notes to the Financial Statements 30 June 2024

**B2-2 User charges and fees**

<b>\$ '000</b>	<b>Timing</b>	<b>2024</b>	<b>2023</b>
<b>User charges only</b>			
Water supply services	2	3,295	2,956
Sewerage services	2	856	651
Trade waste services	2	28	38
<b>Total user charges</b>		<b>4,179</b>	<b>3,645</b>
<b>Fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Inspection services	2	111	11
Planning and building - regulatory	2	765	451
Private works – section 67	2	7,812	11,058
Section 10.7 certificates (EP&A Act)	2	40	44
Section 603 certificates	2	32	31
<b>Total fees and charges – statutory/regulatory</b>		<b>8,760</b>	<b>11,595</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>			
Cemeteries	2	243	355
Library and art gallery	2	9	8
Transport for NSW works (state roads not controlled by Council)	2	5,041	8,698
Swimming centres	2	201	59
Aged related services	2	148	126
Gravel sales	2	159	106
Sporting facilities fees	2	39	31
Waste transfer station fees	2	262	154
Childrens services fees	2	412	500
Community transport	2	69	84
Other	2	135	95
<b>Total fees</b>		<b>6,718</b>	<b>10,216</b>
<b>Total other user charges and fees</b>		<b>15,478</b>	<b>21,811</b>
<b>Total user charges and fees</b>		<b>19,657</b>	<b>25,456</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		47	–
User charges and fees recognised at a point in time (2)		19,610	25,456
<b>Total user charges and fees</b>		<b>19,657</b>	<b>25,456</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 such as caravan parks, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

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**B2-3 Other revenues**

<b>\$ '000</b>	<b>Timing</b>	<b>2024</b>	<b>2023</b>
Assets first time recognition	2	47	–
Diesel rebate	2	163	121
Fines	2	13	5
Insurance claims recoveries	2	133	334
Legal fees recovery – other		95	4
PY disaster management reimbursement	2	70	3,199
Other	2	231	586
Sales – general	2	335	411
Workers compensation rebate	2	80	98
<b>Total other revenue</b>		<b>1,167</b>	<b>4,758</b>
<b>Timing of revenue recognition for other revenue</b>			
Other revenue recognised at a point in time (2)		1,167	4,758
<b>Total other revenue</b>		<b>1,167</b>	<b>4,758</b>



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**B2-4 Grants and contributions**

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>General purpose (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	338	1,358	–	–
Financial assistance – local roads component	80	429	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	4,989	5,449	–	–
Financial assistance – local roads component	1,548	1,733	–	–
<b>Amount recognised as income during current year</b>	<b>6,955</b>	<b>8,969</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash Grants</b>				
Sewerage services	1	8	–	–
Child care	2,096	1,536	–	–
Community care	869	1,747	12	2,749
Heritage and cultural	4	19	–	–
Library	107	101	–	–
Noxious weeds	35	58	–	–
Recreation and culture	–	–	1,568	2,026
Natural disaster	387	5,270	731	2,010
Street lighting	46	46	–	–
Domestic Waste Fund Grant	–	466	–	995
Transport (roads to recovery)	1,811	–	–	805
Transport (other roads and bridges funding)	2,661	410	4,729	1,942
<b>Cash Contributions</b>				
Bushfire services	913	422	–	–
Recreation and culture	–	–	1,415	1,463
Roads and bridges	–	–	3,246	2,304
Transport for NSW contributions (regional roads, block grant)	1,502	1,186	–	–
Other contributions	328	71	81	107
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>10,760</b>	<b>11,340</b>	<b>11,782</b>	<b>14,401</b>
<b>Non-cash contributions</b>				
Other	–	–	1,438	–
<b>Total other contributions – non-cash</b>	<b>–</b>	<b>–</b>	<b>1,438</b>	<b>–</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>10,760</b>	<b>11,340</b>	<b>13,220</b>	<b>14,401</b>
<b>Total grants and non-developer contributions</b>	<b>17,715</b>	<b>20,309</b>	<b>13,220</b>	<b>14,401</b>
<b>Comprising:</b>				
– Commonwealth funding	10,229	10,410	502	1,162
– State funding	6,474	9,655	11,281	12,974
– Other funding	1,012	244	1,437	265
	<b>17,715</b>	<b>20,309</b>	<b>13,220</b>	<b>14,401</b>

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**B2-4 Grants and contributions (continued)****Developer contributions**

<b>\$ '000</b>	<b>Notes</b>	<b>Operating 2024</b>	<b>Operating 2023</b>	<b>Capital 2024</b>	<b>Capital 2023</b>
<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	G4	–	–	101	21
S 64 – water supply contributions		–	–	348	79
S 64 – sewerage service contributions		–	–	342	78
<b>Total developer contributions – cash</b>		<b>–</b>	<b>–</b>	<b>791</b>	<b>178</b>
<b>Total developer contributions</b>		<b>–</b>	<b>–</b>	<b>791</b>	<b>178</b>
<b>Total contributions</b>		<b>–</b>	<b>–</b>	<b>791</b>	<b>178</b>
<b>Total grants and contributions</b>		<b>17,715</b>	<b>20,309</b>	<b>14,011</b>	<b>14,579</b>
<b>Timing of revenue recognition for grants and contributions</b>					
Grants and contributions recognised over time		6,600	8,156	11,663	11,326
Grants and contributions recognised at a point in time		11,115	12,153	2,348	3,253
<b>Total grants and contributions</b>		<b>17,715</b>	<b>20,309</b>	<b>14,011</b>	<b>14,579</b>

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## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	492	4,897	10,021	8,597
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	183	–	–	–
<b>Add:</b> Funds received and not recognised as revenue in the current year	1,019	487	2,007	4,470
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(152)	(4,892)	(3,473)	(3,046)
<b>Unspent funds at 30 June</b>	<b>1,542</b>	<b>492</b>	<b>8,555</b>	<b>10,021</b>
<b>Contributions</b>				
Unspent funds at 1 July	–	–	5,244	4,962
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	791	282
<b>Add:</b> contributions received and not recognised as revenue in the current year	–	–	–	–
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(47)	–
<b>Unspent contributions at 30 June</b>	<b>–</b>	<b>–</b>	<b>5,988</b>	<b>5,244</b>

### Material accounting policy information

#### Grants and Contributions - Enforceable agreement with sufficiently specific performance obligations.

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but include performance obligations within AASB 15 grants such as completion of milestones. 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.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

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.

#### Other Grants and Contributions

Assets arising from grants in the scope of AASB 1058 is recognised at the assets 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.

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B2-4 Grants and contributions (continued)

Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable 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 as there is no profit margin.

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 the Council may apply contributions according to the priorities established in work schedules.

B2-5 Interest and investment income

\$ '000	2024	2023
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	91	44
– Cash and investments	2,090	1,115
<b>Total interest and investment income (losses)</b>	<b>2,181</b>	<b>1,159</b>

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B2-6 Other income

\$ '000	Notes	2024	2023
<b>Other lease income</b>			
Operating Lease Income		1,566	1,640
Leaseback fees - council vehicles		115	106
Total rental income	C2-1	1,681	1,746
Total other income		1,681	1,746

**B3 Costs of providing services****B3-1 Employee benefits and on-costs**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
Salaries and wages	17,371	16,718
Employee termination costs	20	10
Travel expenses	7	6
Employee leave entitlements	1,784	2,209
Superannuation	1,984	1,863
Workers' compensation insurance	276	659
FBT	82	59
Payroll tax	68	51
Training costs (other than salaries and wages)	272	186
Protective clothing	6	8
Other	310	435
<b>Total employee costs</b>	<b>22,180</b>	<b>22,204</b>
Less: capitalised costs	(1,279)	(1,049)
<b>Total employee costs expensed</b>	<b>20,901</b>	<b>21,155</b>

**Material accounting policy information**

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

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

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

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**B3-2 Materials and services**

<b>\$ '000</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
Raw materials and consumables		5,240	7,295
Contractor costs		13,110	25,290
Consultancy costs		1,706	1,740
Audit Fees	F2-1	172	106
Councillor and Mayoral fees and associated expenses	F1-2	215	166
Advertising		128	117
Bank charges		110	133
Electricity and heating		1,225	1,009
Insurance		866	965
Postage		77	48
Printing and stationery		147	159
Repairs and maintenance		574	74
Street lighting		100	85
Subscriptions and publications		225	250
Telephone and communications		207	164
Valuation fees		78	76
Travel expenses		46	37
Other expenses		503	367
Council Grant Programs		72	367
<b>Legal expenses:</b>			
– Legal expenses: debt recovery		–	1
– Legal expenses: other		355	307
<b>Total materials and services</b>		<b>25,156</b>	<b>38,756</b>

**B3-3 Borrowing costs****(i) Interest bearing liability costs**

Interest on loans	264	282
<b>Total borrowing costs expensed</b>	<b>264</b>	<b>282</b>

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

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment		1,578	1,672
Office equipment		5	26
Furniture and fittings		1	1
<b>Infrastructure:</b>	C1-7		
– Buildings – non-specialised		1,189	1,197
– Buildings – specialised		575	467
– Other structures		474	447
– Roads		4,203	3,674
– Bridges		714	658
– Footpaths		259	240
– Other road assets		313	290
– Stormwater drainage		539	498
– Water supply network		1,028	980
– Sewerage network		1,118	1,039
– Other open space/recreational assets		570	431
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C3-5,C1-7	37	171
– Quarry assets	C3-5,C1-7	63	–
Intangible assets	C1-9	131	158
<b>Total depreciation and amortisation costs</b>		<b>12,797</b>	<b>11,949</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>12,797</b>	<b>11,949</b>

**Material accounting policy information****Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-7 for IPP&E assets and Note C1-9 for intangible assets.

**Impairment of non-financial assets**

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

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

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

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

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

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**B3-5 Other expenses**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Other</b>		
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	<b>787</b>	746
– Other contributions/levies	<b>385</b>	383
– Donations, contributions and assistance to other organisations	<b>69</b>	131
– Tumut Visitor Centre	<b>246</b>	233
<b>Total other expenses</b>	<b>1,487</b>	<b>1,493</b>



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

<b>\$ '000</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Proceeds from disposal – property		–	–
Less: carrying amount of property assets sold/written off		(126)	(102)
<b>Gain (or loss) on disposal</b>		<b>(126)</b>	<b>(102)</b>
<b>Gain (or loss) on disposal of plant and equipment</b>			
	C1-7		
Proceeds from disposal – plant and equipment		716	1,124
Less: carrying amount of plant and equipment assets sold/written off		(716)	(959)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>165</b>
<b>Gain (or loss) on disposal of infrastructure</b>			
	C1-7		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(4,692)	(4,313)
<b>Gain (or loss) on disposal</b>		<b>(4,692)</b>	<b>(4,313)</b>
<b>Gain (or loss) on disposal of real estate assets held for sale</b>			
	C1-5		
Proceeds from disposal – real estate assets		72	554
Less: carrying amount of real estate assets sold/written off		–	11
<b>Gain (or loss) on disposal</b>		<b>72</b>	<b>565</b>
<b>Gain (or loss) on disposal of term deposits</b>			
	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		38,000	48,253
Less: carrying amount of term deposits sold/redeemed/matured		(38,000)	(48,253)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(4,746)</b>	<b>(3,685)</b>

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 29 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>	<b>22,403</b>	<b>22,572</b>	<b>169</b>	<b>1% F</b>
<b>User charges and fees</b>	<b>15,600</b>	<b>19,657</b>	<b>4,057</b>	<b>26% F</b>
External private works and transport NSW ordered works income greater than expected				
<b>Other revenues</b>	<b>1,482</b>	<b>1,167</b>	<b>(315)</b>	<b>(21)% U</b>
Revenue from sales of Real Estate land (Snow View Estate) did not proceed as originally forecast.				
<b>Operating grants and contributions</b>	<b>11,356</b>	<b>17,715</b>	<b>6,359</b>	<b>56% F</b>
Disaster Recovery Funding Arrangements grant funding received for flood damaged roads has been completed as operational expenditure, this was originally budgeted as Capital grants and contributions. Operational Block grant funding from transport NSW was recognised during the financial year. Additional Bushfire Local Economic Recovery funding for Emergency Evacuation Centre has been received.				
<b>Capital grants and contributions</b>	<b>36,690</b>	<b>14,011</b>	<b>(22,679)</b>	<b>(62)% U</b>
Bushfire Local Economic Recovery grant funding not received as Aerodrome and Emergency Evacuation Centre projects did not progress during the financial year due to approval delays and technical difficulties. Disaster Recovery Funding Arrangements grant funding projects were recognised as operational income.				
<b>Interest and investment revenue</b>	<b>1,292</b>	<b>2,181</b>	<b>889</b>	<b>69% F</b>
Interest earned on investments was higher than original budget due to interest rates rising.				
<b>Other income</b>	<b>—</b>	<b>1,681</b>	<b>1,681</b>	<b>∞ F</b>
Lease income Caravan Park and other buildings budgeted in User Charges and Annual Charges				
<b>Reversal of revaluation decrements / impairment of IPP&amp;E previously expensed</b>	<b>—</b>	<b>1,513</b>	<b>1,513</b>	<b>∞ F</b>

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**B5-1 Material budget variations (continued)**

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	<b>20,241</b>	<b>20,901</b>	<b>(660)</b>	<b>(3)% U</b>
<b>Materials and services</b>	<b>19,706</b>	<b>25,156</b>	<b>(5,450)</b>	<b>(28)% U</b>
Cost of additional non-budgeted external works including private works and Transport NSW ordered works offset against unbudgeted User Charges and Annual Charges income.				
<b>Borrowing costs</b>	<b>237</b>	<b>264</b>	<b>(27)</b>	<b>(11)% U</b>
Borrowing costs underbudgeted				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	<b>11,638</b>	<b>12,797</b>	<b>(1,159)</b>	<b>(10)% U</b>
<b>Other expenses</b>	<b>1,448</b>	<b>1,487</b>	<b>(39)</b>	<b>(3)% U</b>
<b>Net losses from disposal of assets</b>	<b>—</b>	<b>4,746</b>	<b>(4,746)</b>	<b>∞ U</b>
Disposal of assets is a capital item and not budgeted for unless contained in the operational plan.				

**Statement of cash flows**

<b>Cash flows from operating activities</b>	<b>45,846</b>	<b>28,721</b>	<b>(17,125)</b>	<b>(37)% U</b>
Actual cash flows from operating activities is lower than budgeted, as receivable grants and contributions are less than forecast as major projects (Aerodrome and Emergency Evacuation Centre) were not commenced during the financial year. Payments for materials and services expenses are underbudgeted due to the additional external works completed, including private works and Transport NSW ordered works.				
<b>Cash flows from investing activities</b>	<b>(50,011)</b>	<b>(19,642)</b>	<b>30,369</b>	<b>(61)% F</b>
Council's total spending on capital projects is less than budgeted due to Council not having enough resources available to complete the budgeted capital works. Emergency works has diverted some of the Council resources.				
<b>Cash flows from financing activities</b>	<b>(1,217)</b>	<b>(789)</b>	<b>428</b>	<b>(35)% F</b>
Council's balance on loan principals lower than budgeted.				

**B6 Material Income Statement items****B6-1 Material Income Statement items****Material reversal of revaluation decrements on IPPE previously expensed**

\$ '000	2024	2023
<b>Infrastructure:</b>		
— Water supply network	1,513	4,219
<b>Total material reversal of revaluation decrements on IPPE previously expensed</b>	<b>1,513</b>	<b>4,219</b>
<b>Total material reversal of revaluation decrements on IPPE previously expensed</b>	<b>1,513</b>	<b>4,219</b>

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**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	12,356	1,145
Cash equivalent assets		
– Deposits at call	6,950	9,871
<b>Total cash and cash equivalents</b>	<b>19,306</b>	<b>11,016</b>

**Reconciliation of cash and cash equivalents**

Total cash and cash equivalents per Statement of Financial Position	19,306	11,016
<b>Balance as per the Statement of Cash Flows</b>	<b>19,306</b>	<b>11,016</b>

**C1-2 Financial investments**

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Debt securities at amortised cost</b>				
Long term deposits	29,000	6,500	31,500	1,500
<b>Total financial investments</b>	<b>29,000</b>	<b>6,500</b>	<b>31,500</b>	<b>1,500</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>48,306</b>	<b>6,500</b>	<b>42,516</b>	<b>1,500</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)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

**Amortised cost**

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

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

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

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

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Snowy Valleys Council | Notes to the Financial Statements 30 June 2024

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

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>54,806</b>	<b>44,016</b>
Less: Externally restricted cash, cash equivalents and investments	<b>(39,719)</b>	<b>(35,502)</b>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>15,087</b>	<b>8,514</b>
<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	<b>9,741</b>	10,509
Specific purpose unexpended grants – water fund	<b>283</b>	–
Specific purpose unexpended grants – sewer fund	<b>73</b>	–
<b>External restrictions – included in liabilities</b>	<b>10,097</b>	<b>10,509</b>
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	<b>573</b>	486
Developer contributions – water fund	<b>2,042</b>	1,723
Developer contributions – sewer fund	<b>3,373</b>	3,036
Water fund	<b>9,265</b>	6,893
Sewer fund	<b>13,264</b>	10,908
Domestic waste management	<b>425</b>	1,250
Retirement village	<b>527</b>	535
Specific purpose contributions	<b>49</b>	49
Urban stormwater	<b>104</b>	113
<b>External restrictions – other</b>	<b>29,622</b>	<b>24,993</b>
<b>Total external restrictions</b>	<b>39,719</b>	<b>35,502</b>

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.

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Snowy Valleys Council | Notes to the Financial Statements 30 June 2024

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

\$ '000	2024	2023
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**(b) Internal allocations****Cash, cash equivalents and investments not subject to external restrictions**

15,087	8,514
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Less: Internally restricted cash, cash equivalents and investments

(10,631)	(8,409)
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**Unrestricted and unallocated cash, cash equivalents and investments**

4,456	105
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**Internal allocations**

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

Aboriginal brungle reserve PW	45	45
Adelong showground reserve	10	10
Batlow literary institute	51	51
Camp hudson	5	73
Caravan park	–	10
Carry over works	577	448
Community services	314	314
Community Transport	1,011	1,123
Contingencies	500	250
Employees leave entitlement	2,303	2,122
Insurance (risk management)	162	100
IT	96	96
Legal	50	50
Life long learner	2	2
Plant and vehicle replacement	3,121	1,547
Project development	480	480
Quarry rehab and capital works	1,365	1,215
Section 355 Committees	70	–
Saleyards	–	8
Scholarship	10	6
Security deposits	72	72
Swimming pools	147	147
Talbingo reserve	120	120
Telecentre	29	29
Television translator/radio	32	32
Third age group	3	3
Tumut boys club	44	44
Youth council	12	12
<b>Total internal allocations</b>	<b>10,631</b>	<b>8,409</b>

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

\$ '000	2024	2023
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**(c) Unrestricted and unallocated****Unrestricted and unallocated cash, cash equivalents and investments**

4,456	105
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Snowy Valleys Council | Notes to the Financial Statements 30 June 2024

**C1-4 Receivables**

<b>\$ '000</b>	<b>2024 Current</b>	<b>2024 Non-current</b>	<b>2023 Current</b>	<b>2023 Non-current</b>
Rates and annual charges	1,152	11	933	11
Interest and extra charges	163	–	104	–
User charges and fees	4,442	–	6,001	–
Accrued revenues				
– Interest on investments	870	–	437	–
– Other income accruals	2,034	–	3,445	–
Other debtors	71	–	–	–
<b>Total</b>	<b>8,732</b>	<b>11</b>	<b>10,920</b>	<b>11</b>
<b>Total net receivables</b>	<b>8,732</b>	<b>11</b>	<b>10,920</b>	<b>11</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.

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## C1-4 Receivables (continued)

### Impairment

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

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

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

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.



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**C1-5 Inventories**

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>(i) Inventories at cost</b>				
Real estate for resale	1,767	147	30	147
Stores and materials	8	–	21	–
<b>Total inventories</b>	<b>1,775</b>	<b>147</b>	<b>51</b>	<b>147</b>

**(i) Other disclosures**

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>(a) Details for real estate development</b>					
Residential		1,767	147	30	147
<b>Total real estate for resale</b>		<b>1,767</b>	<b>147</b>	<b>30</b>	<b>147</b>
(Valued at the lower of cost and net realisable value)					
<b>Represented by:</b>					
Acquisition costs		1,767	147	30	147
<b>Total costs</b>		<b>1,767</b>	<b>147</b>	<b>30</b>	<b>147</b>
<b>Total real estate for resale</b>		<b>1,767</b>	<b>147</b>	<b>30</b>	<b>147</b>
<b>Movements:</b>					
Real estate assets at beginning of the year		30	147	19	147
– Purchases and other costs		1,737	–	–	–
– WDV of sales (expense)	B4-1	–	–	11	–
<b>Total real estate for resale</b>		<b>1,767</b>	<b>147</b>	<b>30</b>	<b>147</b>

**Material accounting policy information****Land held for resale**

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

2023/24 recognised a reclassification of WIP to Real Estate Assets for the Snow View Estate Development Stage 3.

**C1-6 Contract assets and Contract cost assets**

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	642	–	–	–
<b>Total contract assets and contract cost assets</b>	<b>642</b>	<b>–</b>	<b>–</b>	<b>–</b>

## C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Reversal of IPPE revaluation decrements previously expensed	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	20,585	–	20,585	18,521	–	–	–	–	(31,017)	–	8,089	–	8,089
Plant and equipment	24,357	(10,430)	13,927	–	–	(55)	(1,578)	–	2,860	–	26,490	(11,336)	15,154
Office equipment	190	(158)	32	–	–	–	(5)	–	1	–	190	(162)	28
Furniture and fittings	11	(8)	3	–	–	–	(1)	–	1	–	11	(8)	3
<b>Land:</b>													
– Operational land	13,339	–	13,339	–	–	(152)	–	–	532	4,649	18,368	–	18,368
– Community land	15,435	–	15,435	–	–	(126)	–	–	(485)	4,002	18,826	–	18,826
<b>Infrastructure:</b>													
– Buildings – non-specialised	59,102	(28,100)	31,002	–	–	(24)	(1,189)	–	4,619	1,118	65,873	(30,347)	35,526
– Buildings – specialised	22,956	(9,471)	13,485	–	–	(45)	(575)	–	2,656	499	25,998	(9,978)	16,020
– Other structures	15,855	(6,873)	8,982	–	–	–	(474)	–	1,704	313	18,116	(7,591)	10,525
– Roads	227,816	(67,958)	159,858	–	–	(2,838)	(4,203)	–	10,264	3,668	238,140	(71,391)	166,749
– Bridges	83,170	(28,893)	54,277	–	–	(180)	(714)	–	95	1,221	85,045	(30,346)	54,699
– Footpaths	20,535	(5,028)	15,507	–	–	(9)	(259)	–	628	351	21,620	(5,402)	16,218
– Kerb and gutter	35,526	(11,091)	24,435	–	–	–	(313)	–	251	557	36,598	(11,668)	24,930
– Bulk earthworks (non-depreciable)	245,690	–	245,690	–	–	(2,020)	–	–	4,048	5,649	253,367	–	253,367
– Stormwater drainage	56,690	(19,253)	37,437	–	–	–	(539)	–	508	849	58,502	(20,247)	38,255
– Water supply network	110,712	(79,069)	31,643	–	–	(3)	(1,028)	1,513	(545)	–	115,657	(84,077)	31,580
– Sewerage network	114,879	(52,088)	62,791	–	–	(24)	(1,118)	–	424	3,131	120,989	(55,785)	65,204
– Other open space/recreational assets	24,924	(5,387)	19,537	–	–	(8)	(570)	–	3,371	667	29,151	(6,154)	22,997
<b>Other assets:</b>													
– Library books	25	(23)	2	–	–	–	–	–	–	–	25	(23)	2
<b>Reinstatement, rehabilitation and restoration assets (refer Note 16):</b>													
– Tip assets	742	(246)	496	–	–	(139)	(37)	–	–	–	603	(283)	320
– Quarry assets	1,664	(412)	1,252	–	40	(756)	(63)	–	–	–	948	(475)	473
<b>Total infrastructure, property, plant and equipment</b>	<b>1,094,203</b>	<b>(324,488)</b>	<b>769,715</b>	<b>18,521</b>	<b>40</b>	<b>(6,379)</b>	<b>(12,666)</b>	<b>1,513</b>	<b>(85)</b>	<b>26,674</b>	<b>1,142,606</b>	<b>(345,273)</b>	<b>797,333</b>

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period									At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Reversal of IPPE revaluation decrements previously expensed	WIP transfers	Adjustments and transfers	Revaluation-on decrements to equity (ARR)	Revaluation-on increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	12,211	–	12,211	8,541	–	–	–	–	(167)	–	–	–	20,585	–	20,585
Plant and equipment	23,564	(10,130)	13,434	150	2,322	(825)	(1,672)	–	946	(428)	–	–	24,357	(10,430)	13,927
Office equipment	182	(126)	56	–	–	–	(26)	–	1	–	–	1	190	(158)	32
Furniture and fittings	9	(7)	2	–	–	–	(1)	–	2	–	–	–	11	(8)	3
Land:															
– Operational land	9,767	–	9,767	–	–	–	–	–	(1)	3,520	–	53	13,339	–	13,339
– Community land	18,873	–	18,873	–	120	(99)	–	–	–	(3,520)	–	61	15,435	–	15,435
Infrastructure:															
– Buildings – non-specialised	57,030	(25,834)	31,196	249	–	(18)	(1,197)	–	(242)	179	–	835	59,102	(28,100)	31,002
– Buildings – specialised	20,999	(7,995)	13,004	454	–	(18)	(467)	–	(146)	(302)	–	960	22,956	(9,471)	13,485
– Other structures	13,797	(5,861)	7,936	379	445	(3)	(447)	–	47	(54)	–	679	15,855	(6,873)	8,982
– Roads	207,008	(59,977)	147,031	5,872	10	(1,129)	(3,674)	–	(436)	114	–	12,070	227,816	(67,958)	159,858
– Bridges	74,716	(26,348)	48,368	2,528	10	(460)	(658)	–	91	394	–	4,004	83,170	(28,893)	54,277
– Footpaths	18,895	(4,396)	14,499	40	–	–	(240)	–	–	–	–	1,208	20,535	(5,028)	15,507
– Bulk earthworks (non-depreciable)	227,321	–	227,321	1,739	–	(2,480)	–	–	–	–	–	19,110	245,690	–	245,690
– Stormwater drainage	52,268	(17,253)	35,015	–	–	(3)	(498)	–	–	–	–	2,923	56,690	(19,253)	37,437
– Water supply network	101,972	(72,485)	29,487	266	–	(97)	(980)	4,219	–	–	(1,252)	–	110,712	(79,069)	31,643
– Sewerage network	106,344	(47,378)	58,966	416	–	(17)	(1,039)	–	–	–	–	4,465	114,879	(52,088)	62,791
– Other open space/recreational assets	24,651	(5,110)	19,541	477	22	(205)	(431)	–	–	97	–	36	24,924	(5,387)	19,537
– Kerb and gutter	32,735	(9,950)	22,785	155	–	(23)	(290)	–	(95)	–	–	1,903	35,526	(11,091)	24,435
Other assets:															
– Library books	25	(23)	2	–	–	–	–	–	–	–	–	–	25	(23)	2
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):															
– Tip assets	726	(190)	536	–	15	–	(55)	–	–	–	–	–	742	(246)	496
– Quarry assets	1,232	(296)	936	–	432	–	(116)	–	–	–	–	–	1,664	(412)	1,252
Total infrastructure, property, plant and equipment	1,004,325	(293,359)	710,966	21,266	3,376	(5,377)	(11,791)	4,219	–	–	(1,252)	48,308	1,094,203	(324,488)	769,715

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

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

### Material accounting policy information

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

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

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

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

#### Useful Lives of IPPE

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 20
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 30	Buildings: other	20 to 40
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	40 to 100	Drains	50 to 120
Bores	20 to 40	Culverts	80 to 120
Reticulation pipes: PVC	70 to 80	Flood control structures	80 to 100
Reticulation pipes: other	45 to 75		
Pumps and telemetry	15 to 205		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	15 to 40	Bulk earthworks	Infinite
Sealed roads: structure	40 to 110	Swimming pools	40 to 80
Unsealed roads	15 to 30	Unsealed roads	15 to 30
Bridge: concrete	100	Other open space/recreational assets	15 to 80

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

Bridge: other	70 to 100	Other infrastructure	50 to 200
Road subbase	200		
Kerb, gutter and footpaths	80 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. Independent comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Industry (DoI) – Water.

Increases in the carrying amounts arising on revaluation are credited to the 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 revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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

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### Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008.

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

### Crown reserves

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

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

### Rural Fire Service assets

Under Section 119 (2) of the *Rural Fire Services Act 1997 (NSW)*, "All firefighting equipment purchased or constructed wholly or partly 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".

Notwithstanding this, Council is of the view and had determined that it does not control Rural Fire Service assets including buildings or equipment and therefore does not account for these assets.

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**C1-8 Investment properties**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Owned investment property</b>		
Investment property on hand at fair value	<b>350</b>	350
<b>Total owned investment property</b>	<b>350</b>	<b>350</b>
<b>Owned investment property</b>		
<b>At fair value</b>		
Opening balance at 1 July	<b>350</b>	391
Other movements	<b>–</b>	(41)
<b>Closing balance at 30 June</b>	<b>350</b>	<b>350</b>

**Material accounting policy information**

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

## C1-9 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
<b>Software</b>		
<b>Opening values at 1 July</b>		
Gross book value	1,579	1,579
Accumulated amortisation	(1,378)	(1,220)
Accumulated impairment	(69)	(69)
<b>Net book value – opening balance</b>	<b>132</b>	<b>290</b>
<b>Movements for the year</b>		
Amortisation charges	(131)	(158)
<b>Closing values at 30 June</b>		
Gross book value	1,579	1,579
Accumulated amortisation	(1,509)	(1,378)
Accumulated impairment	(69)	(69)
<b>Total software – net book value</b>	<b>1</b>	<b>132</b>

### Material accounting policy information

#### IT development and software

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where the Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.



## C2 Leasing activities

### C2-1 Council as a lessor

#### Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-8) and IPP&E in the Statement of Financial Position.

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

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

Investment property operating leases relate to a residential premise at Tumbarumba.

Lease income relating to variable lease payments not dependent on an index or a rate	17	23
<b>Total income relating to operating leases for investment property assets</b>	<b>17</b>	<b>23</b>

#### Operating lease expenses

Direct operating expenses that generated rental income	2	3
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#### (ii) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of emergency services, health services, State Government Organisations and community groups. These leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E. They have not been classified under AASB 140 Investment Property as they are held for strategic purposes.

Lease income (excluding variable lease payments not dependent on an index or rate)	1,664	1,723
<b>Total income relating to operating leases for Council assets</b>	<b>1,664</b>	<b>1,723</b>

#### Material accounting policy information

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

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

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

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

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**C3 Liabilities of Council****C3-1 Payables**

<b>\$ '000</b>	<b>2024 Current</b>	<b>2024 Non-current</b>	<b>2023 Current</b>	<b>2023 Non-current</b>
Prepaid rates	534	–	506	–
Goods and services – operating expenditure	–	–	1	–
Accrued expenses:				
– Borrowings	196	–	152	–
– Salaries and wages	563	–	565	–
– Other expenditure accruals	1,977	–	2,950	–
Security bonds, deposits and retentions	625	–	767	–
ATO – net GST payable	47	–	27	–
Other	32	–	187	–
<b>Total payables</b>	<b>3,974</b>	<b>–</b>	<b>5,155</b>	<b>–</b>

**Payables**

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

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**C3-2 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 (funds to construct Council controlled assets)	(i)	9,845	–	10,283	–
<b>Total grants received in advance</b>		<b>9,845</b>	<b>–</b>	<b>10,283</b>	<b>–</b>
<b>User fees and charges received in advance:</b>					
Other		495	–	349	–
<b>Total user fees and charges received in advance</b>		<b>495</b>	<b>–</b>	<b>349</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>10,340</b>	<b>–</b>	<b>10,632</b>	<b>–</b>

**Notes**

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

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

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**C3-3 Borrowings**

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	492	3,792	799	4,274
<b>Total borrowings</b>	<b>492</b>	<b>3,792</b>	<b>799</b>	<b>4,274</b>

<sup>(1)</sup> Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures and security can be found in Note E1-1.

**(a) Changes in liabilities arising from financing activities**

\$ '000	2023		Non-cash movements	2024
	Opening Balance	Cash flows	Acquisition	Closing balance
Loans – secured	5,073	(789)	–	4,284
<b>Total liabilities from financing activities</b>	<b>5,073</b>	<b>(789)</b>	<b>–</b>	<b>4,284</b>

\$ '000	2022		Non-cash movements	2023
	Opening Balance	Cash flows	Acquisition	Closing balance
Loans – secured	6,253	(1,180)	–	5,073
<b>Total liabilities from financing activities</b>	<b>6,253</b>	<b>(1,180)</b>	<b>–</b>	<b>5,073</b>

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C3-3 Borrowings (continued)

(b) Financing arrangements

\$ '000	2024	2023
<strong>Total facilities</strong>		
Total financing facilities available to Council at the reporting date are:		
Credit cards/purchase cards	31	39
<strong>Total financing arrangements</strong>	<strong>31</strong>	<strong>39</strong>
<strong>Drawn facilities</strong>		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	13	12
<strong>Total drawn financing arrangements</strong>	<strong>13</strong>	<strong>12</strong>
<strong>Undrawn facilities</strong>		
Undrawn financing facilities available to Council at the reporting date are:		
– Credit cards/purchase cards	18	27
<strong>Total undrawn financing arrangements</strong>	<strong>18</strong>	<strong>27</strong>
<strong>Breaches and defaults</strong>		
During the current and prior year, there were no defaults or breaches on any of the loans.		

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**C3-4 Employee benefit provisions**

<b>\$ '000</b>	<b>2024 Current</b>	<b>2024 Non-current</b>	<b>2023 Current</b>	<b>2023 Non-current</b>
Annual leave	1,563	–	1,598	–
Long service leave	2,579	375	2,657	385
Other leave – TOIL	342	–	437	–
<b>Total employee benefit provisions</b>	<b>4,484</b>	<b>375</b>	<b>4,692</b>	<b>385</b>

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

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,282	2,331
	<b>2,282</b>	<b>2,331</b>

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## C3-4 Employee benefit provisions (continued)

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### 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.

### C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	1,389	650	2,155	771
<b>Total provisions</b>	<b>1,389</b>	<b>650</b>	<b>2,155</b>	<b>771</b>

### Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
<b>2024</b>		
At beginning of year	2,926	2,926
Unwinding of discount	(66)	(66)
Remeasurement effects	66	66
<b>Revised cost recognised as remediation assets in IPPE</b>	<b>(887)</b>	<b>(887)</b>
Total other provisions at end of year	<b>2,039</b>	<b>2,039</b>
<b>2023</b>		
At beginning of year	2,531	2,531
Other	395	395
<b>Revised cost recognised as remediation assets in IPPE</b>	<b>–</b>	<b>–</b>
Total other provisions at end of year	<b>2,926</b>	<b>2,926</b>

### Nature and purpose of provisions

#### Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip and quarry.

#### 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

##### Restoration

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 costs are estimated on the basis of a closure plan. 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.

##### Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

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## C3-5 Provisions (continued)

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Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, 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 property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **IPPE Revaluation reserve**

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

## D Council structure

### D1 Results by fund

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

#### D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
<b>Income from continuing operations</b>			
Rates and annual charges	15,830	1,795	4,947
User charges and fees	15,278	3,454	925
Interest and investment income	1,080	433	668
Other revenues	1,141	–	26
Grants and contributions provided for operating purposes	17,712	–	3
Grants and contributions provided for capital purposes	13,246	423	342
Reversal of revaluation decrements on IPPE previously expensed	–	1,513	–
Other income	1,681	–	–
<b>Total income from continuing operations</b>	<b>65,968</b>	<b>7,618</b>	<b>6,911</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	18,920	963	1,018
Materials and services	21,340	1,785	2,031
Borrowing costs	86	94	84
Depreciation, amortisation and impairment of non-financial assets	10,460	1,124	1,213
Other expenses	767	418	302
Net (gain)/losses from the disposal of assets	4,719	3	24
<b>Total expenses from continuing operations</b>	<b>56,292</b>	<b>4,387</b>	<b>4,672</b>
<b>Operating result from continuing operations</b>	<b>9,676</b>	<b>3,231</b>	<b>2,239</b>
<b>Net operating result for the year</b>	<b>9,676</b>	<b>3,231</b>	<b>2,239</b>
<b>Net operating result attributable to each council fund</b>	<b>9,676</b>	<b>3,231</b>	<b>2,239</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(3,570)</b>	<b>2,808</b>	<b>1,897</b>

#### D1-2 Statement of Financial Position by fund

##### ASSETS

##### Current assets

Cash and cash equivalents	9,128	3,835	6,343
Investments	10,878	7,755	10,367
Receivables	7,411	977	344
Inventories	1,775	–	–
Contract assets and contract cost assets	642	–	–
Other	585	–	–
<b>Total current assets</b>	<b>30,419</b>	<b>12,567</b>	<b>17,054</b>

##### Non-current assets

Investments	6,500	–	–
Receivables	11	–	–
Inventories	147	–	–
Infrastructure, property, plant and equipment	693,180	36,144	68,009

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

<b>\$ '000</b>	<b>General 2024</b>	<b>Water 2024</b>	<b>Sewer 2024</b>
Investment property	350	—	—
Intangible assets	1	—	—
<b>Total non-current assets</b>	<b>700,189</b>	<b>36,144</b>	<b>68,009</b>
<b>Total assets</b>	<b>730,608</b>	<b>48,711</b>	<b>85,063</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	3,557	328	89
Contract liabilities	9,984	283	73
Borrowings	271	84	137
Employee benefit provision	4,484	—	—
Provisions	1,389	—	—
<b>Total current liabilities</b>	<b>19,685</b>	<b>695</b>	<b>299</b>
<b>Non-current liabilities</b>			
Borrowings	1,473	657	1,662
Employee benefit provision	375	—	—
Provisions	650	—	—
<b>Total non-current liabilities</b>	<b>2,498</b>	<b>657</b>	<b>1,662</b>
<b>Total liabilities</b>	<b>22,183</b>	<b>1,352</b>	<b>1,961</b>
<b>Net assets</b>	<b>708,425</b>	<b>47,359</b>	<b>83,102</b>
<b>EQUITY</b>			
Accumulated surplus	504,769	46,725	72,535
Revaluation reserves	203,656	634	10,567
<b>Council equity interest</b>	<b>708,425</b>	<b>47,359</b>	<b>83,102</b>
<b>Total equity</b>	<b>708,425</b>	<b>47,359</b>	<b>83,102</b>

## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

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

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

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

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

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

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	19,306	11,016	19,306	11,016
Receivables	8,743	10,931	8,743	10,931
Investments				
Long Term Deposits	35,500	33,000	35,500	33,000
<b>Total financial assets</b>	<b>63,549</b>	<b>54,947</b>	<b>63,549</b>	<b>54,947</b>
<b>Financial liabilities</b>				
Payables	3,974	5,155	3,974	5,155
Borrowings	4,284	5,073	4,284	5,073
<b>Total financial liabilities</b>	<b>8,258</b>	<b>10,228</b>	<b>8,258</b>	<b>10,228</b>

Fair value is determined as follows:

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

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

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

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

The risks associated with the instruments held are:

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

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

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**E1-1 Risks relating to financial instruments held (continued)****(a) Market risk – interest rate and price risk**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
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	<b>474</b>	440
Impact of a 10% movement in price of investments		
– Equity / Income Statement	<b>4,740</b>	4,400

**(b) Credit risk**

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

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

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

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

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

**Credit risk profile****Receivables – rates and annual charges**

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

<b>\$ '000</b>	<b>Not yet overdue</b>	<b>overdue rates and annual charges &lt; 5 years</b>	<b>≥ 5 years</b>	<b>Total</b>
<b>2024</b>				
Gross carrying amount	–	1,138	25	1,163
<b>2023</b>				
Gross carrying amount	(50)	844	150	944

**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.

<b>\$ '000</b>	<b>Not yet overdue</b>	<b>0 - 30 days</b>	<b>Overdue debts 31 - 60 days</b>	<b>61 - 90 days</b>	<b>&gt; 91 days</b>	<b>Total</b>
<b>2024</b>						
Gross carrying amount	4,731	1,966	381	1,144	–	8,222

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

\$ '000	Not yet overdue	0 - 30 days	Overdue debts			> 91 days	Total
			31 - 60 days	61 - 90 days			
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
<b>ECL provision</b>	—	—	—	—		—	—
2023							
Gross carrying amount	8,635	617	61	674		—	9,987
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
<b>ECL provision</b>	—	—	—	—		—	—

**(c) Liquidity risk**

Payables and borrowings are both subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team 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 and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total contractual cash outflows	Actual carrying values
\$ '000							
2024							
Payables	0.00%	625	3,349	—	—	3,974	3,974
Borrowings	5.10%	—	700	2,134	2,829	5,663	4,284
Total financial liabilities		625	4,049	2,134	2,829	9,637	8,258
2023							
Payables	0.00%	767	4,388	—	—	5,155	5,155
Borrowings	5.04%	—	1,037	2,590	3,468	7,095	5,073
Total financial liabilities		767	5,425	2,590	3,468	12,250	10,228



## E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment and investment property

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

Fair value hierarchy

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

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

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

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

		Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
\$ '000	Notes	2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Infrastructure, property, plant and equipment	C1-7						
Plant and equipment		—	—	15,154	13,927	15,154	13,927
Office equipment		—	—	28	32	28	32
Furniture and fittings		—	—	3	3	3	3
Operational land		—	—	18,368	13,339	18,368	13,339
Community land		—	—	18,826	15,435	18,826	15,435
Buildings – non-specialised		—	—	35,526	31,002	35,526	31,002
Buildings – specialised		—	—	16,020	13,485	16,020	13,485
Other structures		—	—	10,525	8,982	10,525	8,982
Roads		—	—	166,749	159,858	166,749	159,858
Bridges		—	—	54,699	54,277	54,699	54,277
Footpaths		—	—	16,218	15,507	16,218	15,507
Kerb and gutter		—	—	24,930	24,435	24,930	24,435
Bulk earthworks		—	—	253,367	245,690	253,367	245,690
Stormwater drainage		—	—	38,255	37,437	38,255	37,437
Water supply network		—	—	31,580	31,643	31,580	31,643
Sewerage network		—	—	65,204	62,791	65,204	62,791
Other open space/recreational assets		—	—	22,997	19,537	22,997	19,537
Other assets		—	—	2	2	2	2
Tips and quarries		—	—	793	1,748	793	1,748
Total infrastructure, property, plant and equipment		—	—	789,244	749,130	789,244	749,130

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

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

### Valuation techniques

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

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

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## E2-1 Fair value measurement (continued)

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

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

The Carrying amount of Plant and equipment, office equipment and furniture and fittings is assumed to approximate fair value due to the nature of the items (being readily sourced and replaceable). Typical assets within these classes include plant/equipment - trucks, cars, mowers, graders, rollers, loaders, office equipment – computers, printers, furniture/fittings – work desks/chairs. In accordance with council's plant replacement cycle council replaces its fleet regularly to keep the light and heavy plants at their maximum useful lives. There is no strong case identified to carry out revaluation for these assets and Council does not undertake indexation of this asset class.

#### Stormwater drainage assets

Stormwater drainage assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include pipes/conduits, pits, headwalls located in urban areas.

The key unobservable inputs to the valuation are the remaining useful life, condition, and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs.

Council applied indexation on 30 June 2024 based on a report by independent external valuers. The index movement since the last indexation is 2.30%. The total fair value for Stormwater Assets increased by \$849k as a result.

A comprehensive valuation of Council's drainage assets, by independent, external valuers, is scheduled for the 2025/26 financial year.

#### Other structure assets

Other structure assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include retaining walls, shelters, swimming pools. Where possible larger assets such as swimming pools are componentised into significant parts.

The key unobservable inputs to the valuation are the remaining useful life, condition, and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs.

A valuation of other structure assets was undertaken by independent external valuers using Level 3 inputs effective 30 June 2023.

Council applied indexation on 30 June 2024 based on a report by independent external valuers. The index movement since the last revaluation is 3.62%. The total fair value for Other Structure Assets increased by \$313k as a result.

A comprehensive valuation of Council's other structure assets by independent, external valuers, is scheduled for the 2027/28 financial year.

#### Open Spaces depreciable assets

These assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include playing fields, playground equipment, tables /seats.

The key unobservable inputs to the valuation are the remaining useful life, condition and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs.

A valuation of open space assets was undertaken by independent external valuers using Level 3 inputs effective 30 June 2023. Council applied indexation on 30 June 2024 based on a report by independent external valuers. The index movement since the last revaluation is 3.62%. The total fair value of open space assets as at 30 June 2024 increased by \$667k.

The next comprehensive valuation of open space assets by independent, external valuers, is in the 2027/28 financial year.

#### Operational and Community land assets

These assets are valued using the market approach but are disclosed at fair value in the notes. These assets typically include saleable Operational Land such as land associated with works depot, offices and non-saleable Community Land associated with town commons, parks.

A land valuation was undertaken by the NSW Valuer General and independent valueuers effective 30 June 2024. Council aligns its revaluation with the Valuer General cycle and uses the most recent land valuation. The movement since this year is 30.3%. The total fair value for Land Assets increased by \$8.6 million as a result.

#### Buildings – non-specialised and specialised assets

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## E2-1 Fair value measurement (continued)

These assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include Council offices (non-specialised) and water/sewer treatment plant buildings (specialised).

The key unobservable inputs to the valuation are the remaining useful life, condition, and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs. Alternatively, quotations can be sourced from qualified professionals. Buildings are componentised into significant parts to assist in applying appropriate useful lives and replacement costs.

Council applied indexation to this class of assets effective 30 June 2024. The indexation movement is 3.73%. The total fair value for Building Assets increased by \$1.6 million as a result.

The next comprehensive valuation of buildings assets by independent, external valuers is scheduled for the 2027/28 financial year.

### Road, bridge, kerb and gutter and footpath network (Transport assets)

Transport assets are valued using the cost approach but are disclosed at fair value in the notes. Road assets typically include sealed/unsealed pavements, surfaces (bituminous seals, asphaltic concrete), kerb and gutter, safety barriers, culverts. Footpath assets are typically constructed using concrete, gravel, pavers. Bridge assets typically include concrete/steel bridges. Although some timber bridges are still in use, they are being progressively phased out.

The key unobservable inputs to the valuation are the remaining useful life, condition, and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs. Where applicable contract rates are applied. Transport assets are segmented into manageable lengths and uniform specifications.

A valuation of transport assets was undertaken by independent external valuers effective 30 June 2020. Council applied indexation at 30 June 2024 based on a report by independent external valuers. The index movement during the year is 2.3%. The total fair value for Transport Assets increased by \$5.8 million as a result.

A comprehensive valuation of Council's Transport assets by independent, external valuers is scheduled for the 2024/25 financial year.

### Water supply and Sewerage network assets

Water supply and Sewerage network assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include mains/conduits, pumping stations, reservoirs.

Mains are segmented into manageable lengths and uniform specifications.

Water supply and sewerage network asset are indexed at each reporting period in accordance with the Rates Reference Manual issued by Crowns Lands and Water. There has been no change to the valuation process during the reporting period.

The key unobservable inputs to the valuation are the remaining useful life, condition, and remaining value.

A valuation of Water supply and Sewerage network assets was undertaken by independent external valuers effective 30 June 2022. The Council applied indexation at 30 June 2024 based on a report by independent external valuers. The index movement for Water and Sewer since the last revaluation is 5.07%. The total fair value for Water supply assets increased by \$1.5 million which was transferred to revenue. Sewerage assets increased by \$3.1 million as a result. The next comprehensive valuation by independent, external valuers is scheduled for the 2026/27 financial year.

### Earthworks

Earthworks asset are valued using the cost approach but are disclosed at fair value in the notes. Earthworks are typically found beside roads, in parklands and around infrastructure.

Key unobservable inputs include the condition of the assets. Replacement costs are compiled by experienced engineers and are calculated by either applying recent actual project costs. Earthwork assets are segmented into manageable lengths.

The index movement for Earthworks assets effective 30 June 2024 was 2.3%. The total value of Earthworks assets increase by \$5.6m to \$253m.

## E2-1 Fair value measurement (continued)

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

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

Council assesses the expertise required for the valuation of all assets classes in determining who will undertake the valuations. A qualified external valuer is used where required. Operational and Community Land is valued using the Valuer Generals valuation.

Management reviews valuation reports for consistency and accuracy and to ensure all valuation movements are fully explained.

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

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

	Valuation technique/s	Unobservable inputs
<b>IPPE</b>		
Land- Operational and Community Buildings	Market Cost	Cost per sq metre, VG's Valuation
Road, bridges, footpaths, kerb and gutter	Cost	Cost per unit, pattern of consumption, useful life, asset condition
Bulk earthworks	Cost	Cost per sq metre, dimensions and specification, pattern of consumption, components, useful life, residual value, asset condition
Stormwater Drainage	Cost	Cost per cubic metre
Water supply network	Cost	Cost per unit per metre, pattern of consumption
Sewerage network	Cost	Unit rates, pattern of consumption, components, useful life, residual value, asset condition
Plant and equipment	Cost	Unit rates, pattern of consumption, components, useful life, residual value, asset condition
Office equipment	Cost	Useful life, residual value
Furniture and fittings	Cost	Useful life, residual value
Open Space and Other Structures	Cost	Useful life, condition, residual value
Tips and quarries	Cost	Useful life, condition, residual value, Inflation and Interest rates

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**E2-1 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		Office equipment		Furniture and fittings		Operational land	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Balance at 1 July</b>	<b>13,927</b>	<b>13,434</b>	<b>32</b>	<b>56</b>	<b>3</b>	<b>2</b>	<b>13,339</b>	<b>9,767</b>
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Transfers from/(to) another asset class	2,860	414	1	1	1	2	532	3,519
Purchases	–	2,576	–	–	–	–	–	–
Disposals	(55)	(825)	–	–	–	–	(152)	–
Depreciation and impairment	(1,578)	(1,672)	(5)	(26)	(1)	(1)	–	–
Revaluation increment/decrement to equity	–	–	–	1	–	–	4,649	53
<b>Balance at 30 June</b>	<b>15,154</b>	<b>13,927</b>	<b>28</b>	<b>32</b>	<b>3</b>	<b>3</b>	<b>18,368</b>	<b>13,339</b>

\$ '000	Community Land		Open Space		Buildings and other structures		Roads, bridges, footpaths, kerb and gutter	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Balance at 1 July</b>	<b>15,435</b>	<b>18,873</b>	<b>19,537</b>	<b>19,541</b>	<b>53,469</b>	<b>52,136</b>	<b>254,077</b>	<b>232,683</b>
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Transfers from/(to) another asset class	(485)	(3,520)	3,371	97	8,979	(518)	11,235	68
Purchases	–	120	–	499	–	1,527	–	8,615
Disposals	(126)	(99)	(8)	(205)	(69)	(39)	(3,027)	(1,612)
Depreciation and impairment	–	–	(570)	(431)	(2,238)	(2,111)	(5,486)	(4,862)
Revaluation increment/decrement to equity	4,002	61	667	36	1,930	2,474	5,797	19,185
<b>Balance at 30 June</b>	<b>18,826</b>	<b>15,435</b>	<b>22,997</b>	<b>19,537</b>	<b>62,071</b>	<b>53,469</b>	<b>262,596</b>	<b>254,077</b>

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**E2-1 Fair value measurement (continued)**

\$ '000	Bulk earthworks		Stormwater drainage		Water supply network		Sewerage network	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Balance at 1 July</b>	<b>245,690</b>	227,321	<b>37,437</b>	35,015	<b>31,643</b>	29,488	<b>62,791</b>	58,966
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Transfers from/(to) another asset class	4,048	–	508	–	(545)	–	424	–
Purchases	–	1,739	–	–	–	266	–	416
Disposals	(2,020)	(2,480)	–	(3)	(3)	(98)	(24)	(17)
Depreciation and impairment	–	–	(539)	(498)	(1,028)	(980)	(1,118)	(1,039)
Revaluation increment to income statement	–	–	–	–	1,513	4,219	–	–
Revaluation increment/decrement to equity	5,649	19,110	849	2,923	–	(1,252)	3,131	4,465
<b>Balance at 30 June</b>	<b>253,367</b>	245,690	<b>38,255</b>	37,437	<b>31,580</b>	31,643	<b>65,204</b>	62,791

\$ '000	Tips and quarries		Library books		Total	
	2024	2023	2024	2023	2024	2023
<b>Balance at 1 July</b>	<b>1,748</b>	1,472	<b>2</b>	2	<b>749,130</b>	698,756
Transfers from/(to) another asset class	–	–	–	–	30,929	63
Purchases	40	447	–	–	40	16,205
Disposals	(895)	–	–	–	(6,379)	(5,378)
Depreciation and impairment	(100)	(171)	–	–	(12,663)	(11,791)
Revaluation increment to income statement	–	–	–	–	1,513	4,219
Revaluation increment/decrement to equity	–	–	–	–	26,674	47,056
<b>Balance at 30 June</b>	<b>793</b>	1,748	<b>2</b>	2	<b>789,244</b>	749,130

**Highest and best use**

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

## E3-1 Contingencies

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

### 1. Guarantees

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

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

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

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

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

Pooled employers are required to pay future service employer contributions and past service employer contributions to the fund.

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

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

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

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

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

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

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

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding 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.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$104,055.53.

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

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**E3-1 Contingencies (continued)**

<b>Employer 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 member accounts and reserves in both assets and liabilities.

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

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

\* Plus promotional increases

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

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

**(ii) Statewide Limited**

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

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

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

**(iii) StateCover Limited**

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

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

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

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

**(iv) Other guarantees**

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

**2. Other****(i) Third party claims**

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

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

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## E3-1 Contingencies (continued)

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

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

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

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

### ASSETS NOT RECOGNISED

#### (i) Infringement notices/fines

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

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

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

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

#### (ii) Riverina Regional Library

Snowy Valleys Council is a member of the Riverina Regional Library (RRL), Council has not been able to establish the share of assets for the 2023/2024 financial year and therefore is reporting nil.

## F People and relationships

### F1 Related party disclosures

#### F1-1 Key management personnel (KMP)

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

- Mayor;
- Councillors;
- General Manager;
- Directors;
- Public Officer.
- Responsible Accounting Officer

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

\$ '000	2024	2023
<b>Compensation:</b>		
Short-term benefits	1,310	1,388
Post-employment benefits	126	131
Other long-term benefits	17	15
<b>Total</b>	<b>1,453</b>	<b>1,534</b>

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

Nature of the transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000					
Fees and Charges Income	2	–	30 Day Debtor Account	–	–
Payment of Goods/Services Received	7	–	30 Day Creditor Payment Terms	–	–
Lease/Rental Income	2	–	30 Day Debtor Account	–	–
Council Donations/Sponsorship	2	–	30 Day Creditor Payment Terms	–	–
Sale of Land	1	–	External Settlement	–	–



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**F1-2 Councillor and Mayoral fees and associated expenses**

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

Mayoral fee	<b>48</b>	39
Councillors' fees	<b>137</b>	101
Councillors (including Mayor) expenses	<b>30</b>	26
<b>Total</b>	<b>215</b>	<b>166</b>

**F2 Other relationships****F2-1 Audit fees**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Audit and review of financial statements	<b>172</b>	106
<b>Total audit fees</b>	<b>172</b>	<b>106</b>

## G Other matters

### G1-1 Statement of Cash Flows information

#### Reconciliation of Operating Result

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>15,146</b>	<b>14,766</b>
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	12,797	11,949
(Gain) / loss on disposal of assets	4,746	3,685
Non-cash capital grants and contributions	(1,438)	—
Reversal of prior year IPP&E revaluation decrements / impairment previously costed direct to the P&L	(1,513)	(4,219)
Unwinding of discount rates on reinstatement provisions	(66)	—
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	2,188	(312)
(Increase) / decrease of inventories	13	5
(Increase) / decrease of other current assets	2	(78)
(Increase) / decrease of contract asset	(642)	—
Increase / (decrease) in payables	(1)	2
Increase / (decrease) in accrued interest payable	44	44
Increase / (decrease) in other accrued expenses payable	(975)	(30)
Increase / (decrease) in other liabilities	(249)	(334)
Increase / (decrease) in contract liabilities	(292)	(3,205)
Increase / (decrease) in employee benefit provision	(218)	114
Increase / (decrease) in other provisions	(821)	395
<b>Net cash flows from operating activities</b>	<b>28,721</b>	<b>22,782</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2024	2023
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Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Sewerage and water infrastructure	2,006	284
Buildings	–	1,536
Plant and equipment	32	370
Open Space	196	845
Other Structures	110	746
Land Improvements	–	243
Road infrastructure	262	376
<b>Total commitments</b>	<b>2,606</b>	<b>4,400</b>

#### These expenditures are payable as follows:

Within the next year	2,606	4,400
<b>Total payable</b>	<b>2,606</b>	<b>4,400</b>

#### Sources for funding of capital commitments:

Unrestricted general funds	139	591
Externally restricted reserve	2,381	3,669
Internally restricted reserves	86	140
<b>Total sources of funding</b>	<b>2,606</b>	<b>4,400</b>

#### Details of capital commitments

##### Significant capital commitments include:

##### Open Space

- Batlow Pool
- Tumut Pool

##### Other Structures

- Aerodrome

##### Roads

- DRFA funded projects

##### Sewer and Water

- Sewer and Water Projects

### G3-1 Events occurring after the reporting date

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Council is unaware of any material or significant events that should be disclosed.

## G4 Statement of developer contributions

## G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024
		Cash	Non-cash Land	Non-cash Other				
Other	486	63	–	–	24	–	–	573
<b>S7.11 contributions – under a plan</b>	<b>486</b>	<b>63</b>	<b>–</b>	<b>–</b>	<b>24</b>	<b>–</b>	<b>–</b>	<b>573</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>486</b>	<b>63</b>	<b>–</b>	<b>–</b>	<b>24</b>	<b>–</b>	<b>–</b>	<b>573</b>
S64 contributions	4,759	471	–	–	232	(47)	–	5,415
<b>Total contributions</b>	<b>5,245</b>	<b>534</b>	<b>–</b>	<b>–</b>	<b>256</b>	<b>(47)</b>	<b>–</b>	<b>5,988</b>

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G4-1 Summary of developer contributions (continued)

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

G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024
		Cash	Non-cash Land	Non-cash Other				
CONTRIBUTION PLAN NUMBER (former Tumut)								
Other	486	63	–	–	24	–	–	573
Total	486	63	–	–	24	–	–	573

## G5 Statement of performance measures

### G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2</sup>	4,368	6.72%	(0.47)%	(3.88)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	64,973				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	47,258	59.83%	60.29%	60.80%	> 60.00%
Total continuing operating revenue <sup>1</sup>	78,984				
3. Unrestricted current ratio					
Current assets less all external restrictions	25,500	3.33x	1.95x	1.79x	> 1.50x
Current liabilities less specific purpose liabilities	7,662				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	17,429	16.55x	8.13x	5.71x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,053				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	1,326	5.59%	5.07%	3.95%	< 10.00%
Rates and annual charges collectable	23,711				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	54,806	11.94	7.68	10.46	> 3.00
Monthly payments from cash flow of operating and financing activities	4,588	months	months	months	months

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

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

## G5-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	(0.66)%	(3.64)%	39.03%	14.85%	28.88%	21.04%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	51.97%	54.92%	94.45%	98.83%	95.01%	98.50%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	3.33x	1.80x	18.08x	1.23x	57.04x	1.07x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	11.67x	24.77x	42.83x	2.47x	38.02x	6.48x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	7.81%	4.99%	0.00%	4.85%	0.00%	5.40%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	9.73 months	5.87 months	∞	16.20 months	∞	39.47 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note G4-1 above.

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



Snowy Valleys Council | Notes to the Financial Statements 30 June 2024

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**End of the audited financial statements**



**INDEPENDENT AUDITOR'S REPORT**  
**Report on the general purpose financial statements**  
**Snowy Valleys Council**

To the Councillors of Snowy Valleys Council

**Qualified Opinion**

I have audited the accompanying financial statements of Snowy Valleys 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, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of my report:

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

**Basis for Qualified Opinion**

**Limitation of Scope – Rural Fire Service buildings located on land controlled and recognised by the Council**

As disclosed in Note C1-7 'Infrastructure, property, plant and equipment' to the financial statements, the Council has not recognised Rural Fire Service assets vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act) that are located on land that is controlled and recognised by the Council in the Statement of Financial Position as at 30 June 2024. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refer to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

The Council has not undertaken procedures to confirm the completeness, accuracy, existence, condition or value of Rural Fire Service buildings located on land controlled and recognised by the Council. When assets are vested in the Council by the NSW Rural Fire Service, no financial consideration is required from the Council and as such these are assets provided to Council free-of-charge.

This is a limitation on the scope of my audit as I was unable to obtain sufficient appropriate audit evidence to:

- support the carrying values of Rural Fire Service buildings located on land that is controlled and recognised by the Council that should be recorded in the Statement of Financial Position and related notes as at 30 June 2024
- determine the impact on the 'Accumulated surplus' in the Statement of Changes in Equity and Statement of Financial Position
- determine the amount of 'Grants and contributions provided for capital purposes' income from Rural Fire Service buildings vested in the Council during the year and located on land controlled and recognised by the Council
- determine the 'Depreciation, amortisation and impairment of non-financial assets' expense that should be recognised in the Income Statement for the year ended 30 June 2024
- determine the impact on the 'Operating performance' and 'Own source operating revenue' ratios in Note G5-1 'Statement of performance measures – consolidated results' and Note G5-2 'Statement of performance measures by fund'.

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 qualified audit opinion.

### **Other Information**

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](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.



Nicky Rajani  
Delegate of the Auditor-General for New South Wales

31 October 2024  
SYDNEY



Cr Julia Ham  
Mayor  
Snowy Valleys Council  
76 Capper Street  
TUMUT NSW 2720

Contact: Nicky Rajani  
Phone no: 0403 743 080  
Our ref: R008-2124742775-9241

31 October 2024

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2024  
Snowy Valleys Council**

I have audited the general purpose financial statements (GPFS) of Snowy Valleys 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 a modified 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.

**SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS**

I identified the following significant audit issues and observations during my audit of the Council's financial statements.

**Modification to the opinion in the Independent Auditor's Report**

**Limitation of Scope – Rural Fire Service buildings located on land controlled and recognised by the Council**

As disclosed in Note C1-7 'Infrastructure, property, plant and equipment' to the financial statements, the Council has not recognised Rural Fire Service assets vested in the Council under section 119(2) of the Rural Fires Act 1997 (Rural Fires Act) that are located on land that is controlled and recognised by the Council in the Statement of Financial Position as at 30 June 2024. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refer to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

The Council has not undertaken procedures to confirm the completeness, accuracy, existence, condition or value of Rural Fire Service buildings located on land controlled and recognised by the Council. When assets are vested in the Council by the NSW Rural Fire Service, no financial consideration is required from the Council and as such these are assets provided to Council free-of-charge.

This is a limitation on the scope of my audit as I was unable to obtain sufficient appropriate audit evidence to:

- support the carrying values of Rural Fire Service buildings located on land that is controlled and recognised by the Council that should be recorded in the Statement of Financial Position and related notes as at 30 June 2024
- determine the impact on the 'Accumulated surplus' in the Statement of Changes in Equity and Statement of Financial Position
- determine the amount of 'Grants and contributions provided for capital purposes' income from Rural Fire Service buildings vested in the Council during the year and located on land controlled and recognised by the Council
- determine the 'Depreciation, amortisation and impairment of non-financial assets' expense that should be recognised in the Income Statement for the year ended 30 June 2024
- determine the impact on the 'Operating performance' and 'Own source operating revenue' ratios in Note G5-1 'Statement of performance measures – consolidated results' and Note G5-2 'Statement of performance measures by fund'.

As a result of the above issue, we have issued a modified audit opinion on the Council's GPFS for the year ended 30 June 2024.

Refer to the Independent Auditor's report on the GPFS.

## INCOME STATEMENT

### Operating result

	2024 \$m	2023 \$m	Variance %
Rates and annual charges revenue	22.6	19.9	13.6
Grants and contributions revenue	31.7	34.9	9.2
Operating result from continuing operations	15.1	14.8	2.0
Net operating result before capital grants and contributions	1.1	0.2	450

Rates and annual charges revenue (\$22.6 million) increased by \$2.7 million (13.6 per cent) in 2023–24 due to rate peg increase.

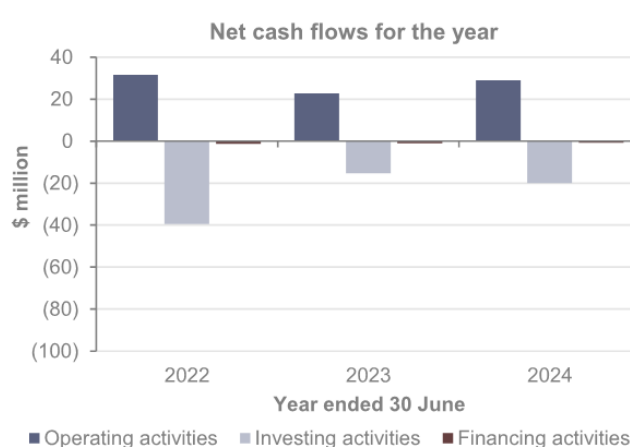
Grants and contributions revenue (\$31.7 million) decreased by \$3.2 million (9.2 per cent) in 2023–24 mostly due to a decrease of \$6.2 million of capital and operating grants for natural disasters. This decrease was partially offset by increase in other grants.

Council's operating result from continuing operations surplus of \$15.1 million including depreciation, amortisation and impairment expense of \$12.8 million was \$0.3 million higher than the 2022–23 result.

The net operating result before capital grants and contributions (\$1.1 million) was \$0.9 million higher than the 2022–23 result.

## STATEMENT OF CASH FLOWS

The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of the Council during the year. Cash balances increased by \$8.3 million to \$19.3 million at the close of the year. The increase in cash is mainly due to higher cash generated during the year from operating activities.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>54.8</b>	<b>44.0</b>	Externally restricted cash and investments comprise mainly developer contributions, water and sewer funds. Internal allocations are determined by Council policies or decisions, which are subject to change.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	39.7	35.5	
• Internal allocations	10.6	8.4	

### Debt

At 30 June 2024, Council had \$4.3 million of borrowings (\$5.1 million in 2022-23) which is secured over the revenue of Council. Council repaid \$0.8 million of borrowings (\$1.2 million in 2022-23).

PERFORMANCE

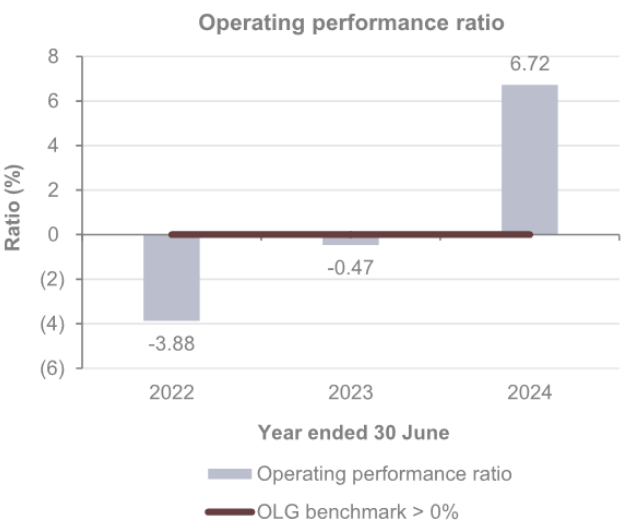
Performance measures

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

Operating performance ratio

Council exceeded the benchmark for the current reporting period.

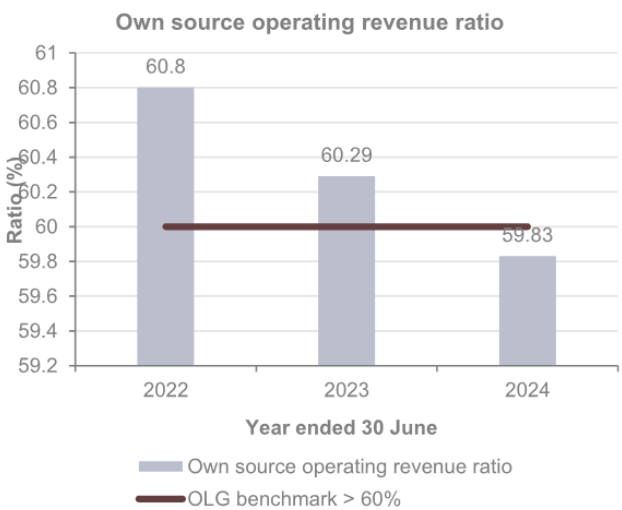
The ‘operating performance ratio’ measures how well Council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

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

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

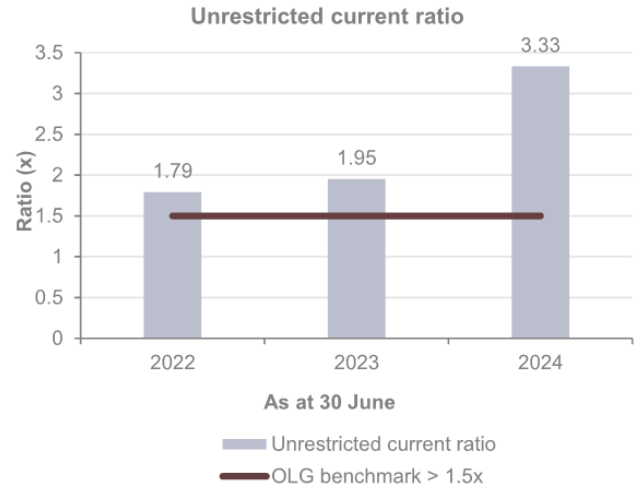




Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

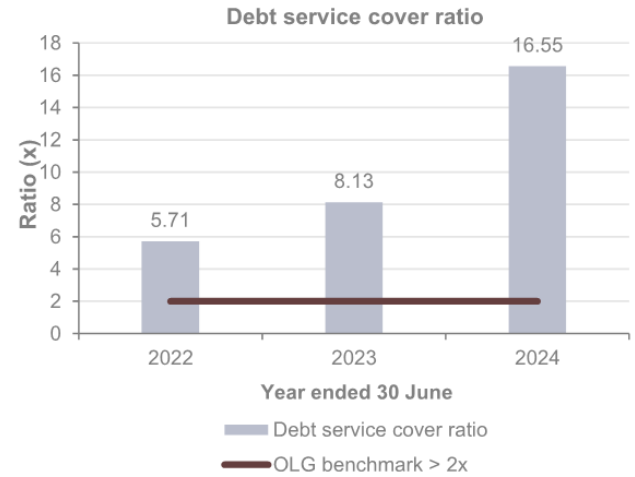
The 'unrestricted current ratio' is specific to local government and represents Council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

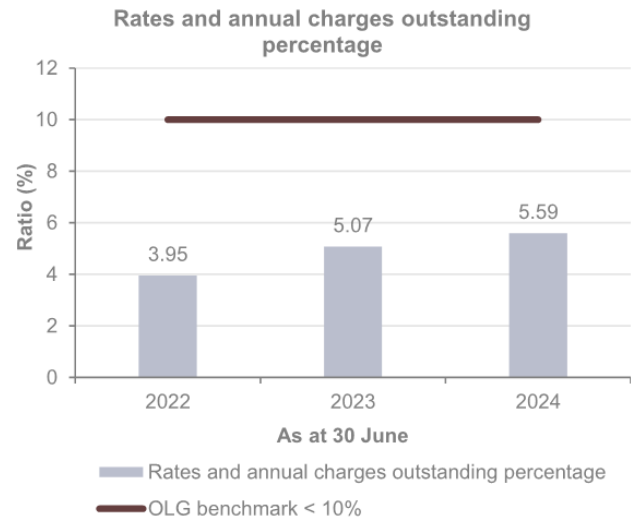
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



**Rates and annual charges outstanding percentage**

Council exceeded the benchmark for the current reporting period.

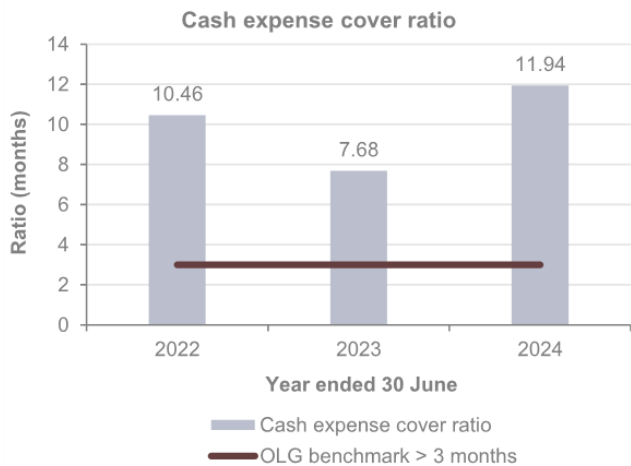
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



**Cash expense cover ratio**

Council exceeded the benchmark for the current reporting period.

This liquidity ratio indicates the number of months 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 \$18.5 million of infrastructure, property, plant and equipment during the 2023-24 financial year compared to \$21.3 million of infrastructure, property, plant and equipment in the 2022-2023 financial year.

## OTHER MATTERS

### Legislative compliance

My audit procedures identified a material deficiency in the Council's financial statements due to the non-recognition of rural fire-fighting assets that will be reported in the Management Letter.

Except for the matter outlined above, the Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.



Nicky Rajani  
Delegate of the Auditor-General for New South Wales

# Snowy Valleys Council

## SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

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## Snowy Valleys Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

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#### Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.  
  
Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.  
  
These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

## Snowy Valleys Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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#### Statement by Councillors and Management made pursuant to Section 413(2c) of the Local Government Code of Accounting Practice and Financial Reporting

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


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

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

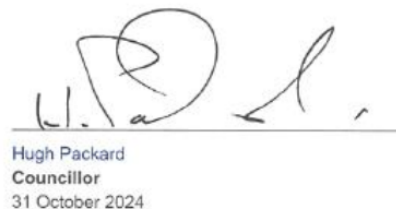
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

Signed in accordance with a resolution of Council made on 31/10/2024.



Julia Ham  
Mayor  
31 October 2024



Hugh Packard  
Councillor  
31 October 2024



Steven Pinnuck  
Interim General Manager  
31 October 2024



Manna Doshii  
Responsible Accounting Officer  
31 October 2024

Snowy Valleys Council | Income Statement of water supply business activity | for the year ended 30 June 2024

## Snowy Valleys Council

Income Statement of water supply business activity  
for the year ended 30 June 2024

\$ '000	2024	2023
Access charges	1,795	1,669
User charges	3,453	3,107
Fees	1	1
Interest and investment income	433	218
Other income	1,513	4,229
<b>Total income from continuing operations</b>	<b>7,195</b>	<b>9,224</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	963	668
Borrowing costs	94	130
Materials and services	1,785	1,961
Depreciation, amortisation and impairment	1,124	1,065
Net loss from the disposal of assets	3	93
Calculated taxation equivalents	18	18
Other expenses	418	345
<b>Total expenses from continuing operations</b>	<b>4,405</b>	<b>4,280</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>2,790</b>	<b>4,944</b>
Grants and contributions provided for capital purposes	423	59
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>3,213</b>	<b>5,003</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>3,213</b>	<b>5,003</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(698)	(1,236)
<b>Surplus (deficit) after tax</b>	<b>2,515</b>	<b>3,767</b>
<b>Opening accumulated surplus</b>	<b>43,513</b>	<b>38,510</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	18	18
– Corporate taxation equivalent	697	1,236
<b>Less:</b>		
– Tax equivalent dividend paid	(18)	(18)
– Taxation equivalent payments	–	–
<b>Closing accumulated surplus</b>	<b>46,725</b>	<b>43,513</b>
<b>Return on capital %</b>	<b>8.0%</b>	<b>14.3%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	2,516	3,767
Less: capital grants and contributions (excluding developer contributions)	(75)	–
<b>Surplus for dividend calculation purposes</b>	<b>2,441</b>	<b>3,767</b>
<b>Dividend calculated from surplus</b>	<b>1,220</b>	<b>1,884</b>

Snowy Valleys Council | Income Statement of sewerage business activity | for the year ended 30 June 2024

## Snowy Valleys Council

Income Statement of sewerage business activity  
for the year ended 30 June 2024

\$ '000	2024	2023
Access charges	4,947	4,572
User charges	925	691
Interest and investment income	668	343
Grants and contributions provided for operating purposes	3	8
Other income	26	41
<b>Total income from continuing operations</b>	<b>6,569</b>	<b>5,655</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	1,018	739
Borrowing costs	84	103
Materials and services	2,031	2,232
Depreciation, amortisation and impairment	1,213	1,124
Net loss from the disposal of assets	24	17
Calculated taxation equivalents	17	17
Other expenses	302	250
<b>Total expenses from continuing operations</b>	<b>4,689</b>	<b>4,482</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,880</b>	<b>1,173</b>
Grants and contributions provided for capital purposes	342	78
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>2,222</b>	<b>1,251</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>2,222</b>	<b>1,251</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(470)	(293)
<b>Surplus (deficit) after tax</b>	<b>1,752</b>	<b>958</b>
<b>Opening accumulated surplus</b>	<b>70,312</b>	<b>69,061</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	17	17
– Corporate taxation equivalent	471	293
<b>Less:</b>		
– Tax equivalent dividend paid	(17)	(17)
– Tax Equivalent payments	–	–
<b>Closing accumulated surplus</b>	<b>72,535</b>	<b>70,312</b>
<b>Return on capital %</b>	<b>2.9%</b>	<b>1.9%</b>
<b>Subsidy from Council</b>	<b>960</b>	<b>1,369</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,752	958
<b>Surplus for dividend calculation purposes</b>	<b>1,752</b>	<b>958</b>
<b>Dividend calculated from surplus</b>	<b>876</b>	<b>479</b>



Snowy Valleys Council | Statement of Financial Position of water supply business activity | as at 30 June 2024

## Snowy Valleys Council

## Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,835	1,861
Investments	7,755	6,755
Receivables	977	800
<b>Total current assets</b>	<b>12,567</b>	<b>9,416</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	36,144	35,474
<b>Total non-current assets</b>	<b>36,144</b>	<b>35,474</b>
<b>Total assets</b>	<b>48,711</b>	<b>44,890</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	283	–
Payables	328	148
Income received in advance	–	79
Borrowings	84	252
Employee benefit provisions	–	18
<b>Total current liabilities</b>	<b>695</b>	<b>497</b>
<b>Non-current liabilities</b>		
Borrowings	657	741
<b>Total non-current liabilities</b>	<b>657</b>	<b>741</b>
<b>Total liabilities</b>	<b>1,352</b>	<b>1,238</b>
<b>Net assets</b>	<b>47,359</b>	<b>43,652</b>
<b>EQUITY</b>		
Accumulated surplus	46,725	43,513
Revaluation reserves	634	139
<b>Total equity</b>	<b>47,359</b>	<b>43,652</b>

Snowy Valleys Council | Statement of Financial Position of sewerage business activity | as at 30 June 2024

## Snowy Valleys Council

## Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	6,343	6,577
Investments	10,367	7,367
Receivables	344	272
<b>Total current assets</b>	<b>17,054</b>	<b>14,216</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	68,009	65,791
<b>Total non-current assets</b>	<b>68,009</b>	<b>65,791</b>
<b>Total assets</b>	<b>85,063</b>	<b>80,007</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	73	–
Payables	89	45
Borrowings	137	283
Employee benefit provisions	–	18
<b>Total current liabilities</b>	<b>299</b>	<b>346</b>
<b>Non-current liabilities</b>		
Borrowings	1,662	1,789
<b>Total non-current liabilities</b>	<b>1,662</b>	<b>1,789</b>
<b>Total liabilities</b>	<b>1,961</b>	<b>2,135</b>
<b>Net assets</b>	<b>83,102</b>	<b>77,872</b>
<b>EQUITY</b>		
Accumulated surplus	72,535	70,312
Revaluation reserves	10,567	7,560
<b>Total equity</b>	<b>83,102</b>	<b>77,872</b>

## Note – Material accounting policy information

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

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

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

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

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1

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

##### a. Snowy Valleys Council Sewerage Service

Comprising the whole of the operations and assets of the sewerage reticulation and treatment system, servicing the towns of Adelong, Batlow, Khancoban, Talbingo, Tumbarumba and Tumut.

##### b. Snowy Valleys Council Water Supply Service

Comprising the whole of the operations and assets of the water supply system servicing the towns of Adelong, Batlow, Khancoban, Talbingo, Tumbarumba and Tumut.

#### Category 2

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

Nil

### Taxation equivalent charges

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

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

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

continued on next page ...

2023/24 Financial Statements | Page 8 of 11

## Note – Material accounting policy information (continued)

### Notional rate applied (%)

Corporate income tax rate – 25%

Land tax – the first \$969,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$5,925,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$5,925,000 a premium marginal rate of 2.0% applies.

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

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

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

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

### Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the relevant corporate income tax rate, currently 25%.

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the 'Council' as the owner of business operations – it represents an internal payment and has no effect on the operations of the Council.

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

### Local government rates and charges

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

### Loan and debt guarantee fees

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

#### (i) Subsidies

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

#### (ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

**Written down value of IPPE as at 30 June**

continued on next page ...

2023/24 Financial Statements | Page 9 of 11

## Note – Material accounting policy information (continued)

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.30% at 30/06/2024.

### (iii) Dividends

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

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

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Department of Industry – Water guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Industry – Water.

Snowy Valleys Council | Special Purpose Financial Statements 2024

## Snowy Valleys Council

### Special Purpose Financial Statements for the year ended 30 June 2024

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## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### Snowy Valleys Council

To the Councillors of Snowy Valleys Council

### Opinion

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

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage.

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

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

### Basis for Opinion

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

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

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

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

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

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

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



**Emphasis of Matter - Basis of Accounting**

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

**Other Information**

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

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

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

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](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
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'Nicky Rajani', with a horizontal line drawn underneath it.

Nicky Rajani  
Delegate of the Auditor-General for New South Wales

31 October 2024  
SYDNEY

# Snowy Valleys Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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Snowy Valleys Council

Special Schedules  
for the year ended 30 June 2024

Contents	Page
<b>Special Schedules:</b>	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2024	4

Snowy Valleys Council | Permissible income for general rates | for the year ended 30 June 2024

## Snowy Valleys 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	10,713	12,639
Plus or minus adjustments <sup>2</sup>	b	12	38
<b>Notional general income</b>	c = a + b	<b>10,725</b>	<b>12,677</b>
<b>Permissible income calculation</b>			
Percentage increase	d	17.50%	5.00%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	1,877	634
<b>Sub-total</b>	g = (c + e + f)	<b>12,602</b>	<b>13,311</b>
Plus (or minus) last year's carry forward total	h	2	(35)
<b>Sub-total</b>	j = (h + i)	<b>2</b>	<b>(35)</b>
<b>Total permissible income</b>	k = g + j	<b>12,604</b>	<b>13,276</b>
Less notional general income yield	l	12,639	13,338
<b>Catch-up or (excess) result</b>	m = k - l	<b>(35)</b>	<b>(62)</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>(35)</b>	<b>(62)</b>

**Notes**

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



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Snowy Valleys Council

To the Councillors of Snowy Valleys Council

#### Opinion

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

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

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

#### Basis for Opinion

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

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

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

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

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

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

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

#### Emphasis of Matter - Basis of Accounting

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

**Other Information**

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

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

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

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

I have nothing to report in this regard.

**The Councillors' Responsibilities for the Schedule**

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

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

**Auditor's Responsibilities for the Audit of the Schedule**

My objectives are to:

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

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

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](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.

A handwritten signature in black ink, appearing to read 'Nicky Rajani', with a horizontal line drawn underneath it.

Nicky Rajani  
Delegate of the Auditor-General for New South Wales

31 October 2024  
SYDNEY

## Snowy Valleys Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	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				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
<b>Buildings</b>	Buildings – specialised	–	–	1,099	1,099	15,519	25,405	29.8%	34.1%	24.7%	11.4%	0.0%
	Council Offices/Administration	–	–	450	450	8,394	16,605	9.1%	10.2%	80.7%	0.0%	0.0%
	Council Public Halls	–	–	375	375	2,317	5,571	14.3%	0.3%	85.4%	0.0%	0.0%
	Council Works Depot	–	–	114	114	3,137	6,175	9.9%	37.1%	53.0%	0.0%	0.0%
	Cultural Facilities	–	–	334	334	4,783	108,666	5.2%	18.3%	55.3%	21.2%	0.0%
	Libraries	–	–	914	914	2,492	4,065	25.6%	51.8%	17.3%	5.4%	0.0%
	<b>Sub-total</b>	–	–	<b>4,082</b>	<b>4,082</b>	<b>51,546</b>	<b>189,699</b>	<b>12.6%</b>	<b>22.6%</b>	<b>49.8%</b>	<b>15.1%</b>	<b>0.0%</b>
<b>Other structures</b>	Other structures	–	–	158	158	10,525	18,116	59.3%	12.3%	28.4%	0.0%	0.0%
	<b>Sub-total</b>	–	–	<b>158</b>	<b>158</b>	<b>10,525</b>	<b>18,116</b>	<b>59.3%</b>	<b>12.3%</b>	<b>28.4%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Roads</b>	Unsealed roads	–	–	604	604	15,557	29,538	67.2%	27.9%	4.9%	0.0%	0.0%
	Bridges	1,258	1,258	684	684	54,793	85,045	86.2%	10.0%	2.3%	1.6%	0.0%
	Footpaths	–	–	48	48	13,349	18,290	65.8%	26.2%	7.9%	0.1%	0.0%
	Other road assets	–	–	24	24	9,375	117,780	99.7%	0.3%	0.0%	0.0%	0.0%
	Bulk earthworks	–	–	–	–	253,367	253,367	100.0%	0.0%	0.0%	0.0%	0.0%
	Cycleways	–	–	84	84	2,870	3,331	86.6%	13.1%	0.3%	0.0%	0.0%
	Kerb & Gutter	–	–	6	6	20,905	36,598	31.3%	39.5%	29.2%	0.0%	0.0%
	Road Culverts	–	–	41	41	20,690	38,513	63.4%	35.3%	1.3%	0.0%	0.0%
	Sealed Road Surface	–	–	821	821	19,734	40,822	68.8%	29.1%	2.0%	0.0%	0.0%
	Sealed Road Structure	–	–	544	544	80,393	117,490	49.8%	46.1%	4.1%	0.0%	0.0%
	<b>Sub-total</b>	<b>1,258</b>	<b>1,258</b>	<b>2,856</b>	<b>2,856</b>	<b>491,033</b>	<b>740,774</b>	<b>81.2%</b>	<b>15.7%</b>	<b>2.9%</b>	<b>0.2%</b>	<b>0.0%</b>
<b>Water supply network</b>	Other	–	–	38	38	341	795	78.7%	21.3%	0.0%	0.0%	0.0%
	Pumping Stations	–	–	68	68	1,592	4,960	12.8%	53.2%	34.0%	0.0%	0.0%
	Reservoirs	–	–	88	88	5,247	16,513	36.0%	40.0%	24.0%	0.0%	0.0%
	Treatment	211	211	429	429	16,304	44,811	33.4%	35.8%	25.9%	5.0%	0.0%
	Mains	–	–	303	303	8,096	48,578	61.8%	34.3%	3.9%	0.0%	0.0%
	<b>Sub-total</b>	<b>211</b>	<b>211</b>	<b>926</b>	<b>926</b>	<b>31,580</b>	<b>115,657</b>	<b>45.1%</b>	<b>36.4%</b>	<b>16.5%</b>	<b>1.9%</b>	<b>0.0%</b>

continued on next page ...

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Snowy Valleys Council | Report on infrastructure assets as at 30 June 2024

## Snowy Valleys Council

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

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	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				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Sewerage network	Mains	–	–	212	212	42,221	68,320	31.4%	48.6%	19.3%	0.7%	0.0%
	Other	–	–	–	–	516	1,260	92.1%	7.1%	0.8%	0.0%	0.0%
	Pumping Stations	–	–	246	246	1,714	6,854	63.2%	21.1%	15.7%	0.0%	0.0%
	Treatment	–	–	704	704	20,753	44,555	65.3%	20.5%	14.2%	0.0%	0.0%
	<b>Sub-total</b>	–	–	<b>1,162</b>	<b>1,162</b>	<b>65,204</b>	<b>120,989</b>	<b>46.3%</b>	<b>36.3%</b>	<b>17.0%</b>	<b>0.4%</b>	<b>0.0%</b>
Stormwater drainage	Other	–	–	–	–	90	106	100.0%	0.0%	0.0%	0.0%	0.0%
	Head Walls	–	–	12	12	603	1,074	11.6%	50.3%	36.1%	2.0%	0.0%
	Inlet and Junction Pits	–	–	22	22	6,028	9,741	29.3%	41.2%	29.3%	0.2%	0.0%
	Stormwater Conduits	–	–	2	2	31,531	47,579	32.2%	58.9%	9.0%	0.0%	0.0%
	Stormwater Converters	–	–	–	–	3	3	100.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	–	–	<b>36</b>	<b>36</b>	<b>38,255</b>	<b>58,503</b>	<b>31.4%</b>	<b>55.6%</b>	<b>12.9%</b>	<b>0.1%</b>	<b>0.0%</b>
Open space / recreational assets	Swimming pools	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	15	15	59	80	100.0%	0.0%	0.0%	0.0%	0.0%
	Other Open Space/Recreation	–	–	1,608	1,608	16,827	19,308	95.2%	2.3%	2.5%	0.0%	0.0%
	Swimming pools	–	–	984	984	6,111	97,620	54.0%	12.3%	19.2%	14.6%	0.0%
	<b>Sub-total</b>	–	–	<b>2,607</b>	<b>2,607</b>	<b>22,997</b>	<b>117,008</b>	<b>60.8%</b>	<b>10.6%</b>	<b>16.4%</b>	<b>12.2%</b>	<b>0.0%</b>
<b>Total – all assets</b>		<b>1,469</b>	<b>1,469</b>	<b>11,827</b>	<b>11,827</b>	<b>711,140</b>	<b>1,360,746</b>	<b>61.3%</b>	<b>21.5%</b>	<b>13.8%</b>	<b>3.4%</b>	<b>0.0%</b>

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

## Infrastructure asset condition assessment 'key'

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

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## Snowy Valleys Council

## Report on infrastructure assets as at 30 June 2024

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals <sup>1</sup>	—	0.00%	126.75%	231.72%	> 100.00%
Depreciation, amortisation and impairment	9,469				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	1,469	0.20%	0.18%	0.19%	< 2.00%
Net carrying amount of infrastructure assets	719,229				
Asset maintenance ratio					
Actual asset maintenance	11,827	100.00%	100.00%	100.00%	> 100.00%
Required asset maintenance	11,827				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	1,469	0.11%	0.12%	0.13%	
Gross replacement cost	1,360,746				

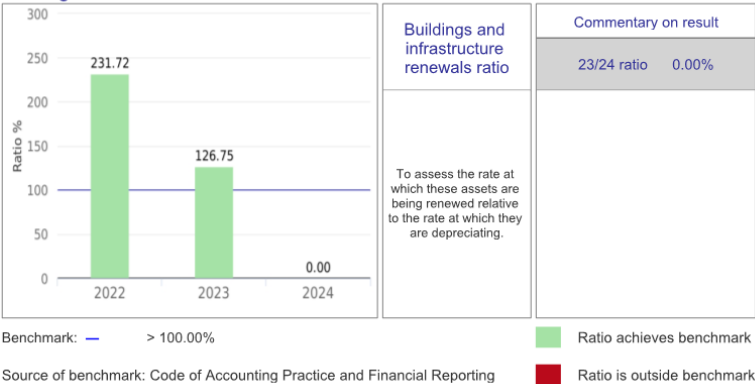
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

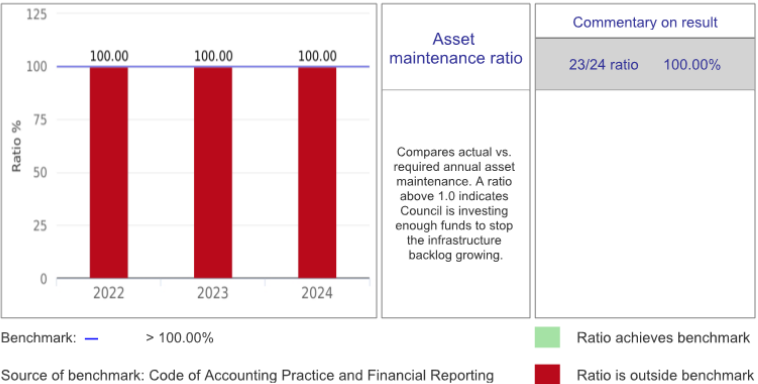
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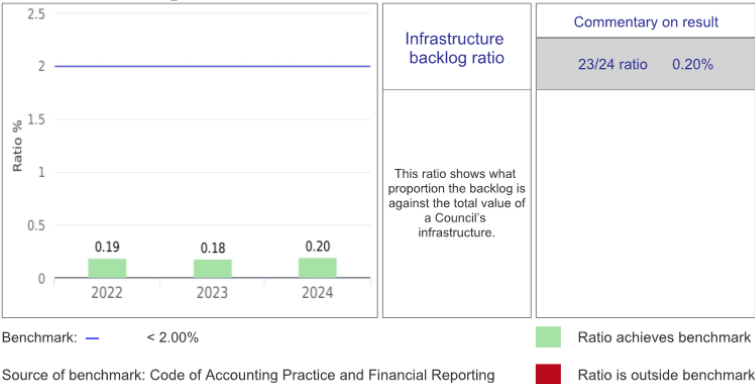
Buildings and infrastructure renewals ratio



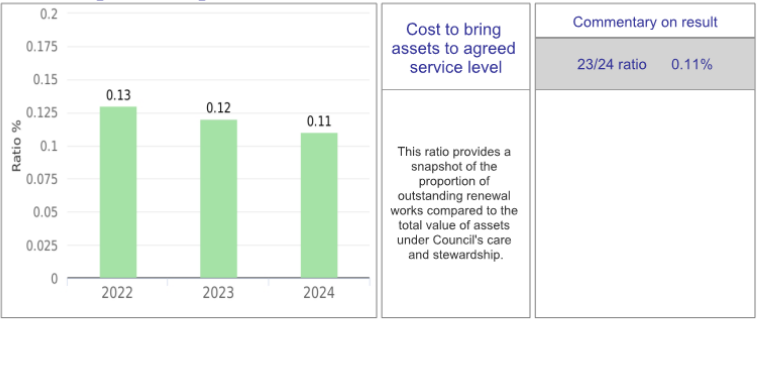
Asset maintenance ratio



Infrastructure backlog ratio



Cost to bring assets to agreed service level



## Snowy Valleys Council

## Report on infrastructure assets as at 30 June 2024

## Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals <sup>1</sup>	0.00%	103.75%	0.00%	0.00%	0.00%	0.00%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	0.20%	0.17%	0.67%	0.59%	0.00%	0.00%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	0.11%	0.14%	0.18%	0.16%	0.00%	0.00%	
Gross replacement cost							

(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.