

Wagga Wagga City Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

*"A thriving, innovative, connected community on the
Murrumbidgee, rich in opportunity, choice, learning and
environment, where paths cross, where people meet"*



Wagga Wagga City Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

*"A thriving, innovative, connected community on the
Murrumbidgee, rich in opportunity, choice, learning and
environment, where paths cross, where people meet"*



Wagga Wagga City Council

General Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
Understanding Council's Financial Statements	3
Statement by Councillors and Management	4
Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Contents for the notes to the Financial Statements	10
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	85
On the Financial Statements (Sect 417 [3])	86

Overview

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

Corner Baylis and Morrow Streets
Wagga Wagga NSW 2650

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

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

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

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

Wagga Wagga City Council

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Wagga Wagga City Council

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

made pursuant to Section 413(2)(c) 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 28 October 2024.

Dallas Tout

Mayor

28 October 2024

Georgie Davies

Councillor

28 October 2024

Peter Thompson

General Manager

28 October 2024

Carolyn Rodney

Responsible Accounting Officer

28 October 2024

Wagga Wagga City Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
79,701	Rates and annual charges	B2-1	78,498	75,158
32,608	User charges and fees	B2-2	34,317	30,657
3,040	Other revenues	B2-3	5,228	3,572
13,892	Grants and contributions provided for operating purposes	B2-4	16,136	25,057
43,631	Grants and contributions provided for capital purposes	B2-4	49,318	47,153
4,874	Interest and investment income	B2-5	8,741	5,548
1,564	Other income	B2-6	2,572	2,051
179,310	Total income from continuing operations		194,810	189,196
Expenses from continuing operations				
56,173	Employee benefits and on-costs	B3-1	49,889	45,963
41,316	Materials and services	B3-2	46,083	43,743
3,363	Borrowing costs	B3-3	3,411	3,487
44,292	Depreciation, amortisation and impairment of non-financial assets	B3-4	49,752	41,854
1,954	Other expenses	B3-5	2,957	4,344
—	Net loss from the disposal of assets	B4-1	45,386	8,720
147,098	Total expenses from continuing operations		197,478	148,111
32,212	Operating result from continuing operations		(2,668)	41,085
32,212	Net operating result for the year attributable to Council		(2,668)	41,085
Net operating result for the year before grants and contributions provided for capital purposes				
(11,419)			(51,986)	(6,068)

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

Wagga Wagga City Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		(2,668)	41,085
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	111,892	296,196
Other comprehensive income – joint ventures and associates	D2-1	–	(57)
Total items which will not be reclassified subsequently to the operating result		111,892	296,139
Total other comprehensive income for the year		111,892	296,139
Total comprehensive income for the year attributable to Council		109,224	337,224

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

Wagga Wagga City Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	90,695	39,143
Investments	C1-2	72,844	38,510
Receivables	C1-4	15,909	16,490
Inventories	C1-5	2,386	1,990
Contract assets and contract cost assets	C1-6	3,854	5,966
Other	C1-9	1,137	882
Total current assets		186,825	102,981
Non-current assets			
Investments	C1-2	125,889	141,119
Receivables	C1-4	1,533	1,533
Infrastructure, property, plant and equipment (IPPE)	C1-7	2,142,877	2,065,615
Investment property	C1-8	4,870	4,540
Right of use assets	C2-1	2,216	2,619
Investments accounted for using the equity method	D2-1	–	2,239
Total non-current assets		2,277,385	2,217,665
Total assets		2,464,210	2,320,646
LIABILITIES			
Current liabilities			
Payables	C3-1	16,465	19,760
Contract liabilities	C3-2	55,150	11,607
Lease liabilities	C2-1	365	355
Borrowings	C3-3	6,453	6,272
Employee benefit provisions	C3-4	12,535	12,486
Provisions	C3-5	2,353	2,338
Total current liabilities		93,321	52,818
Non-current liabilities			
Lease liabilities	C2-1	991	1,356
Borrowings	C3-3	46,233	51,503
Employee benefit provisions	C3-4	500	404
Provisions	C3-5	1,434	2,058
Total non-current liabilities		49,158	55,321
Total liabilities		142,479	108,139
Net assets		2,321,731	2,212,507
EQUITY			
Accumulated surplus	C4-1	1,085,898	1,088,566
IPPE revaluation reserve	C4-1	1,235,833	1,123,941
Council equity interest		2,321,731	2,212,507
Total equity		2,321,731	2,212,507

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

Wagga Wagga City Council

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		1,088,566	1,123,941	2,212,507	1,047,651	826,282	1,873,933
Correction of prior period errors		–	–	–	(113)	1,463	1,350
Restated opening balance		1,088,566	1,123,941	2,212,507	1,047,538	827,745	1,875,283
Net operating result for the year		(2,668)	–	(2,668)	41,085	–	41,085
Restated net operating result for the period		(2,668)	–	(2,668)	41,085	–	41,085
Other comprehensive income							
Restated Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	111,892	111,892	–	296,196	296,196
Joint ventures and associates	D2-1	–	–	–	(57)	–	(57)
Other comprehensive income		–	111,892	111,892	(57)	296,196	296,139
Total comprehensive income		(2,668)	111,892	109,224	41,028	296,196	337,224
Closing balance at 30 June		1,085,898	1,235,833	2,321,731	1,088,566	1,123,941	2,212,507

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

Wagga Wagga City Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
Receipts:				
79,487	Rates and annual charges		78,871	75,709
32,286	User charges and fees		36,580	32,190
4,917	Interest received		7,837	4,713
57,321	Grants and contributions		107,467	77,227
–	Bonds, deposits and retentions received		–	795
4,158	Other		14,220	8,752
Payments:				
(56,173)	Payments to employees		(49,861)	(45,377)
(40,966)	Payments for materials and services		(56,777)	(53,512)
(3,363)	Borrowing costs		(3,420)	(3,411)
–	Bonds, deposits and retentions refunded		(146)	–
(1,954)	Other		(2,807)	(3,426)
75,713	Net cash provided from (or used in) operating activities	G1-1	131,964	93,660
Cash flows from investing activities				
Receipts:				
29,123	Sale of investments		7,569	7,856
–	Redemption of term deposits		32,000	19,000
1,491	Proceeds from sale of IPPE		1,187	14,770
–	Distributions received from joint ventures and associates		1,408	–
–	Deferred debtors receipts		5	7
Payments:				
(10,000)	Purchase of investments		(17,093)	(11,901)
–	Acquisition of term deposits		(41,000)	(40,000)
(92,692)	Payments for IPPE		(59,043)	(56,690)
(72,078)	Net cash provided from (or used in) investing activities		(74,967)	(66,958)
Cash flows from financing activities				
Receipts:				
10,609	Proceeds from borrowings		1,183	578
Payments:				
(7,523)	Repayment of borrowings		(6,272)	(9,874)
(365)	Principal component of lease payments		(356)	(342)
–	Payments for new leases		–	(1,000)
2,721	Net cash flow provided from (or used in) financing activities		(5,445)	(10,638)
6,356	Net change in cash and cash equivalents		51,552	16,064
16,639	Cash and cash equivalents at beginning of year		39,143	23,079
22,995	Cash and cash equivalents at end of year	C1-1	90,695	39,143
154,026	plus: Investments on hand at end of year	C1-2	198,733	179,629
177,021	Total cash, cash equivalents and investments		289,428	218,772

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

Wagga Wagga City Council

Contents for the notes to the Financial Statements for the year ended 30 June 2024

A About Council and these financial statements	12
A1-1 Basis of preparation	12
B Financial Performance	14
B1 Functions or activities	14
B1-1 Functions or activities – income, expenses and assets	14
B1-2 Components of functions or activities	15
B2 Sources of income	16
B2-1 Rates and annual charges	16
B2-2 User charges and fees	17
B2-3 Other revenues	18
B2-4 Grants and contributions	19
B2-5 Interest and investment income	22
B2-6 Other income	23
B3 Costs of providing services	24
B3-1 Employee benefits and on-costs	24
B3-2 Materials and services	24
B3-3 Borrowing costs	25
B3-4 Depreciation, amortisation and impairment of non-financial assets	26
B3-5 Other expenses	27
B4 Gains or losses	28
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	28
B5 Performance against budget	29
B5-1 Material budget variations	29
C Financial position	31
C1 Assets we manage	31
C1-1 Cash and cash equivalents	31
C1-2 Financial investments	31
C1-3 Restricted and allocated cash, cash equivalents and investments	33
C1-4 Receivables	35
C1-5 Inventories	36
C1-6 Contract assets and Contract cost assets	36
C1-7 Infrastructure, property, plant and equipment	37
C1-8 Investment properties	41
C1-9 Other	41
C2 Leasing activities	42
C2-1 Council as a lessee	42
C2-2 Council as a lessor	45
C3 Liabilities of Council	46
C3-1 Payables	46
C3-2 Contract Liabilities	47
C3-3 Borrowings	48
C3-4 Employee benefit provisions	49
C3-5 Provisions	50

Wagga Wagga City Council

Contents for the notes to the Financial Statements for the year ended 30 June 2024

C4 Reserves	51
C4-1 Nature and purpose of reserves	51
D Council structure	52
D1 Results by fund	52
D1-1 Income Statement by fund	52
D1-2 Statement of Financial Position by fund	53
D1-3 Details of internal loans	54
D2 Interests in other entities	55
D2-1 Interests in joint arrangements	55
E Risks and accounting uncertainties	57
E1-1 Risks relating to financial instruments held	57
E2-1 Fair value measurement	60
E3-1 Contingencies	68
F People and relationships	71
F1 Related party disclosures	71
F1-1 Key management personnel (KMP)	71
F1-2 Councillor and Mayoral fees and associated expenses	73
F2 Other relationships	73
F2-1 Audit fees	73
G Other matters	74
G1-1 Statement of Cash Flows information	74
G2-1 Commitments	75
G3-1 Events occurring after the reporting date	75
G4 Statement of developer contributions	76
G4-1 Summary of developer contributions	76
G4-2 Developer contributions by plan	77
G4-3 S64 contributions	78
G5 Statement of performance measures	79
G5-1 Statement of performance measures – consolidated results	79
G5-2 Statement of performance measures by fund	80
H Additional Council disclosures (unaudited)	82
H1-1 Statement of performance measures – consolidated results (graphs)	82
H1-2 Council information and contact details	84

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 28 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 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. fair values of investment property – refer Note C1-8
- ii. fair values of infrastructure, property, plant and equipment – refer Note C1-7
- iii. remediation provisions – refer Note C3-5
- iv. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

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

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

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

- general purpose operations
- sewerage service.

A1-1 Basis of preparation (continued)

The Trust Fund

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

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

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

Volunteer services

Council utilises volunteer services across a range of functions including cultural facilities, the Glenfield Road Animal Shelter, parks maintenance and for environmental projects such as Clean up Australia Day.

As the services received by Council would not normally be purchased by Council and at times cannot be reliably measured, volunteer services have not been recognised in the income statement.

New accounting standards and interpretations issued but not yet effective

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

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

New accounting standards adopted during the year

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

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

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

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

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Community Leadership and Collaboration	76,204	72,080	23,365	23,712	52,839	48,368	18,853	19,298	87,042	87,621
Safe and Healthy Community	9,933	8,866	21,216	21,997	(11,283)	(13,131)	3,703	2,708	389,128	342,667
Growing Economy	17,075	19,256	17,087	12,969	(12)	6,287	2,570	8,201	70,623	68,018
Community Place and Identity	2,522	3,499	8,349	8,200	(5,827)	(4,701)	807	1,673	14,603	12,198
The Environment	89,076	85,495	127,461	81,233	(38,385)	4,262	39,521	40,330	1,902,814	1,810,142
Total functions and activities	194,810	189,196	197,478	148,111	(2,668)	41,085	65,454	72,210	2,464,210	2,320,646

B1-2 Components of functions or activities

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

Community Leadership and Collaboration

Includes costs related to Council's planning and reporting, governance and customer service activities. Council activities include corporate governance and management, financial management and reporting, and information services.

Safe and Healthy Community

Includes services and actions Council takes to ensure the community's safety, from managing the physical environment to ensuring the health standard of the community including activities related to providing recreational spaces and programs for a healthy community. Council activities include parks management, recreational programming, and ranger and animal management services.

Growing Economy

Includes costs of providing assets and services to develop our transport networks and encourage economic growth as well as projects and events that make our city a great place to live and visit. Council activities include visitor economy, events management, economic development, and airport and livestock management operations.

Community Place and Identity

Includes costs of programs and activities Council delivers that bring people together including projects and programs that will help our spaces reflect our community. Council activities include operation and management of Wagga Wagga Regional Family Day Care, civic theatre, art and glass galleries, museums and Wagga Wagga City Library.

The Environment

Includes costs of all programs, projects and services that contribute to the sustainability of our community including managing our growth and impact on the environment, as well as protecting and maintaining our assets. Council activities including planning and development, environmental management and compliance, project delivery, sewer and stormwater services, building management and civil infrastructure management.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	31,418	30,093
Farmland	5,482	5,294
Business	12,039	11,568
Less: pensioner rebates (mandatory)	(605)	(612)
Rates levied to ratepayers	48,334	46,343
Pensioner rate subsidies received	333	330
Total ordinary rates	48,667	46,673
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	11,093	10,466
Stormwater management services	735	731
Sewerage services	17,550	16,866
Waste management services (non-domestic)	690	662
Less: pensioner rebates (mandatory)	(522)	(521)
Annual charges levied	29,546	28,204
Pensioner annual charges subsidies received:		
– Sewerage	156	154
– Domestic waste management	129	127
Total annual charges	29,831	28,485
Total rates and annual charges	78,498	75,158

Council has used 2023 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)		
Domestic waste management services	1,894	1,742
Sewerage services	5,416	4,712
Waste management services (non-domestic)	5,449	5,264
Total specific user charges	12,759	11,718
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Private works – section 67	157	97
Regulatory/statutory fees	757	770
Total fees and charges – statutory/regulatory	914	867
(ii) Fees and charges – other (incl. general user charges (per s608))		
Aerodrome	4,603	3,829
Cemeteries	1,630	1,479
Development services	2,643	2,419
Corporate services	22	18
Library and art gallery	110	149
Livestock Marketing Centre	7,805	6,183
Oasis swimming complex	1,666	1,527
Park and sportsgrounds	624	919
Regional civic theatre	1,043	990
Visitors information centre	264	241
Other	234	318
Total fees and charges – other	20,644	18,072
Total other user charges and fees	21,558	18,939
Total user charges and fees	34,317	30,657
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	157	158
User charges and fees recognised at a point in time	34,160	30,499
Total user charges and fees	34,317	30,657

Material accounting policy information

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

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

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

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

B2-3 Other revenues

\$ '000	2024	2023
Ex gratia rates	43	42
Fines	217	456
Legal fees recovery – rates and charges (extra charges)	75	94
Diesel rebate	252	176
Insurance claims recoveries	102	329
Other theatre	9	6
Sales – miscellaneous	1,195	1,057
Sales – Oasis Aquatic Centre	115	122
Container Deposit Scheme	666	623
Other	2,554	667
Total other revenue	5,228	3,572

Timing of revenue recognition for other revenue

Other revenue recognised over time	–	–
Other revenue recognised at a point in time	5,228	3,572
Total other revenue	5,228	3,572

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants				
General purpose				
Current year allocation				
Financial assistance	527	3,027	–	–
Payment in advance - future year allocation				
Financial assistance	10,947	12,361	–	–
Amount recognised as income during current year	11,474	15,388	–	–
Special purpose grants and non-developer contributions				
Cash grants				
Sewerage services	15	17	156	78
Bushfire and emergency services	46	52	420	193
Community care	9	235	–	–
Economic development	431	56	–	770
Domestic waste management	–	7	–	–
Environmental programs	450	367	21	3
Recreation and culture	72	198	3,573	2,166
Airport	–	–	22	–
Drainage	–	–	341	13
Heritage and cultural	751	1,063	97	368
Noxious weeds	115	143	–	–
Family and childrens services – other	22	55	–	–
Street lighting	91	89	–	–
Transport (other roads and bridges funding)	823	5,848	21,693	17,083
Other specific grants	286	77	331	(19)
Cash contributions				
Bushfire services	58	22	–	–
Economic development	–	–	4,932	11,827
Recreation and culture	358	112	344	25
Roads and bridges	–	–	4	–
Transport for NSW contributions (regional roads, block grant)	893	1,012	1,276	1,678
Sewerage (excl. section 64 contributions)	41	140	1	1
Other contributions	201	176	–	–
Total special purpose grants and non-developer contributions – cash	4,662	9,669	33,211	34,186
Non-cash contributions				
Dedications (other than by s7.11)	–	–	5,481	5,664
Artworks donated	–	–	144	180
Total other contributions – non-cash	–	–	5,625	5,844
Total special purpose grants and non-developer contributions (tied)	4,662	9,669	38,836	40,030
Total grants and non-developer contributions	16,136	25,057	38,836	40,030
Comprising:				
– Commonwealth funding	11,556	15,787	6,554	5,520
– State funding	3,836	8,636	26,130	28,538
– Other funding	744	634	6,152	5,972
	16,136	25,057	38,836	40,030

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions	G4				
S 7.11 – contributions towards amenities/services		–	–	6,486	4,162
S 7.12 – fixed development consent levies		–	–	956	673
S 64 – sewerage service contributions		–	–	1,903	1,441
S 64 – stormwater contributions		–	–	1,137	847
Total developer contributions – cash		–	–	10,482	7,123
Total developer contributions		–	–	10,482	7,123
Total grants and contributions		16,136	25,057	49,318	47,153
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		–	224	25,674	30,818
Grants and contributions recognised at a point in time		16,136	24,833	23,644	16,335
Total grants and contributions		16,136	25,057	49,318	47,153

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
Grants				
Unspent funds at 1 July	6,210	1,106	7,775	3,888
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	4,080	3,650	–
Add: Funds received and not recognised as revenue in the current year	1,101	1,804	49,986	6,791
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(5,823)	(780)	(5,334)	(2,904)
Unspent grants at 30 June	1,488	6,210	56,077	7,775
Contributions				
Unspent funds at 1 July	42,688	39,062	–	–
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	9,770	5,445	–	–
Add: contributions received and not recognised as revenue in the current year	15	5	–	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	–	–	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(5,520)	(1,824)	–	–
Unspent contributions at 30 June	46,953	42,688	–	–

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

B2-4 Grants and contributions (continued)

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	337	208
– Cash and investments	8,404	5,340
Total interest and investment income (losses)	8,741	5,548
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	321	200
General Council cash and investments	6,836	4,308
Restricted investments/funds – external:		
Developer contributions		
– Section 7.11	47	51
– Section 64	11	11
Sewerage fund operations	1,246	808
Domestic waste management operations	257	170
Restricted investments/funds – internal:		
Internally restricted assets	23	–
Total interest and investment income	8,741	5,548

B2-6 Other income

\$ '000	Notes	2024	2023
Fair value increment on investment properties			
Fair value increment on investment properties		330	30
Total fair value increment on investment properties	C1-8	330	30
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		461	379
Total Investment properties		461	379
Land and Property			
Lease income (excluding variable lease payments not dependent on an index or rate)		1,088	923
Other lease income			
Leaseback fees - council vehicles		113	104
Total other lease income		1,201	1,027
Total rental income	C2-2	1,662	1,406
Fair value increment on investments			
Fair value increment on investments through profit and loss		580	615
Total Fair value increment on investments	C1-2	580	615
Total other income		2,572	2,051

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	39,176	35,518
Employee leave entitlements (ELE)	5,929	5,864
Superannuation	4,716	4,218
Workers' compensation insurance	1,253	1,222
Fringe benefit tax (FBT)	83	73
Payroll tax	238	188
Total employee costs	51,395	47,083
Less: capitalised costs	(1,506)	(1,120)
Total employee costs expensed	49,889	45,963
Number of 'full-time equivalent' employees (FTE) at year end	519	515

Material accounting policy information

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

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		25,417	25,333
Contractor costs		11,190	9,964
Audit Fees	F2-1	158	125
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	335	364
Election expenses		1	–
Electricity and heating		2,973	2,818
Insurance		1,657	1,611
Postage		162	135
Street lighting		809	752
Subscriptions and publications		60	58
Telephone and communications		393	460
Cost of sales		647	587
Valuer General Fees		257	238
Water		1,008	792
Legal expenses:			
– Legal expenses: planning and development		108	20
– Legal expenses: debt recovery		81	92
– Legal expenses: other		827	394
Total materials and services		46,083	43,743
Total materials and services		46,083	43,743

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on leases		45	53
Interest on loans		2,857	3,062
Total interest bearing liability costs		2,902	3,115
Total interest bearing liability costs expensed		2,902	3,115
(ii) Other borrowing costs			
Fair value adjustments on recognition of advances and deferred debtors			
– Employee leave liabilities	C3-4	379	203
– Remediation liabilities	C3-5	130	72
Interest applicable on interest free (and favourable) loans to Council		–	97
Total other borrowing costs		509	372
Total borrowing costs expensed		3,411	3,487

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		2,391	2,269
Office equipment		261	292
Furniture and fittings		19	19
Infrastructure:	C1-7		
– Buildings		3,395	3,757
– Other structures		1,705	1,528
– Roads		19,258	12,573
– Bridges		1,134	1,078
– Footpaths		1,168	1,353
– Stormwater drainage		3,734	3,390
– Sewerage network		6,879	6,420
– Swimming pools		118	102
– Other open space/recreational assets		2,482	2,380
– Airport infrastructure		4,721	4,450
– Rail infrastructure		276	259
Right of use assets	C2-1	404	353
Other assets:	C1-7		
– Library books		115	–
– Other		1,268	1,712
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-7	25	26
– Quarry assets	C3-5,C1-7	50	48
– Other remediation assets	C3-5,C1-7	701	–
Total gross depreciation and amortisation costs		50,104	42,009
Less: capitalised costs		(352)	(155)
Total depreciation and amortisation costs		49,752	41,854
Total depreciation, amortisation and impairment for non-financial assets		49,752	41,854

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

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

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of receivables			
Other		(16)	8
Total impairment of receivables	C1-4	(16)	8
Net share of interests in joint ventures and associates using the equity method			
Joint ventures		831	—
Total net share of interests in joint ventures and associates using the equity method	D2-1	831	—
Other			
Bushfire fighting fund		670	481
Canberra Region Joint Organisation Contribution		53	67
Emergency Services Levy (includes FRNSW, SES, and RFS levies)		308	138
NSW Fire Brigade Levy		702	466
Donations, contributions and assistance to other organisations (Section 356)		409	345
PCYC Contribution		—	2,839
Total other		2,142	4,336
Total other expenses		2,957	4,344

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of property (excl. investment property)			
	C1-7		
Proceeds from disposal – property		–	15,065
Less: carrying amount of property assets sold/written off		–	(14,809)
Gain (or loss) on disposal		–	256
Gain (or loss) on disposal of plant and equipment			
	C1-7		
Proceeds from disposal – plant and equipment		1,187	1,238
Less: carrying amount of plant and equipment assets sold/written off		(1,295)	(1,089)
Gain (or loss) on disposal		(108)	149
Gain (or loss) on disposal of infrastructure			
	C1-7		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(45,278)	(9,125)
Gain (or loss) on disposal		(45,278)	(9,125)
Gain (or loss) on disposal of investments			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		7,569	7,856
Less: carrying amount of investments sold/redeemed/matured		(7,569)	(7,856)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of term deposits			
	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		32,000	19,000
Less: carrying amount of term deposits sold/redeemed/matured		(32,000)	(19,000)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(45,386)	(8,720)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 26 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
Rates and annual charges	79,701	78,498	(1,203)	(2)% U
User charges and fees	32,608	34,317	1,709	5% F
Other revenues	3,040	5,228	2,188	72% F
During the 2023/24 financial year, Council received significant unbudgeted income for its Gregadoo Waste Management centre and the reimbursement of the purchase price paid by Council for the acquisition of the property located at 54-58 Johnston Street.				
Operating grants and contributions	13,892	16,136	2,244	16% F
Council received unbudgeted operating grants & contributions income for the NSW Natural Disaster recovery program, Flood mitigation studies, Riverside Precinct and Airport business case developments, Housing Strategy, Winter festival and increased income from developers for subdivision tree plantings.				
Capital grants and contributions	43,631	49,318	5,687	13% F
Council's variance to budget for Capital grants and contributions for 2023/24 is mainly due to the recognition of non-cash contributions for developer constructed infrastructure assets dedicated to Council.				
Interest and investment revenue	4,874	8,741	3,867	79% F
Council's interest on investments significantly outperformed the originally predicted budget for the 2023/24 financial year. For the 2023/24 financial year, Council's investment portfolio returned 3.86% as Council was able to take advantage of increasing investment rates that were on offer.				
Other income	1,564	2,572	1,008	64% F
Other Income exceeded the budget due to Council's Investment Properties at 36-40 Gurwood Street and 99 Peter Street increasing significantly in value during the financial year.				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Expenses				
Employee benefits and on-costs	56,173	49,889	6,284	11% F
Council experienced a reduction in employee benefits and on-cost expenditure due to the number of positions that were vacant in the organisation during the year. This along with a reduction in Workers Compensation claims meant savings in Workers Compensation Premiums for the organisation.				
Materials and services	41,316	46,083	(4,767)	(12)% U
Council experienced additional unbudgeted expenses for materials & services due to increased Roads, Oasis, LMC, Sewer and Solid Waste costs, insurance claims at various locations and the expenditure of grants and contributions that were secured during the year.				
Borrowing costs	3,363	3,411	(48)	(1)% U
Depreciation, amortisation and impairment of non-financial assets	44,292	49,752	(5,460)	(12)% U
Councils depreciation expense exceeding budget for the 2023/24 financial year is a result of increased annual depreciation recognised from the revaluation of its roads, footpaths and bridges asset portfolios in 2022/23.				
Other expenses	1,954	2,957	(1,003)	(51)% U
During 2023/24 Council finalised the arbitration on the distribution of the net assets from its Riverina Regional Library joint venture and dissolved of its share in this joint venture. This resulted in a non-cash expense being recognised of \$830K for 2023/24.				
Net losses from disposal of assets	–	45,386	(45,386)	∞ U

Statement of cash flows

Cash flows from operating activities	75,713	131,964	56,251	74% F
During the 2023/24 financial year, Council received additional grant funding that it had not originally budgeted to receive. This resulted in Council receiving additional funds for its operating activities at 30 June 2024.				
Cash flows from investing activities	(72,078)	(74,967)	(2,889)	4% U
Cash flows from financing activities	2,721	(5,445)	(8,166)	(300)% U
Within its 2023/24 Long Term Financial Plan, Council had originally planned to undertake a significant external loans borrowing program for the 2023/24 financial year. Due to a delay in the commencement and completion of a number of projects that are utilising loan borrowings as a funding source, Council was not required to drawdown on these funds during 2023/24.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	80,981	29,823
Cash equivalent assets		
– Deposits at call	9,714	9,320
Total cash and cash equivalents	90,695	39,143

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	90,695	39,143
Balance as per the Statement of Cash Flows	90,695	39,143

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Financial assets at fair value through the profit and loss				
Managed funds	–	2,065	–	1,867
Floating rate notes	12,844	38,357	1,510	41,883
Fixed rate bonds	–	4,467	–	2,369
Total	12,844	44,889	1,510	46,119
Debt securities at amortised cost				
Long term deposits	57,000	68,000	37,000	79,000
Government and semi-government bonds	3,000	13,000	–	16,000
Total	60,000	81,000	37,000	95,000
Total financial investments	72,844	125,889	38,510	141,119
Total cash assets, cash equivalents and investments	163,539	125,889	77,653	141,119

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.

C1-2 Financial investments (continued)

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.

Financial assets through profit or loss

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

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

Council's financial assets measured at fair value through profit or loss comprise investments of floating rate notes, fixed rate bonds and managed funds in the Statement of Financial Position.

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	289,428	218,772
Less: Externally restricted cash, cash equivalents and investments	(199,716)	(141,143)
Cash, cash equivalents and investments not subject to external restrictions	89,712	77,629
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	57,031	13,430
Employee leave – sewer and waste	650	512
External restrictions – included in liabilities	57,681	13,942
External restrictions – other		
Developer contributions – general	44,961	41,895
Sewer fund	52,286	45,139
Sewerage services – unexpended contributions	83	102
Domestic waste management	31,531	27,721
Stormwater management	5,506	5,351
Other unexpended contributions	1,437	676
Special rate variation – Levee bank	6,231	6,317
External restrictions – other	142,035	127,201
Total external restrictions	199,716	141,143

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

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

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	89,712	77,629
Less: Internally restricted cash, cash equivalents and investments	(78,286)	(66,310)
Unrestricted and unallocated cash, cash equivalents and investments	11,426	11,319
Internal allocations		
Additional Special Variation (ASV)	935	630
Airport	—	—
Bridge	278	278
Building	3,387	1,816
CCTV	35	47
Cemetery	1,378	1,247
Civic theatre	95	—
Civil infrastructure	11,521	8,750
Council election	428	306
Economic development	362	407
Emergency events	253	245
Employees leave entitlement	3,607	3,605
Environmental conservation	117	117
Event attraction	962	969
Financial Assistance Grants in advance	10,947	12,361
Grant Co-Funding	500	500
Gravel pit	790	808
Information services	2,388	2,420
Insurance savings	50	50
Internal loans	7,842	6,216
Lake Albert	742	128
Library	401	167
Livestock marketing centre	8,324	6,582
Net zero emissions	262	309
Oasis	1,202	1,324
Other operational	94	89
Parks and recreation	2,520	1,061
Parks water	180	180
Planning legals	62	100
Plant	6,383	4,023
Project carryovers	8,549	6,990
Public art	225	238
Service review	100	100
Stormwater drainage	110	110
Strategic real property	1,949	1,724
Subdivision tree planting	517	348
Unexpended external loans	603	1,870
Visitor economy	33	—
Workers compensation	155	195
Total internal allocations	78,286	66,310

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

C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	4,018	–	3,804	–
Interest and extra charges	412	–	335	–
User charges and fees	5,059	–	4,863	–
Accrued revenues				
– Interest on investments	2,368	–	1,541	–
– Other income accruals	82	–	106	–
Deferred debtors	–	1,533	5	1,533
Government grants and subsidies	1,517	–	2,788	–
Net GST receivable	1,141	–	1,965	–
Other debtors	1,494	–	1,283	–
Total	16,091	1,533	16,690	1,533
Less: provision for impairment				
User charges and fees	(182)	–	(200)	–
Total provision for impairment – receivables	(182)	–	(200)	–
Total net receivables	15,909	1,533	16,490	1,533

\$ '000	2024	2023
Movement in provision for impairment of receivables		
Balance at the beginning of the year	200	193
+ new provisions recognised during the year	–	7
– previous impairment losses reversed	(18)	–
Balance at the end of the year	182	200

Material accounting policy information

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

Impairment

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

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

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

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

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

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

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Stores and materials	2,262	–	1,874	–
Trading stock	124	–	116	–
Total inventories at cost	2,386	–	1,990	–
Total inventories	2,386	–	1,990	–

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	3,854	–	5,966	–
Total contract assets and contract cost assets	3,854	–	5,966	–

Contract assets

Capital grants and contributions to be received	3,119	–	5,683	–
Operating grants and contributions to be received	735	–	283	–
Total contract assets	3,854	–	5,966	–

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	54,070	–	54,070	7,204	4,941	(32,840)	–	(21,721)	–	–	11,655	–	11,655
Plant and equipment	35,025	(13,943)	21,082	3,091	1,239	(1,296)	(2,391)	4	–	–	37,034	(15,306)	21,728
Office equipment	4,056	(3,318)	738	–	101	–	(261)	–	–	–	4,157	(3,580)	577
Furniture and fittings	2,373	(2,237)	136	–	11	–	(19)	–	–	–	2,384	(2,255)	129
Land:													
– Operational land	121,093	–	121,093	–	–	–	–	6,018	–	7,375	134,486	–	134,486
– Community land	163,453	–	163,453	–	151	–	–	1	–	8,940	172,546	–	172,546
– Land under roads	11,259	–	11,259	–	–	(26)	–	–	–	–	11,233	–	11,233
Infrastructure:													
– Buildings	203,776	(57,450)	146,326	876	531	(991)	(3,395)	1,134	342	10,065	219,138	(64,251)	154,887
– Other structures	63,262	(14,737)	48,525	750	416	(1,365)	(1,705)	1,345	–	1,827	66,281	(16,486)	49,795
– Roads	1,003,019	(302,956)	700,063	28,166	5,547	(7,594)	(19,258)	7,758	–	42,081	1,085,415	(328,652)	756,763
– Bridges	113,097	(44,902)	68,195	–	90	–	(1,134)	619	–	5,071	114,901	(42,060)	72,841
– Footpaths	70,436	(27,533)	42,903	285	1,355	(168)	(1,168)	724	–	2,389	76,539	(30,219)	46,320
– Stormwater drainage	352,378	(109,427)	242,951	454	1,740	(476)	(3,734)	2,331	–	12,334	374,366	(118,767)	255,599
– Sewerage network	475,547	(126,909)	348,638	601	1,595	(249)	(6,879)	1,369	–	17,495	502,984	(140,413)	362,571
– Swimming pools	5,863	(2,214)	3,649	–	–	–	(118)	–	–	135	6,086	(2,421)	3,665
– Other open space/recreational assets	52,952	(17,978)	34,974	398	562	(993)	(2,482)	18	151	1,243	54,417	(20,547)	33,870
– Airport infrastructure (leasehold improvements)	97,927	(89,376)	8,551	70	–	–	(4,721)	4	–	149	101,735	(97,681)	4,054
– Rail infrastructure	15,167	(376)	14,791	–	–	–	(276)	–	–	553	15,744	(677)	15,067
Other assets:													
– Artworks	6,260	–	6,260	–	170	–	–	–	–	–	6,430	–	6,430
– Library books	377	–	377	–	776	–	(115)	–	–	1,075	2,733	(620)	2,113
– Other	36,910	(12,719)	24,191	288	401	(575)	(1,268)	396	(493)	1,160	38,345	(14,246)	24,099
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Quarry assets	1,290	(541)	749	–	–	–	(50)	–	(118)	–	1,172	(591)	581
– Tip assets	1,794	(555)	1,239	–	–	–	(25)	–	(47)	–	1,747	(580)	1,167
– Other remediation assets	1,402	–	1,402	–	–	–	(701)	–	–	–	1,402	(701)	701
Total infrastructure, property, plant and equipment	2,892,786	(827,171)	2,065,615	42,183	19,626	(46,573)	(49,700)	–	(165)	111,892	3,042,930	(900,053)	2,142,877

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period									At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Tfrs from/(to) 'held for sale' category	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	41,241	–	41,241	4,718	25,057	(1,981)	–	(14,965)	–	–	–	–	54,070	–	54,070
Plant and equipment	33,082	(12,954)	20,128	2,870	1,376	(1,089)	(2,269)	67	–	–	–	–	35,025	(13,943)	21,082
Office equipment	3,878	(3,026)	852	–	175	–	(292)	3	–	–	–	–	4,056	(3,318)	738
Furniture and fittings	2,325	(2,218)	107	–	47	–	(19)	–	–	–	–	–	2,373	(2,237)	136
Land:															
– Operational land	136,788	–	136,788	–	–	–	–	–	–	(11,864)	(3,831)	–	121,093	–	121,093
– Community land	163,068	–	163,068	–	385	–	–	–	–	–	–	–	163,453	–	163,453
– Land under roads (post 30/6/08)	11,245	–	11,245	–	13	–	–	–	–	–	–	–	11,259	–	11,259
Infrastructure:															
– Buildings	187,109	(51,114)	135,995	964	1,960	(590)	(3,757)	3,683	–	(316)	–	8,387	203,776	(57,450)	146,326
– Other structures	51,787	(12,153)	39,634	256	213	(38)	(1,528)	6,654	330	–	–	3,004	63,262	(14,737)	48,525
– Roads	753,604	(288,657)	464,947	13,122	1,874	(4,771)	(12,573)	844	(67)	–	–	236,685	1,003,019	(302,956)	700,063
– Bridges	105,345	(37,995)	67,350	132	50	–	(1,078)	337	(263)	–	–	1,668	113,097	(44,902)	68,195
– Footpaths	63,686	(23,482)	40,204	685	478	(1,355)	(1,353)	1,642	–	–	–	2,602	70,436	(27,533)	42,903
– Stormwater drainage	324,957	(98,205)	226,752	38	1,893	(1)	(3,390)	268	–	–	–	17,391	352,378	(109,427)	242,951
– Sewerage network	438,564	(111,494)	327,070	1,246	1,357	(199)	(6,420)	627	–	–	–	24,956	475,547	(126,909)	348,638
– Swimming pools	5,500	(1,980)	3,520	12	–	(7)	(102)	–	–	–	–	226	5,863	(2,214)	3,649
– Other open space/recreational assets	48,775	(14,559)	34,216	189	471	(106)	(2,380)	419	–	–	–	2,165	52,952	(17,978)	34,974
– Airport infrastructure (leasehold improvements)	91,864	(79,392)	12,472	–	–	–	(4,450)	–	–	–	–	529	97,927	(89,376)	8,551
– Rail infrastructure	14,227	(94)	14,133	–	–	–	(258)	–	–	–	–	916	15,167	(376)	14,791
Other assets:															
– Library books	–	–	–	–	375	–	–	1	–	–	–	–	377	–	377
– Artworks	6,076	–	6,076	–	184	–	–	–	–	–	–	–	6,260	–	6,260
– Other	34,034	(10,258)	23,776	132	179	(65)	(1,712)	382	–	–	–	1,498	36,910	(12,719)	24,191
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):															
– Tip assets	1,826	(529)	1,297	–	–	–	(26)	–	(32)	–	–	–	1,794	(555)	1,239
– Quarry assets	1,304	(493)	811	–	–	–	(48)	–	(14)	–	–	–	1,290	(541)	749
– Other remediation assets	–	–	–	–	–	–	–	–	1,402	–	–	–	1,402	–	1,402
Total infrastructure, property, plant and equipment	2,520,285	(748,603)	1,771,682	24,364	36,087	(10,202)	(41,655)	(38)	1,356	(12,180)	(3,831)	300,027	2,892,786	(827,171)	2,065,615

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

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

Material accounting policy information

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

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

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

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

Useful lives of IPPE

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

	Useful lives (years)
Equipment, furniture and fittings	1 to 100
Infrastructure:	
– Buildings and other structures	1 to 195
– Roads, bridges and footpaths	10 to 150
– Stormwater drainage	25 to 100
– Sewerage network	5 to 210
– Open space/recreational assets	1 to 50
– Airport infrastructure	3 to 40
– Rail infrastructure	20 to 100
Other assets	1 to 50
Tip, quarry and other remediation assets	2 to 50

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 3-5 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning, Industry and Environment – Water.

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

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

Land under roads

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

Council has elected to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051. Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 - Property, Plant and Equipment.

Council has utilised the Englobo method to value its land under roads. The Englobo valuation method utilises a discount factor of 90% to the market price of the land across the local government area.

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

Council has assessed that they do not control the firefighting equipment associated with the Rural Fire Service and as such has not recognised these assets within these financial statements. Council will continue to not recognise these assets until such time as discussions between local councils and the NSW Government on this matter have concluded and the legislation changed.

Council has recognised, and will continue to recognise, rural fire service buildings that are built on Council owned or managed land.

C1-8 Investment properties

\$ '000	2024	2023
Owned investment property		
Investment property on hand at fair value	4,870	4,540
Total owned investment property	4,870	4,540

Owned investment property

At fair value

Opening balance at 1 July	4,540	4,510
Net gain/(loss) from fair value adjustments	330	30
Closing balance at 30 June	4,870	4,540

Material accounting policy information

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

C1-9 Other

Other assets

	2024 Current	2024 Non-current	2023 Current	2023 Non-current
\$ '000				
Prepayments	1,137	–	882	–
Total other assets	1,137	–	882	–

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including land and waste collection vehicles. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Land and Buildings

Council leases land at Forest Hill for the operation of the Wagga Airport. This lease is for a 30 year period and does not include a renewal option.

Council recently entered into a licence agreement in relation to the use of building facilities for community purposes. This agreement is for a 20 year period and does not include any renewal or extension options.

Plant and Equipment

Council is currently a party to a waste collection contract in which Council directs the use of the collection vehicles. Under this agreement, Council has a right-of-use asset for 10 dedicated collection vehicles with the contract running for a period of 7 years, with 3 x 1 year options.

Extension options

Council has options for lease extensions in its waste collection contract to provide certainty to Council operations. The extension options in Council's waste collection contract are at Council's discretion.

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

Council has included the potential future lease extension options within its lease liability for the waste collection contract.

(a) Right of use assets

\$ '000	Land	Plant and Equipment	Buildings	Total
2024				
Opening balance at 1 July	43	1,577	999	2,619
Depreciation charge	(21)	(332)	(50)	(403)
Balance at 30 June	22	1,245	949	2,216
2023				
Opening balance at 1 July	65	1,909	–	1,974
Additions to right-of-use assets	–	–	1,000	1,000
Depreciation charge	(22)	(332)	(1)	(355)
Balance at 30 June	43	1,577	999	2,619

C2-1 Council as a lessee (continued)

(b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	365	991	355	1,356
Total lease liabilities	365	991	355	1,356

(c) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2024					
Cash flows	399	1,031	–	1,430	1,356
2023					
Cash flows	399	1,430	–	1,829	1,711

(d) Income Statement

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

\$ '000	2024	2023
Interest on lease liabilities	45	53
Variable lease payments based on usage not included in the measurement of lease liabilities	196	164
Income from sub-leasing right of use assets	(289)	(273)
Depreciation of right of use assets	808	708
Expenses relating to Peppercorn leases	3	3
	763	655

(e) Statement of Cash Flows

Income from sub-leasing right-of-use assets	(289)	(273)
Interest payments on lease liabilities	44	54
Variable lease payments	196	164
Lease payments made prior to or on lease commencement	–	1,000
Expenses relating to Peppercorn leases	3	3
Lease Liability Payments	355	345
	309	1,293

C2-1 Council as a lessee (continued)

(f) Leases at significantly below market value – concessionary/peppercorn leases

Council has one lease at significantly below market value for the land on which the Museum of the Riverina is located. This lease is a 25 year lease, with renewal option of 25 years and requires a payment of \$2,500 per year.

The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

Material accounting policy information

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

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

Exceptions to lease accounting

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

Leases at significantly below market value/Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties to community groups and other organisations; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property and/or IPP&E in the Statement of Financial Position.

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

\$ '000	2024	2023
---------	------	------

(i) Assets held as investment property

Investment property operating leases relate to Council owned buildings at 36-40 Gurwood St and 99 Peter St, that are currently leased out by Council.

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

Lease income (excluding variable lease payments not dependent on an index or rate)	461	379
Total income relating to operating leases for investment property assets	461	379

Operating lease expenses

Investment Property

Direct operating expenses that generated rental income	69	73
Total expenses relating to operating leases	69	73

(ii) Assets held as property, plant and equipment

Council provides operating leases on some Council owned buildings, as well as entering into leaseback arrangements with some staff for use of Council owned vehicles. The table below relates to operating leases on assets disclosed in C1-8.

Lease income (excluding variable lease payments not dependent on an index or rate)	1,201	1,027
Total income relating to operating leases for Council assets	1,201	1,027

Operating lease expenses

Land and Property

Direct operating expenses that generated rental income	149	90
Other leased assets expenses		
Leaseback vehicle expenses	133	140
Total expenses relating to other leases assets	282	230

(iii) Maturity analysis of contractual lease income

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	592	601
1–2 years	422	417
2–3 years	256	254
3–4 years	89	126
4–5 years	67	42
> 5 years	115	112
Total undiscounted lease payments to be received	1,541	1,552

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Goods and services – operating expenditure	4,506	–	5,116	–
Goods and services – capital expenditure	1,870	–	5,247	–
Accrued expenses:				
– Interest on loans	212	–	222	–
– Interest on leases	2	–	1	–
– Salaries and wages	1,209	–	1,201	–
– Other expenditure accruals	81	–	68	–
Security bonds, deposits and retentions	5,000	–	5,146	–
Prepaid rates	3,203	–	2,616	–
Other	382	–	143	–
Total payables	16,465	–	19,760	–

Material accounting policy information

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	52,427	—	7,556	—
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	1,400	—	2,244	—
Unexpended capital contributions (to construct Council controlled assets)	(i)	410	—	585	—
Unexpended operating contributions (received prior to performance obligation being satisfied)	(ii)	22	—	9	—
Total grants received in advance		54,259	—	10,394	—
User fees and charges received in advance:					
Upfront fees – leisure centre	(iii)	111	—	116	—
Property leases and licences		112	—	106	—
Planning applications		86	—	356	—
Wagga Civic Theatre ticketing	(iv)	346	—	443	—
Other		236	—	192	—
Total user fees and charges received in advance		891	—	1,213	—
Total contract liabilities		55,150	—	11,607	—

Notes

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

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

(iii) Upfront membership fees for the Leisure Centre do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected membership life.

(iv) Upfront ticket payments for theatre shows do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue once the performance has occurred.

Significant changes in contract liabilities

During the 2023/24 financial year, Council received a significant amount of grant funding in advance including \$48.5M received for Southern and Northern Growth areas development under the Accelerated Infrastructure Funding grant program.

C3-3 Borrowings

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Loans – secured ¹	6,453	46,233	6,272	51,503
Total borrowings	6,453	46,233	6,272	51,503

(1) Loans are secured over the general rating income of Council.

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

(a) Changes in liabilities arising from financing activities

\$ '000	2023		Non-cash movements			2024
	Opening Balance	Cash flows	Acquisitions	Fair value changes	Other non-cash movement	Closing balance
Loans – secured	57,775	(6,272)	1,183	–	–	52,686
Lease liability (Note C2-1b)	1,711	(355)	–	–	–	1,356
Total liabilities from financing activities	59,486	(6,627)	1,183	–	–	54,042

\$ '000	2022		Non-cash movements			2023
	Opening Balance	Cash flows	Acquisitions	Fair value changes	Other non-cash movement	Closing balance
Loans – secured	66,974	(9,777)	578	–	–	57,775
Lease liability (Note C2-1b)	2,055	(344)	–	–	–	1,711
Total liabilities from financing activities	69,029	(10,121)	578	–	–	59,486

(b) Financing arrangements

\$ '000	2024	2023
---------	------	------

Total facilities

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

Bank overdraft facilities ¹	500	500
Credit cards/purchase cards	500	500
Bank guarantees	75	75
Total financing arrangements	1,075	1,075

Drawn facilities

Financing facilities drawn down at the reporting date are:

– Bank guarantees	73	73
Total drawn financing arrangements	73	73

Undrawn facilities

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

– Bank overdraft facilities	500	500
– Credit cards/purchase cards	500	500
– Bank guarantees	2	2
Total undrawn financing arrangements	1,002	1,002

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

C3-4 Employee benefit provisions

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Annual leave	4,429	–	4,364	–
Long service leave	7,951	500	7,953	404
Other leave – TOIL	142	–	157	–
Other leave – RDO	13	–	12	–
Total employee benefit provisions	12,535	500	12,486	404

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	8,254	8,323
	8,254	8,323

Material accounting policy information

Long-term employee benefit obligations

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

C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	2,353	1,434	2,338	2,058
Sub-total – asset remediation/restoration	2,353	1,434	2,338	2,058
Total provisions	2,353	1,434	2,338	2,058

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	4,396	4,396
Amounts used (payments)	(574)	(574)
Remeasurement effects	(35)	(35)
Total other provisions at end of year	3,787	3,787
2023		
At beginning of year	2,968	2,968
Additional provisions	1,356	1,356
Remeasurement effects	72	72
Total other provisions at end of year	4,396	4,396

Nature and purpose of provisions

Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the Council tip, quarries and sewerage treatment works as a result of past operations. A provision has also been recognised for the rehabilitation of the former Wiradjuri Landfill site.

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.

C3-5 Provisions (continued)

Provisions for close-down and restoration, and environmental clean-up costs – tips, quarries and treatment works

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Results by fund

General fund refers to all Council activities other than 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 sewer column are restricted for use for this activity.

D1-1 Income Statement by fund

\$ '000	General ¹ 2024	Sewer 2024
Income from continuing operations		
Rates and annual charges	61,213	17,285
User charges and fees	28,740	5,577
Interest and investment revenue	7,495	1,246
Other revenues	5,017	211
Grants and contributions provided for operating purposes	16,094	42
Grants and contributions provided for capital purposes	45,934	3,384
Other income	2,572	—
Total income from continuing operations	167,065	27,745
Expenses from continuing operations		
Employee benefits and on-costs	46,486	3,403
Materials and services	37,044	9,039
Borrowing costs	1,414	1,997
Depreciation, amortisation and impairment of non-financial assets	42,864	6,888
Other expenses	2,954	3
Net losses from the disposal of assets	42,931	2,455
Total expenses from continuing operations	173,693	23,785
Operating result from continuing operations	(6,628)	3,960
Net operating result for the year	(6,628)	3,960
Net operating result attributable to each council fund	(6,628)	3,960
Net operating result for the year before grants and contributions provided for capital purposes	(52,562)	576

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

D1-2 Statement of Financial Position by fund

\$ '000	General ¹ 2024	Sewer 2024
ASSETS		
Current assets		
Cash and cash equivalents	48,292	42,403
Investments	72,844	–
Receivables	13,278	2,631
Inventories	2,366	20
Contract assets and contract cost assets	3,854	–
Other	1,081	56
Total current assets	141,715	45,110
Non-current assets		
Investments	93,248	32,641
Receivables	1,533	–
Infrastructure, property, plant and equipment	1,771,661	371,216
Investment property	4,870	–
Right of use assets	2,216	–
Total non-current assets	1,873,528	403,857
Total assets	2,015,243	448,967
LIABILITIES		
Current liabilities		
Payables	15,829	636
Contract liabilities	32,759	22,391
Lease liabilities	365	–
Borrowings	5,107	1,346
Employee benefit provision	12,036	499
Provisions	2,353	–
Total current liabilities	68,449	24,872
Non-current liabilities		
Lease liabilities	991	–
Borrowings	19,928	26,305
Employee benefit provision	443	57
Provisions	1,434	–
Total non-current liabilities	22,796	26,362
Total liabilities	91,245	51,234
Net assets	1,923,998	397,733
EQUITY		
Accumulated surplus	993,635	92,263
Revaluation reserves	930,363	305,470
Council equity interest	1,923,998	397,733
Total equity	1,923,998	397,733

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

D1-3 Details of internal loans

(in accordance with s410(3) of the *Local Government Act 1993*)

Details of individual internal loans	Internal Loan 1
Borrower (by purpose)	General Fund
Lender (by purpose)	Sewer Fund
Date of Minister's approval	03/06/2020
Date raised	30/06/2020
Term years	15 years
Amount originally approved	\$12,300,000
Dates of maturity	30/06/2035
Rate of interest (%)	3.52%
Total repaid during year (principal and interest)	\$45,714
Principal outstanding at end of year	\$1,298,704

D2 Interests in other entities

\$ '000	Council's share of net assets	
	2024	2023
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Joint ventures	–	2,239
Total net share of interests in joint ventures and associates using the equity method – assets	–	2,239
Total Council's share of net assets	–	2,239

D2-1 Interests in joint arrangements

Net carrying amounts – Council's share

\$ '000	Place of business	Nature of relationship	Interest in ownership			
			2024	2023	2024	2023
Riverina Regional Library Service	Wagga Wagga	Joint Venture	0.0%	45.3%	–	2,239
Total carrying amounts – material joint ventures					–	2,239

Material joint ventures

Council has incorporated the following joint ventures into its consolidated financial statements.

Details

Principal activity		Measurement method
Riverina Regional Library Service	Public Library	Fair Value

Relevant interests and fair values

	Interest in outputs	
	2024	2023
Riverina Regional Library Service	0.0%	45.3%

D2-1 Interests in joint arrangements (continued)

Summarised financial information for joint ventures

\$ '000	Riverina Regional Library Service	
	2024	2023
Statement of financial position		
Current assets		
Cash and cash equivalents	–	3,450
Other current assets	–	20
Non-current assets	–	2,555
Current liabilities		
Other current liabilities	–	1,071
Non-current liabilities		
Non-current financial liabilities (excluding trade and other payables and provisions)	–	7
Net assets	–	4,947
Council's share of net assets (%)	0.0%	45.3%
Council's share of net assets (\$)	–	2,239

County Councils

Council is a member of the Riverina Water County Council which is a body corporate established under the Local Government Act 1993 (NSW). Riverina Water County Council exists for the construction, operation and maintenance of works of water supply within the Local Government Areas of Greater Hume, Lockhart, Federation and Wagga Wagga. The governing body of Riverina Water County Council is responsible for managing its own affairs.

Council is of the opinion that it neither controls nor significantly influences the Riverina Water County Council and accordingly this entity has not been consolidated or otherwise included within these financial statements.

Material accounting policy information

As at 1 July 2022, Council was no longer a member of the Riverina Regional Library joint venture, as it elected not to enter into the new deed of agreement for this service. During the 2023/24 financial year, the arbitration that Council was a party to for this joint venture was resolved and Council's interest in this joint venture was dissolved.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

Financial risk management is carried out by the finance team under policies approved by the Councillors.

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

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	90,695	39,143	90,695	39,143
Receivables ¹	16,301	16,058	16,301	16,058
Investments				
– Debt securities at amortised cost	141,000	132,000	141,000	132,000
Fair value through profit and loss				
Investments				
– Held for trading	57,733	47,629	57,733	47,629
Total financial assets	305,729	234,830	305,729	234,830
Financial liabilities				
Payables	16,465	19,760	16,465	19,760
Loans/advances	52,686	57,775	52,686	57,775
Lease liabilities	1,356	1,710	1,356	1,710
Total financial liabilities	70,507	79,245	70,507	79,245

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables – are estimated to be the carrying value that approximates market value.
- Borrowings and measure at amortised cost investments – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) at fair value through profit and loss or (ii) at fair value through other comprehensive income – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

The risks associated with the financial instruments held are:

- Market risk – interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

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

(1) As per AASB7, Receivables does not include statutory receivables (Net GST Receivable).

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

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	2,249	2,013
Impact of a 1% movement in price of investments		
– Equity / Income Statement	577	476

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	Not yet overdue	< 5 years	≥ 5 years	
2024				
Gross carrying amount	–	3,983	35	4,018
2023				
Gross carrying amount	–	3,777	27	3,804

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

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	14,418	433	145	319	2,145	17,460
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	8.48%	1.04%
ECL provision	—	—	—	—	182	182
2023						
Gross carrying amount	17,844	490	912	116	1,023	20,385
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	19.52%	0.98%
ECL provision	—	—	—	—	200	200

(c) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk; the risk that movements in interest rates could adversely affect funding costs. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

The amounts disclosed in the table are the undiscounted contracted cash flows 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	payable in:			Total cash outflows	Actual carrying values
\$ '000			≤ 1 Year	1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	5,000	—	—	—	5,000	16,465
Borrowings	5.28%	—	9,146	29,902	32,760	71,808	52,686
Lease liabilities	0.00%	—	399	1,031	—	1,430	1,356
Total financial liabilities		5,000	9,545	30,933	32,760	78,238	70,507
2023							
Payables	0.00%	5,146	14,614	—	—	19,760	19,760
Borrowings	5.11%	—	9,139	31,939	37,604	78,682	57,775
Lease liabilities	0.00%	—	399	1,429	—	1,828	1,710
Total financial liabilities		5,146	24,152	33,368	37,604	100,270	79,245

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Financial assets							
Financial investments	C1-2						
At fair value through profit or loss – designated at fair value on initial recognition		57,733	47,629	–	–	57,733	47,629
Amortised Cost		141,000	132,000	–	–	141,000	132,000
Total financial assets		198,733	179,629	–	–	198,733	179,629
Investment property							
Commercial property	C1-8	4,870	4,540	–	–	4,870	4,540
Total investment property		4,870	4,540	–	–	4,870	4,540

E2-1 Fair value measurement (continued)

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Infrastructure, property, plant and equipment	C1-7						
Plant and equipment		21,728	21,082	—	—	21,728	21,082
Office equipment		577	738	—	—	577	738
Furniture and fittings		—	—	129	135	129	135
Operational land		83,755	73,171	50,731	47,922	134,486	121,093
Community land		26,881	25,308	145,664	138,145	172,545	163,453
Land under roads		—	—	11,233	11,258	11,233	11,258
Buildings		154	147	154,733	146,179	154,887	146,326
Other structures		—	—	49,795	48,525	49,795	48,525
Roads		—	—	756,763	700,063	756,763	700,063
Bridges		—	—	72,841	68,195	72,841	68,195
Footpaths		—	—	46,320	42,903	46,320	42,903
Stormwater drainage		—	—	255,599	242,951	255,599	242,951
Sewerage network		—	—	362,571	348,638	362,571	348,638
Swimming pools		—	—	3,665	3,649	3,665	3,649
Other open space/recreational assets		—	—	33,870	34,974	33,870	34,974
Airport infrastructure		—	—	4,054	8,552	4,054	8,552
Rail infrastructure		—	—	15,067	14,790	15,067	14,790
Artworks		6,430	6,260	—	—	6,430	6,260
Book collection		—	—	2,113	377	2,113	377
Other assets		—	—	24,099	24,191	24,099	24,191
Tip remediation assets		—	—	1,167	1,239	1,167	1,239
Quarry assets		—	—	581	749	581	749
Other remediation assets		—	—	701	1,402	701	1,402
Total infrastructure, property, plant and equipment		139,525	126,706	1,991,696	1,884,837	2,131,221	2,011,543

Valuation techniques

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

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

Financial assets

Wagga Wagga City Council receives monthly valuations and statements from the financial institutions that hold investments on behalf of Council.

There have been no change in valuation techniques during the reporting year.

Investment property

Council currently holds 2 investment properties:

- 36-40 Gurwood Street, Wagga Wagga
- 99 Peter Street, Wagga Wagga

An independent full valuation is undertaken on Council's investment properties on an annual basis, at the end of the financial year. The figure listed in the financial statements are the most up to date valuation.

The properties have been valued using the Market Approach for 2023/24. These properties were valued as at 30/06/2024 by Opteon (Southern Inland NSW), AAPI Certified Practising Valuers.

There have been no change in valuation techniques during the reporting year.

E2-1 Fair value measurement (continued)

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment

Council's Plant & Equipment, Furniture & Fittings and Office Equipment includes:

- Major Plant - Trucks, street sweepers, graders
- Fleet Vehicles - Cars, Vans, Utes
- Minor Plant - Chainsaws, brushcutters, mowers
- Furniture & Fittings - Desks, chairs, kitchen appliances, furniture
- Office Equipment - Computers, Monitors, Projectors

Plant equipment, office equipment and furniture & fittings are valued internally using depreciated replacement cost.

Council values Plant & Equipment using Level 2 and Level 3 inputs. The unobservable Level 2 and Level 3 inputs used include:

- Gross Replacement Cost
- Estimated useful life of the Asset
- Asset Condition
- Residual Value

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

Roads

This asset class includes sealed and unsealed roads, carparks, culverts, kerb and gutter and bus and taxi shelters. Council uses the cost approach to value the roads and associated assets, and has componentised a number of the assets into multiple components.

This asset class was revalued as part of Council's transport assets revaluation, with components of this valuation undertaken both externally and internally during the 2022/23 financial year.

Council values Roads and associated assets using Level 3 inputs. The unobservable Level 3 inputs used include:

- Gross Replacement Cost
- Estimated useful life of the Asset
- Asset Condition

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

Footpaths

The footpath asset class includes all footways (footpaths, shared paths and cycleways) sealed or unsealed, and has been valued using the cost approach.

This asset class was revalued as part of Council's transport assets revaluation, undertaken externally during the 2022/23 financial year.

Council values Footpaths using Level 3 inputs. The unobservable Level 3 inputs used include:

- Gross Replacement Cost
- Estimated useful life of the Asset
- Asset Condition

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

Bridges

The bridges asset class consists of all pedestrian, vehicle access and rail bridges and have been valued using the cost approach.

This asset class was revalued externally during the 2023/24 financial year.

Council values Bridges using Level 3 inputs. The unobservable Level 3 inputs used include:

- Gross Replacement Cost
- Estimated useful life of the Asset
- Asset Condition
- Asset Age

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

E2-1 Fair value measurement (continued)

Operational Land

Council's Operational Land was valued externally by APV Valuers & Asset Management during 2021/22 using both the market value and cost approaches. The valuation took into account only the land component and excluded the added value of any existing structures.

Operational Land has been valued using Level 2 and Level 3 inputs. The unobservable Level 2 input used is the unit rate per square metre or hectare.

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

Community Land

Council's Community Land was valued externally by APV Valuers & Asset Management during 2021/22 using both the market value and cost approaches. The valuation took into account the available market evidence for identical and comparable assets and included applying a discount factor to land parcels where a restriction over the use of the land may be applicable.

Community Land has been valued using Level 2 and Level 3 inputs. The unobservable Level 2 input used is the unit rate per square metre or hectare.

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

Land under Roads

Land Under Roads was valued internally during 2021/22 using the Englobo method. The value is calculated using the road reserve area of the LGA, the total LGA area and total LGA land site value.

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

Buildings

Council's Buildings were valued externally by APV Valuers & Asset Management during 2021/22 using the cost and market approaches. The valuation took into account the components of each individual building.

Council values Buildings using Level 2 and 3 inputs. The unobservable Level 3 inputs used include:

- Gross Replacement Cost
- Asset Condition
- Useful Life
- Components

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

Other Structures

Council's Other Structures include fences, shelters, shade sails and Livestock Marketing Centre assets.

Other Structures were revalued internally in 2020/21 using the cost approach and Level 3 inputs.

The unobservable Level 3 inputs used include:

- Gross Replacement Cost
- Estimated useful life of the Asset
- Asset Condition

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

Other Assets

Council's Other Assets include fountains, memorials, monuments, lighting, public art, cemetery and solid waste assets.

Other Assets were revalued internally in 2020/21 using the cost approach and Level 3 inputs.

The unobservable Level 3 inputs used include:

- Gross Replacement Cost
- Estimated useful life of the Asset
- Asset Condition

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

E2-1 Fair value measurement (continued)

Airport Infrastructure

Council's Airport Infrastructure include runways, aprons, taxiways, buildings and other associated assets located at the Wagga Airport. These assets are leasehold improvements on land leased by Council.

Airport Infrastructure were revalued externally in 2019/20 using the cost approach and Level 3 inputs.

The unobservable Level 3 inputs used include:

- Gross Replacement Cost
- Estimated useful life of the Asset
- Asset Condition

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

Stormwater Drainage

The Stormwater Drainage asset class includes stormwater pits, stormwater pipes, channels, detention basins, levee banks, flood gates, gross pollutant traps and stormwater pump stations.

Stormwater Drainage assets were revalued internally in 2019/20 using the cost approach and Level 3 inputs.

The unobservable Level 3 inputs used include:

- Gross Replacement Cost
- Estimated useful life of the Asset
- Asset Condition

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

Sewerage Network

The Sewerage Network asset class includes sewer mains, sewer nodes, pump stations and sewerage treatments plants.

Council's Sewerage Network assets were revalued externally in 2021/22 using the cost approach and Level 3 inputs.

The unobservable Level 3 inputs used include:

- Gross Replacement Cost
- Remaining life estimate
- Asset Condition

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

Swimming Pools

Swimming pools includes only the outside 50m pool and the dive pool. The indoor swimming pools are valued in the buildings class with the Aquatic Centre.

Swimming Pools were revalued internally during 2021/22 using the cost approach and Level 3 inputs.

The unobservable Level 3 inputs used include:

- Gross Replacement Cost
- Estimated useful life of the Asset
- Asset Condition

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

E2-1 Fair value measurement (continued)

Other Open Space/Recreational Assets

Council's Other Open Space/Recreational Assets class includes playgrounds, irrigation, sports equipment, BBQs, bins, seats, boat ramps and Oasis Regional Aquatic centre assets including filtration equipment, pool blankets, dive boards and energy co-generation system.

Council's Other Open Space/Recreational Assets were revalued internally in 2020/21 using the cost approach and Level 3 inputs.

The Level 3 unobservable inputs used include:

- Gross Replacement Cost
- Estimated useful life of the Asset
- Asset Condition

Council has applied indexation to the fair value of these assets for the 2023/24 financial year.

Artworks

Council's Artworks were externally valued in 2020/21 by Helen Maxwell using market value. The asset class is valued using Level 2 inputs such as comparable market prices and values.

The Artworks asset class includes glass works, prints, paintings, photography, ceramics, books, textiles, drawings and sculptures.

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

Quarry Assets

Council utilised an external consultant, GHD Pty Ltd, to produce the remediation cost estimates for the Quarry Assets for 2021/22. This was then reviewed and updated internally by Council staff for the 2023/24 financial year. The majority of Council operated quarries are situated on private land, with two located on Council owned land.

The remediation cost estimates include:

- Mobilisation Costs
- Project Management Costs
- Monitoring Costs

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

Tip Remediation Assets

Council utilised an external consultant, GHD Pty Ltd, to produce the remediation cost estimates for the Tip Assets for 2021/22. This was then reviewed and updated internally by Council staff for the 2023/24 financial year. Council currently only operates a landfill at Gregadoo that will need future remediation.

The remediation cost estimates include:

- Mobilisation Costs
- Project Management Costs
- Monitoring Costs

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

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

\$ '000	Community land		Buildings		Other structures		Roads	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	138,145	137,760	146,179	135,855	48,525	39,634	700,063	464,947
Transfers from/(to) another asset class	–	–	342	–	–	330	–	(67)
Purchases (GBV)	152	385	2,541	6,607	2,512	7,123	41,471	15,841
Disposals (WDV)	–	–	(991)	(900)	(1,365)	(38)	(7,594)	(2,907)
Depreciation and impairment	–	–	(3,395)	(3,760)	(1,705)	(1,528)	(19,258)	(12,573)
Other movement (revaluation)	7,367	–	10,057	8,377	1,828	3,004	42,081	234,822
Closing balance	145,664	138,145	154,733	146,179	49,795	48,525	756,763	700,063

\$ '000	Bridges		Footpaths		Stormwater drainage		Sewerage network	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	68,195	67,350	42,903	40,204	242,951	226,752	348,638	327,070
Transfers from/(to) another asset class	–	(263)	–	–	–	–	–	–
Purchases (GBV)	709	518	2,364	2,805	4,525	2,200	3,565	3,230
Disposals (WDV)	–	–	(168)	(263)	(476)	(2)	(249)	(198)
Depreciation and impairment	(1,134)	(1,078)	(1,168)	(1,353)	(3,734)	(3,390)	(6,879)	(6,420)
Other movement (revaluation)	5,071	1,668	2,389	1,510	12,333	17,391	17,496	24,956
Closing balance	72,841	68,195	46,320	42,903	255,599	242,951	362,571	348,638

\$ '000	Swimming pools		Other open space/rec assets		Airport infrastructure		Other assets	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	3,649	3,520	34,974	34,216	8,552	12,472	24,191	23,776
Transfers from/(to) another asset class	–	–	151	–	–	–	(493)	–
Purchases (GBV)	–	12	978	1,079	74	–	1,085	694
Disposals (WDV)	–	(7)	(993)	(106)	–	–	(575)	(65)
Depreciation and impairment	(118)	(102)	(2,482)	(2,380)	(4,721)	(4,450)	(1,268)	(1,712)
Other movement (revaluation)	134	226	1,242	2,165	149	530	1,159	1,498
Closing balance	3,665	3,649	33,870	34,974	4,054	8,552	24,099	24,191

E2-1 Fair value measurement (continued)

\$ '000	Tip assets		Quarry assets		Furniture and fittings		Operational Land	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	1,239	1,297	749	811	135	107	47,922	47,922
Purchases (GBV)	–	–	–	–	12	47	–	–
Depreciation and impairment	(25)	(26)	(50)	(48)	(18)	(19)	–	–
Other movement (revaluation)	–	–	–	–	–	–	2,809	–
Adjustments and transfers	(47)	(32)	(118)	(14)	–	–	–	–
Closing balance	1,167	1,239	581	749	129	135	50,731	47,922

\$ '000	Land under Roads		Rail infrastructure		Book collection		Other remediation assets	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	11,258	11,245	14,790	14,133	377	–	1,402	–
Purchases (GBV)	–	13	–	–	776	377	–	–
Disposals (WDV)	(25)	–	–	–	–	–	–	–
Depreciation and impairment	–	–	(276)	(259)	(115)	–	(701)	–
Other movement (revaluation)	–	–	553	916	1,075	–	–	–
Adjustments and transfers	–	–	–	–	–	–	–	1,402
Closing balance	11,233	11,258	15,067	14,790	2,113	377	701	1,402

\$ '000	Total	
	2024	2023
Opening balance	1,884,837	1,589,071
Purchases (GBV)	60,764	40,931
Disposals (WDV)	(12,436)	(4,486)
Depreciation and impairment	(47,047)	(39,098)
Other movement (revaluation)	105,743	297,063
Adjustments and transfers	(165)	1,356
Closing balance	1,991,696	1,884,837

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

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

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

The adequacy of contributions is assessed at each triennial actuarial investigation 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. There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

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 2023 was \$207,913.44. The last formal valuation of the Scheme was undertaken by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

E3-1 Contingencies (continued)

Council's expected contribution to the plan for the next annual reporting period is \$104,547.84.

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is 0.79%.

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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 guarantees other than those listed above.

E3-1 Contingencies (continued)

2. Other liabilities

(i) Third party claims

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.

(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.

(iii) Potential land remediation

Council has identified a number of land parcels that it may be required to remediate in the future.

Due to this intrinsic high risk involved in remediation projects, there may be associated costs with groundwater and other contamination issues that may not have been apparent at the completion of the project.

Council, to date, has not made any provision in relation to the above issues, that may or may not occur in the future. Provision for these costs will be made, if deemed necessary in the future.

(iv) Sewerage Treatment Plants future remediation

Council has identified that it has a future requirement to close and remediate the land on which its Sewerage Treatment Plants operate.

Due to the uncertainty regarding the timing of these requirements, Council, to date, has not made any provision for this closure and remediation. Provision for these costs will be made when deemed necessary in the future.

ASSETS NOT RECOGNISED

(i) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	2,445	2,303
Post-employment benefits	205	178
Other long-term benefits	38	55
Total	2,688	2,536

Other transactions with KMP and their related parties

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

Nature of the transaction			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
2024						
Fees and Charges Income	1	55	9	30 day debtor account	–	–
Lease/Rental Income	2	12	–	30 day debtor account	–	–
Reimbursements for Council related expenses		5	–	30 day creditor payment terms	–	–
Payment for goods/services received		9	–	30 day creditor payment terms	–	–
Refund of fees (no longer required)		1	–	30 day creditor payment terms	–	–
Refund of over-payments		–	–	30 day creditor payment terms	–	–

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

Nature of the transaction			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
2023						
Fees and Charges Income	1	59	8	30 day debtor account	—	—
Lease/Rental Income	2	11	—	30 day debtor account	—	—
Reimbursements for Council related expenses		5	—	30 day creditor payment terms	—	—
Payment for goods/services received		70	6	30 day creditor payment terms	—	—
Refund of fees (no longer required)		28	—	30 day creditor payment terms	—	—
Refund of over-payments		3	—	30 day creditor payment terms	—	—

1 Charged in accordance with Council's adopted Fees & Charges

2 Charged in accordance with Council approved annual lease agreements

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	64	64
Councillors' fees	214	228
Superannuation	31	31
Conferences and seminars	19	26
Information Technology expenses	4	4
Travelling	–	8
Telephone and Communication	3	3
Total	335	364

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	158	125
Remuneration for audit and other assurance services	158	125
Total Auditor-General remuneration	158	125
Total audit fees	158	125

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	(2,668)	41,085
Add / (less) non-cash items:		
Depreciation and amortisation	49,752	41,854
(Gain) / loss on disposal of assets	45,386	8,720
Non-cash capital grants and contributions	(5,625)	(5,844)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(580)	(615)
– Investment property	(330)	(30)
Amortisation of premiums, discounts and prior period fair valuations		
– Interest exp. on interest-free loans received by Council (previously fair valued)	–	97
Share of net (profits)/losses of associates/joint ventures using the equity method	831	–
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	594	(925)
Increase / (decrease) in provision for impairment of receivables	(18)	7
(Increase) / decrease of inventories	(396)	(110)
(Increase) / decrease of other current assets	(255)	(298)
(Increase) / decrease of contract asset	2,112	2,258
Increase / (decrease) in payables	(610)	(295)
Increase / (decrease) in accrued interest payable	(9)	(21)
Increase / (decrease) in other accrued expenses payable	21	179
Increase / (decrease) in other liabilities	680	851
Increase / (decrease) in contract liabilities	43,543	4,818
Increase / (decrease) in employee benefit provision	145	501
Increase / (decrease) in other provisions	(609)	1,428
Net cash flows from operating activities	131,964	93,660

(b) Non-cash investing and financing activities

Dedications (other than by s7.11)	5,481	5,664
Artworks donated	144	180
Total non-cash investing and financing activities	5,625	5,844

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
---------	------	------

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Buildings	769	467
Plant and equipment	2,428	1,828
Parks and sportsgrounds	1,865	577
Sewerage infrastructure	2,448	132
Waste management services	196	149
Infrastructure	16,860	12,989
RiFL Stages 2 and 3	378	5,149
Other	65	16
Total commitments	25,009	21,307

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Drainage	101	–	–	–	–	–	–	101	–
Community facilities	102	–	–	–	–	(15)	–	87	–
Plan Management	(25)	–	–	–	–	–	–	(25)	–
Transport and Traffic Works	16,222	3,464	–	–	–	(2,034)	–	17,652	–
Planning Studies	74	56	–	–	–	–	–	130	–
Community Facilities - Recoupment	189	67	–	–	–	–	–	256	–
2006-2019 Plan - Hudson Drive	83	–	–	–	–	(108)	–	(25)	–
Transport and Traffic Works - Recoupment	303	118	–	–	–	–	–	421	–
Acquisition Open Space Land	4,412	145	–	–	–	(92)	–	4,465	–
Administration of Plan	183	202	–	–	46	(166)	–	265	–
Recreation and Open Space - Future Works	7,580	1,803	–	–	–	(1,397)	–	7,986	–
Borrowings - Low Interest Loans - Interest Cost	197	143	–	–	–	(94)	–	246	–
Recreation and Open Space - Recoupment	190	99	–	–	–	–	–	289	–
Borrowings - Ordinary Loans	1,100	390	–	–	–	–	–	1,490	–
Recoupment 2006-2019 Plan - Oasis Aquatic Centre	1,684	–	–	–	–	(1)	–	1,683	–
Recoupment 2006-2019 Plan - Civic Centre	572	–	–	–	–	(472)	–	100	–
Recoupment 2006-2019 Plan - Main Street (Baylis/Fitzmaurice St's) Wagga Wagga	466	–	–	–	–	(307)	–	159	–
2006-2019 Plan - Estella Open Space	18	–	–	–	–	(3)	–	15	–
2006-2019 Plan - Estella Bike Track	67	–	–	–	–	(16)	–	51	–
S7.11 contributions – under a plan	33,518	6,487	–	–	46	(4,705)	–	35,346	–
S7.12 levies – under a plan	425	956	–	–	1	(532)	–	850	–
Total S7.11 and S7.12 revenue under plans	33,943	7,443	–	–	47	(5,237)	–	36,196	–
S64 contributions	7,952	3,040	–	–	11	(2,238)	–	8,765	–
Total contributions	41,895	10,483	–	–	58	(7,475)	–	44,961	–

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		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
CONTRIBUTION PLAN – 1993 to 2004									
Drainage	101	–	–	–	–	–	–	101	–
Community facilities	102	–	–	–	–	(15)	–	87	–
Plan Management	(25)	–	–	–	–	–	–	(25)	–
Total	178	–	–	–	–	(15)	–	163	–
CONTRIBUTION PLAN – 2019 to 2034									
Transport and Traffic Works	16,222	3,464	–	–	–	(2,034)	–	17,652	–
Planning Studies	74	56	–	–	–	–	–	130	–
Recreation and Open Space - Future Works	7,580	1,803	–	–	–	(1,397)	–	7,986	–
Recreation and Open Space - Recoupment	190	99	–	–	–	–	–	289	–
Community Facilities - Recoupment	189	67	–	–	–	–	–	256	–
Transport and Traffic Works - Recoupment	303	118	–	–	–	–	–	421	–
Acquisition Open Space Land	4,412	145	–	–	–	(92)	–	4,465	–
Administration of Plan	183	202	–	–	46	(166)	–	265	–
Borrowings - Low Interest Loans - Interest Cost	197	143	–	–	–	(94)	–	246	–
Borrowings - Ordinary Loans	1,100	390	–	–	–	–	–	1,490	–
Recoupment 2006-2019 Plan - Oasis Aquatic Centre	1,684	–	–	–	–	(1)	–	1,683	–
Recoupment 2006-2019 Plan - Civic Centre	572	–	–	–	–	(472)	–	100	–
Recoupment 2006-2019 Plan - Main Street (Baylis/Fitzmaurice St's) Wagga Wagga	466	–	–	–	–	(307)	–	159	–
2006-2019 Plan - Estella Open Space	18	–	–	–	–	(3)	–	15	–
2006-2019 Plan - Estella Bike Track	67	–	–	–	–	(16)	–	51	–
2006-2019 Plan - Hudson Drive	83	–	–	–	–	(108)	–	(25)	–
Total	33,340	6,487	–	–	46	(4,690)	–	35,183	–

G4-2 Developer contributions by plan (continued)

S7.12 Levies – under a plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
CONTRIBUTION PLAN – 2019 to 2034									
Section 7.12 levy	425	956	–	–	1	(532)	–	850	–
Total	425	956	–	–	1	(532)	–	850	–

G4-3 S64 contributions

CONTRIBUTION PLAN – STORMWATER 2007

Stormwater Projects	7,952	1,137	–	–	11	(335)	–	8,765	–
Total	7,952	1,137	–	–	11	(335)	–	8,765	–

CONTRIBUTION PLAN – SEWER 2013

Sewer Projects	–	1,903	–	–	–	(1,903)	–	–	–
Total	–	1,903	–	–	–	(1,903)	–	–	–

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	2023	Indicators 2022	2021	Benchmark
1. Operating performance ratio						
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(6,695)	(4.63)%	1.43%	(4.76)%	(7.31)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	144,582					
2. Own source operating revenue ratio						
Total continuing operating revenue excluding all grants and contributions ¹	128,446	66.24%	61.70%	54.69%	60.90%	> 60.00%
Total continuing operating revenue	193,900					
3. Unrestricted current ratio						
Current assets less all external restrictions	107,157	4.07x	3.27x	2.20x	2.54x	> 1.50x
Current liabilities less specific purpose liabilities	26,351					
4. Debt service cover ratio						
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	46,468	4.63x	3.46x	3.51x	4.19x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	10,039					
5. Rates and annual charges outstanding percentage						
Rates and annual charges outstanding	4,430	5.33%	5.17%	6.01%	5.12%	< 10.00%
Rates and annual charges collectable	83,049					
6. Cash expense cover ratio						
Current year's cash and cash equivalents plus all term deposits	215,695	21.63 months	15.92 months	12.84 months	12.78 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	9,970					

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

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

G5-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Sewer Indicators		Benchmark
	2024	2023	2024	2023	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(8.09)%	(0.69)%	12.44%	12.52%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹					
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	62.67%	57.54%	87.65%	88.33%	> 60.00%
Total continuing operating revenue ¹					
3. Unrestricted current ratio					
Current assets less all external restrictions	4.07x	3.24x	1.87x	5.08x	> 1.50x
Current liabilities less specific purpose liabilities					
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	5.10x	3.45x	3.65x	3.48x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)					
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	5.47%	5.24%	4.85%	4.94%	< 10.00%
Rates and annual charges collectable					
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	20.03 months	16.33 months	32.15 months	13.10 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities					

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

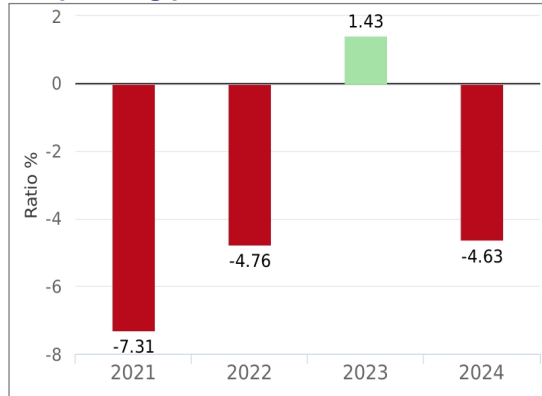
(3) General fund refers to all of Council's activities except for its sewer activity which is listed separately.

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2023/24 result

2023/24 ratio (4.63)%

Council's operating performance ratio has decreased from 1.43% in 2022/23 to -4.63% in 2023/24. This decrease is mainly a result of Council receiving one-off payments for operating grants during 2022/23, as well as Council's advanced financial assistance grant payment reducing from 100% to 85% for the 2023/24 and 2024/25 advanced payments made.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2023/24 result

2023/24 ratio 66.24%

Council's own source operating revenue ratio has improved for 2023/24, up from 61.70% in 2022/23 to 66.24% in 2023/24. This improvement is a result of Council receiving less one-off grant payments during 2023/24, when compared to previous years.

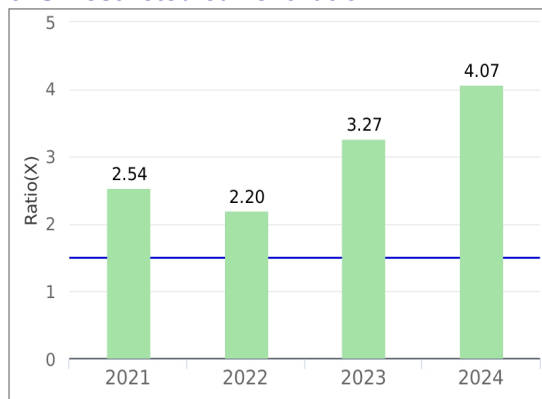
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2023/24 result

2023/24 ratio 4.07x

Council's unrestricted current ratio of 4.07x indicates that it continues to have sufficient unrestricted current assets available to service any short term liabilities as they arise. This result demonstrates Council's continued ability to satisfy its short term obligations as they arise.

Benchmark: — > 1.50x

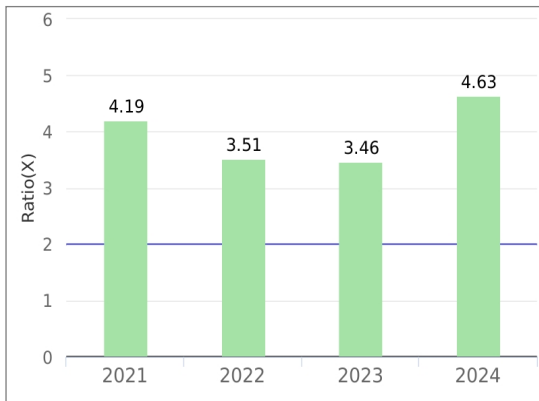
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 4.63x

Council's debt service cover ratio has increased for 2023/24, up to 4.63x from 3.46x in 2022/23. This increase is a result of decreased principal repayments for external loan borrowings.

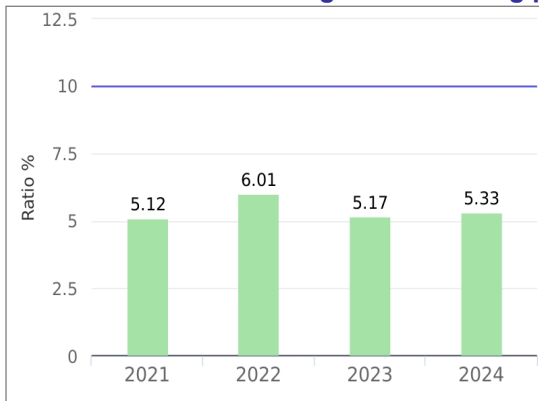
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2023/24 result

2023/24 ratio 5.33%

As at 30 June 2024, Council had 5.33% of its rates and annual charges outstanding which is a slight increase from the 5.17% outstanding at 30 June 2023. Council continues to be well below the benchmark of 10.00% for the rural area.

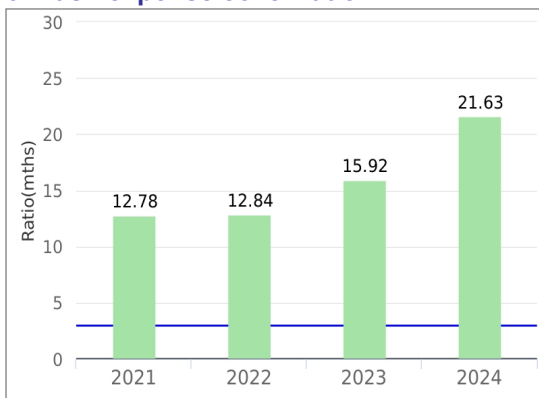
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 21.63 months

Council's cash expense cover ratio result of 21.63 months indicates its continued ability to cover its immediate expenses without having to rely on additional cash flows.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business:

Cnr Baylis and Morrow Streets
Wagga Wagga NSW 2650

Contact details**Mailing Address:**

PO Box 20
Wagga Wagga NSW 2650

Telephone: 1300 292 442

Facsimile: 02 6926 9199

Opening hours:

8:30am - 5:00pm
Monday to Friday

Internet: wagga.nsw.gov.au

Email: council@wagga.nsw.gov.au

Officers**General Manager**

Peter Thompson

Responsible Accounting Officer

Carolyn Rodney

Public Officer

David Galloway

Auditors

Audit Office of New South Wales
Level 19, Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

Elected members**Mayor**

Dallas Tout

Councillors

Dallas Tout
Georgie Davies
Allana Condron
Richard Foley
Tim Koschel
Jenny McKinnon
Amelia Parkins
Karissa Subedi
Lindsay Tanner

Other information

ABN: 56 044 159 537

Wagga Wagga City Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

Wagga Wagga City Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

Wagga Wagga City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

*“A thriving, innovative, connected community on the
Murrumbidgee, rich in opportunity, choice, learning and
environment, where paths cross, where people meet”*



Contents	Page
Statement by Councillors and Management	3
Special Purpose Financial Statements:	
Income Statement of sewerage business activity	4
Income Statement – Livestock Marketing Centre	5
Income Statement – Wagga Airport	6
Statement of Financial Position of sewerage business activity	7
Statement of Financial Position – Livestock Marketing Centre	8
Statement of Financial Position – Wagga Airport	9
Note – Material accounting policy information	10
Auditor's Report on Special Purpose Financial Statements	13

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).

Wagga Wagga City Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:

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

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the 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 28 October 2024.

Dallas Tout
Mayor
28 October 2024

Georgie Davies
Councillor
28 October 2024

Peter Thompson
General Manager
28 October 2024

Carolyn Rodney
Responsible Accounting Officer
28 October 2024

Wagga Wagga City Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	17,285	16,601
User charges	5,577	4,889
Interest and investment income	1,246	808
Grants and contributions provided for operating purposes	42	140
Other income	211	199
Total income from continuing operations	24,361	22,637
Expenses from continuing operations		
Employee benefits and on-costs	3,403	2,784
Borrowing costs	1,997	2,067
Materials and services	9,039	8,522
Depreciation, amortisation and impairment	6,888	6,425
Loss on disposal of assets	2,455	359
Calculated taxation equivalents	120	116
Other expenses	3	4
Total expenses from continuing operations	23,905	20,277
Surplus (deficit) from continuing operations before capital amounts	456	2,360
Grants and contributions provided for capital purposes	3,384	2,832
Surplus (deficit) from continuing operations after capital amounts	3,840	5,192
Surplus (deficit) from all operations before tax	3,840	5,192
Less: corporate taxation equivalent (25%) [based on result before capital]	(114)	(590)
Surplus (deficit) after tax	3,726	4,602
Opening accumulated surplus	89,722	84,530
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	120	116
– Corporate taxation equivalent	114	590
Less:		
– Tax equivalent dividend paid	(120)	(116)
Closing accumulated surplus	93,562	89,722
Return on capital %	0.7%	4.5%
Subsidy from Council	13,509	11,333
Calculation of dividend payable:		
Surplus (deficit) after tax	3,726	4,602
Less: capital grants and contributions (excluding developer contributions)	(2,059)	(1,519)
Surplus for dividend calculation purposes	1,667	3,083
Potential dividend calculated from surplus	834	1,542

Wagga Wagga City Council

Income Statement – Livestock Marketing Centre

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
Income from continuing operations		
Fees	7,812	6,189
Interest and investment income	525	525
Other income	79	40
Total income from continuing operations	8,416	6,754
Expenses from continuing operations		
Employee benefits and on-costs	1,168	907
Borrowing costs	12	7
Materials and services	3,182	2,573
Depreciation, amortisation and impairment	1,044	928
Net loss from the disposal of assets	1,416	2
Calculated taxation equivalents	69	67
Total expenses from continuing operations	6,891	4,484
Surplus (deficit) from continuing operations before capital amounts	1,525	2,270
Grants and contributions provided for capital purposes	10	–
Surplus (deficit) from continuing operations after capital amounts	1,535	2,270
Surplus (deficit) from all operations before tax	1,535	2,270
Less: corporate taxation equivalent (25%) [based on result before capital]	(381)	(568)
Surplus (deficit) after tax	1,154	1,702
Opening accumulated surplus	20,088	18,154
Plus/less: other adjustments	362	514
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	69	67
– Corporate taxation equivalent	381	568
Less:		
– Dividend paid	(853)	(917)
Closing accumulated surplus	21,201	20,088
Return on capital %	3.8%	5.8%
Subsidy from Council	184	–

Wagga Wagga City Council

Income Statement – Wagga Airport

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
Income from continuing operations		
Fees	4,603	3,829
Grants and contributions provided for operating purposes	200	48
Other income	297	281
Total income from continuing operations	5,100	4,158
Expenses from continuing operations		
Employee benefits and on-costs	661	588
Borrowing costs	110	132
Materials and services	2,604	2,223
Depreciation, amortisation and impairment	4,743	4,472
Net loss from the disposal of assets	118	–
Other expenses	1	–
Total expenses from continuing operations	8,237	7,415
Surplus (deficit) from continuing operations before capital amounts	(3,137)	(3,257)
Grants and contributions provided for capital purposes	22	–
Surplus (deficit) from continuing operations after capital amounts	(3,115)	(3,257)
Surplus (deficit) from all operations before tax	(3,115)	(3,257)
Surplus (deficit) after tax	(3,115)	(3,257)
Opening accumulated surplus	(9,218)	(6,042)
Plus/less: other adjustments	(54)	81
Closing accumulated surplus	(12,387)	(9,218)
Return on capital %	(74.3)%	(35.9)%
Subsidy from Council	3,202	3,474

Wagga Wagga City Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	42,403	16,022
Receivables	3,930	3,735
Inventories	20	76
Other	56	67
Total current assets	46,409	19,900
Non-current assets		
Investments	32,641	29,117
Infrastructure, property, plant and equipment	371,216	360,132
Total non-current assets	403,857	389,249
Total assets	450,266	409,149
LIABILITIES		
Current liabilities		
Payables	636	1,136
Contract liabilities	22,391	1,322
Borrowings	1,346	1,265
Employee benefit provisions	499	477
Total current liabilities	24,872	4,200
Non-current liabilities		
Borrowings	26,305	27,651
Employee benefit provisions	57	29
Total non-current liabilities	26,362	27,680
Total liabilities	51,234	31,880
Net assets	399,032	377,269
EQUITY		
Accumulated surplus	93,562	89,722
Revaluation reserves	305,470	287,547
Total equity	399,032	377,269

Wagga Wagga City Council

Statement of Financial Position – Livestock Marketing Centre

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	13,578	11,204
Receivables	3,593	3,622
Other	10	10
Total current assets	17,181	14,836
Non-current assets		
Infrastructure, property, plant and equipment	40,022	39,221
Total non-current assets	40,022	39,221
Total assets	57,203	54,057
LIABILITIES		
Current liabilities		
Payables	184	335
Contract liabilities	–	10
Provisions	463	355
Total current liabilities	647	700
Non-current liabilities		
Provisions	17	22
Total non-current liabilities	17	22
Total liabilities	664	722
Net assets	56,539	53,335
EQUITY		
Accumulated surplus	21,201	20,088
Revaluation reserves	35,338	33,247
Total equity	56,539	53,335

Wagga Wagga City Council

Statement of Financial Position – Wagga Airport

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
ASSETS		
Current assets		
Receivables	1,109	1,141
Total current assets	1,109	1,141
Non-current assets		
Right of use assets	21	43
Infrastructure, property, plant and equipment	4,075	8,694
Total non-current assets	4,096	8,737
Total assets	5,205	9,878
LIABILITIES		
Current liabilities		
Bank overdraft	4,192	3,754
Payables	760	769
Contract liabilities	409	581
Lease liabilities	23	22
Borrowings	2,386	3,001
Employee benefit provisions	267	226
Total current liabilities	8,037	8,353
Non-current liabilities		
Borrowings	2,192	3,510
Lease liabilities	–	23
Employee benefit provisions	9	5
Total non-current liabilities	2,201	3,538
Total liabilities	10,238	11,891
Net assets	(5,033)	(2,013)
EQUITY		
Accumulated surplus	(12,387)	(9,218)
Revaluation reserves	7,354	7,205
Total equity	(5,033)	(2,013)

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 2022* (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. Sewerage Operations

Sewerage reticulation and treatment systems servicing the City of Wagga Wagga.

b. Livestock Marketing Centre

Council's Livestock Marketing Centre.

c. Wagga Airport

Wagga Wagga City Airport facility.

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes, which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in special purpose financial statements. For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

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

Note – Material accounting policy information (continued)

Land tax – the first \$1,075,000 of combined land values attracts **0%**. For the combined land values in excess of \$1,075,000 up to \$6,571,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$6,571,000 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 DCCEEW's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to DCCEEW's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the 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 I,PP&E as at 30 June

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

Note – Material accounting policy information (continued)

(iii) Dividends

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

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

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

Wagga Wagga City Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Wagga Wagga City Council

SPECIAL SCHEDULES
for the year ended 30 June 2024

*"A thriving, innovative, connected community on the
Murrumbidgee, rich in opportunity, choice, learning and
environment, where paths cross, where people meet"*



Wagga Wagga City Council

Special Schedules

for the year ended 30 June 2024

Contents	Page
Special Schedules:	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2024	5

Wagga Wagga City Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	47,729	49,785
Plus or minus adjustments ²	b	338	152
Notional general income	$c = a + b$	48,067	49,937
Permissible income calculation			
Percentage increase	d	3.80%	5.00%
Less expiring special variation amount	e	—	—
Plus percentage increase amount ³	$f = d \times (c + e)$	1,827	2,497
Sub-total	$g = (c + e + f)$	49,894	52,434
Plus (or minus) last year's carry forward total	h	16	125
Less valuation objections claimed in the previous year	i	—	—
Sub-total	$j = (h + i)$	16	125
Total permissible income	$k = g + j$	49,910	52,559
Less notional general income yield	l	49,785	52,469
Catch-up or (excess) result	$m = k - l$	125	90
Plus income lost due to valuation objections claimed ⁴	n	—	—
Carry forward to next year ⁶	$p = m + n + o$	125	90

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (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.

Permissible income for general rates

Permissible income for general rates: PLUS PDF inserted here

Council needs to uplift custom PDF here - please uplift via "PLUS PDF" choice in the Home/TOC screen

Wagga Wagga City Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard ^a	Estimated cost to bring to the agreed level of service set by Council ^b	2023/24 Required maintenance ^c	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
Buildings	Buildings	36,332	8,381	2,332	2,776	154,887	219,138	68.1%	27.5%	4.0%	0.4%	0.0%
	Sub-total	36,332	8,381	2,332	2,776	154,887	219,138	68.1%	27.5%	4.0%	0.4%	0.0%
Other structures	Fences	3,600	744	—	48	12,641	20,083	11.0%	71.1%	10.6%	5.5%	1.9%
	Shelters	1,792	2,350	—	—	9,036	12,867	27.1%	59.0%	8.6%	4.9%	0.5%
	Shade sails	63	—	—	—	1,155	1,711	68.7%	27.6%	1.9%	1.9%	0.0%
	Other	651	—	—	18	26,963	31,621	80.2%	17.7%	0.5%	1.3%	0.2%
	Sub-total	6,106	3,094	—	66	49,795	66,282	48.6%	42.2%	5.1%	3.3%	0.8%
Roads	Sealed roads surface	21,320	25,416	6,853	7,837	62,025	109,177	32.8%	20.2%	21.8%	20.3%	4.8%
	Sealed roads pavement	40,285	11,145	—	—	541,606	752,305	8.2%	63.6%	26.7%	1.5%	0.0%
	Unsealed roads	15,457	974	3,110	2,706	65,987	89,875	4.6%	63.8%	29.6%	1.6%	0.4%
	Bridges	14,241	4,390	689	184	72,841	114,901	5.9%	81.7%	8.6%	3.8%	0.0%
	Footpaths	36,648	2,734	510	329	46,320	76,539	20.5%	31.6%	44.3%	3.4%	0.2%
	Kerb & Gutter	13,632	71	—	166	48,956	67,631	12.7%	67.1%	20.1%	0.1%	0.0%
	Carparks	3,869	217	164	102	10,709	15,197	17.0%	58.7%	22.9%	1.4%	0.0%
	Culverts	33,928	10,093	1,639	301	26,986	50,264	3.7%	28.8%	47.4%	17.9%	2.2%
	Bus & Taxi Shelters	567	—	—	119	494	966	0.9%	40.4%	41.2%	10.0%	7.5%
	Sub-total	179,947	55,040	12,965	11,744	875,924	1,276,855	10.7%	58.4%	26.4%	4.0%	0.5%
Sewerage network	Sewer Mains	—	18,882	2,643	2,822	237,085	282,802	75.3%	24.1%	0.6%	0.0%	0.0%
	Sewer Nodes	—	783	—	—	38,855	62,653	54.7%	2.9%	42.4%	0.0%	0.0%
	Pumping Stations	1,446	1,939	38	1,033	18,284	34,747	12.6%	20.3%	63.0%	4.0%	0.2%
	Treatment Plants	8,047	3,663	2,236	4,538	68,347	122,781	1.1%	52.7%	39.6%	6.6%	0.0%
	Sub-total	9,493	25,267	4,917	8,393	362,571	502,983	50.3%	28.2%	19.6%	1.9%	0.0%
Stormwater drainage	Stormwater Pits & Pipes	10,195	35,295	1,422	809	178,928	245,826	37.9%	40.4%	12.8%	5.1%	3.7%
	Levee Banks	428	8,832	141	23	28,058	39,676	15.2%	71.7%	12.0%	1.1%	0.0%
	Open Drains, Channels, Flood Gates, Gross Pollutant Traps & Flood Pumps	18,786	10,109	—	—	48,613	88,864	9.1%	42.0%	27.8%	10.7%	10.4%
	Sub-total	29,409	54,236	1,563	832	255,599	374,366	28.7%	44.1%	16.3%	6.0%	4.9%

Wagga Wagga City Council

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

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard ^a	Estimated cost to bring to the agreed level of service set by Council ^b	2023/24 Required maintenance ^c	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
Open space / recreational assets	Swimming pools	—	—	193	145	3,665	6,086	0.0%	100.0%	0.0%	0.0%	0.0%
	Playgrounds	1,830	1,529	116	282	7,344	10,624	44.1%	38.7%	14.4%	2.8%	0.0%
	Irrigation	3,802	2,411	29	28	3,568	7,529	19.7%	29.8%	35.1%	8.8%	6.6%
	Park Accessories	1,368	1,368	253	—	4,073	6,461	33.6%	45.3%	13.7%	7.0%	0.5%
	Sporting Equipment	5,800	5,506	180	254	16,225	23,064	48.1%	26.7%	21.9%	2.3%	1.0%
	Other	5,203	—	41	332	2,660	6,739	8.2%	14.6%	77.2%	0.0%	0.0%
	Sub-total	18,003	10,814	812	1,041	37,535	60,503	33.0%	37.2%	25.3%	3.2%	1.3%
Total – all assets		279,290	156,832	22,589	24,852	1,736,311	2,500,127	27.9%	46.5%	20.9%	3.5%	1.2%

(a) Estimated cost to bring assets to satisfactory standard is determined by considering both the condition and risk factors for each asset category

(b) Estimated cost to bring to the agreed level of service set out by Council is the amount identified in Council's asset management plans.

(c) 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

Wagga Wagga City Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	2023	Indicators 2022	2021	Benchmark
Buildings and infrastructure renewals ratio						
Asset renewals ¹	38,552					
Depreciation, amortisation and impairment	39,873	96.69%	65.21%	95.67%	76.93%	> 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard	279,290					
Net carrying amount of infrastructure assets	1,747,966	15.98%	16.11%	18.91%	20.39%	< 2.00%
Asset maintenance ratio						
Actual asset maintenance	24,852					
Required asset maintenance	22,589	110.02%	96.72%	87.22%	62.88%	> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	156,832	6.27%	6.84%	15.99%	10.26%	
Gross replacement cost	2,500,127					

(*) 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.