

Armidale Regional Council

# Annual Report

## 2023-24



## Acknowledgement of Country

We acknowledge the traditional custodians of this land and pay our respects to Elders past and present. The Armidale regional community pays tribute to their love of land, love of people, and love of culture.

## Climate Change Declaration

At the Council Meeting of 23 October 2019, the Armidale Regional Council resolved unanimously to declare that we are in a Climate Emergency and that it acknowledges ***'our local and global communities are facing a climate emergency that requires urgent action by all levels of government; that human-induced climate change represents a great threat to humanity, civilisation and other species; and that, to prevent the most catastrophic outcomes, societies including local Councils, need to take urgent action'***.

Council takes into consideration its important role in advocating for greater acceptance and action for Climate Change, as well as the actions that Council itself can undertake in its policies, processes, and services to adapt to Climate Change when undertaking program and project planning and implementation.

## Integrated Planning and Reporting Framework

Integrated Planning and Reporting (IP&R) give Councils a framework for establishing local priorities and linking this information to operational functions. It recognises that whilst many communities have similar aspirations, the responses to those aspirations will be local.

Under the IP&R Framework, all NSW Councils are required to develop and report on a set of plans and strategies in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.

The Framework includes a reporting process to communicate progress to the community. There is also a structured timeline for the review of all documents to ensure they remain relevant to the community, Council and operations.

This report comprises a significant component of the framework and legislated reporting obligations.



## Contents

Part A – Community Report Card	25
Thriving Region	
Connected Region	
Future Region	
Liveable Region	
Enriched Region	
Strong Region	
Part B – Statutory Information	40
Part C – Financial Statements	62



# Foreword

The Annual Report is one of the many ways that Armidale Regional Council reports back to its community and stakeholders and is one of the key components of the Integrated Planning and Reporting Framework, legislated by the NSW Government.

The report focuses on the financial and operational performance of Council and provides a snapshot of Council's achievements throughout the Financial Year.

The Armidale Regional Council 2023-2024 Annual Report is presented in three parts:

**Part A – Community Report Card**

A summary of Council, its operations, major projects and achievements for 2023-2024

---

**Part B – Statutory Information**

A comprehensive report on key indicators and statistics as required by the Office of Local Government

---

**Part C – Financial Statements**

Independently audited statements that give a detailed picture of the financial management of Council





# Advancing our Region Community Plan 2022-2032

The Advancing our Region Community Plan (2022-2032) sets out the goals and aspirations of the regional community, established through an extensive community engagement process.

This critical Plan, endorsed by Council in June 2022, provides the foundation for Council to develop the Council Initiatives (Delivery Program) and Actions (Operational Plan) which it can undertake to help achieve community aspirations.

This Annual Report is organised around the six key pillars identified in the Advancing Our Region Community Plan (2022-2032), which are:



## Message from the Mayor

With a new term of Council just beginning it is timely to look back at how Armidale Regional Council has evolved over the last term of Council (two and a half years) and what this has meant for our region.

One of the first actions of the new Council when sworn into office in January 2022 was to set a goal to ensure this region fulfils its potential. For far too long we have been the “little engine that hasn’t”. As a result we have been largely overlooked by governments of all stripe, be they state or federal, as they did not see it as a region that was growing so they allocated resources to areas that they perceived as being of greater need – this was particularly the case for the essentials of healthcare, education and policing. In a nutshell, the bulk of our challenges are a result of a stagnating population.

The overarching strategy of the new Council was to grow our population by 10,000 by 2040 and then another 10,000 soon after. To attract people we need jobs, and quality jobs at that, so we framed our strategy as being

one to grow the employment base by 4,000 jobs. From this goal we have focused this term on putting together the necessary infrastructure jigsaw pieces so that our population can grow.

The first challenge was water security with our current storage only being sufficient for the current population. Our broader water strategy is still being developed but it includes raising the Malpas Dam wall to double its capacity along with the recent purchase of Oaky Dam. When brought online these water sources will sustain a population of 50,000+. In addition, Oaky is an opportunity to develop a pumped hydro scheme which will generate revenue for the region, and we are working through expressions of interest from the private sector to bring this into being.





Another significant body of work has been the recently adopted Local Strategic Planning Statement which sets out how we will grow toward 50,000. This planning document has been reviewed by state government agencies which is essential in getting them to change their modelling on the population projections for the region and as a result, direct more investment our way.

Tight housing supply is a national issue, but we were not helping ourselves with outdated and inconsistent housing strategies from both the old Guyra Shire and Armidale Dumaresq Councils. The recently adopted and publicly exhibited Local Housing Strategy will be a cornerstone for the growth of our region. The strategy has identified areas which can deliver in excess of 8,000 building lots in our towns

and villages. The certainty that the housing strategy provides will give confidence to both developers and residents that there is a plan for growth.

---

**With much of the planning groundwork having been done, the next 4 years will see significant change to our region.**

---

Much of this will come about as the New England Renewable Energy Zone (REZ) takes shape. Whilst the REZ will bring with it both positives and negatives, on the plus side the construction phase will likely last many years and provide a significant boost to the local economy. The challenge will be to capitalise on the post

construction opportunities. In the immediate term there will be funding available for many of the civic programs and improvements in amenities that have laid dormant for far too long. It will be an exciting period ahead for our region.



## Message from the General Manager

The 2023- 2024 Financial Year has been a year of consolidation and the beginning of a number of significant strategic initiatives and projects where the rubber has well and truly hit the road.

From signing the contract for the purchase of the Oaky Dam – a key enabler of our water security package to a completely revamped Local Strategic Planning Statement that sets a growth agenda for the region that is clearly linked to job creation to underpin population growth. All of this could not have been achieved without a complete turnaround in the organisation's culture and direction.

I couldn't be prouder of the progress we have made as an organisation and the continued transformational change in the culture, underpinned by values and behaviour-based leadership. This has been my focus since commencing in this role in January of 2021.

A fully aligned workforce delivering the strategic aspirations of the elected Council and the development of leadership across the organisation (and at all levels), with a focus on increasing and improving capability and capacity to ensure long term success. A focus on people over tasks which has allowed us to build trust,

increase engagement, and drive organisational success.

Other notable achievements include a local housing strategy that supports the growth agenda, informs future growth corridors and provides certainty for developers. The successful implementation of a special rate variation to address systemic financial issues historically plaguing Council complimented by prudent financial management and corrections to systemic weaknesses across the portfolio. The introduction of asset management planning and a framework to guide future actions and successfully addressing the systemic governance shortcomings as detailed in the Minister's Performance Improvement Order (PIO) and continuing to build on those frameworks to ensure a well-run Council.

The future for the Armidale region continues to be on an upward trajectory with an organisation that can now deliver on the elected bodies aspirations and more broadly the aspirations of the community.





# Our Councillors

On 21 December 2021, eleven Councillors were declared elected to the Armidale Regional Council.



**Mayor**  
**Cr Sam Coupland**



**Deputy Mayor**  
**Cr Todd Redwood**



Cr Margaret O'Connor



Cr Dorothy Robinson



Cr Paul Gaddes



Cr Paul Packham



Cr Brad Widders



Cr Steve Mephram



Cr Susan McMichael



Cr Jon Galletly



Cr Debra O'Brien

# Council Meetings

	Ordinary Meetings (11 Meetings)		Extraordinary Meeting (3 Meetings)	
Councillor	Attendances	Absences	Attendances	Absences
<b>Cr Sam Coupland</b>	All Meetings		All Meetings	
<b>Cr Todd Redwood</b>	All Meetings		All Meetings	
<b>Cr Margaret O'Connor</b>	Eight Meetings	23 August 2023 27 September 2023 13 December 2023	Two Meetings	24 January 2024
<b>Cr Dorothy Robinson</b>	All Meetings		All Meetings	
<b>Cr Paul Gaddes</b>	All Meetings		All Meetings	
<b>Cr Paul Packham</b>	All Meetings		All Meetings	
<b>Cr Brad Widders</b>	Eight Meetings	23 August 2023 27 March 2024 26 June 2024	All Meetings	
<b>Cr Steve Mephram</b>	All Meetings		All Meetings	
<b>Cr Susan McMichael</b>	All Meetings		All Meetings	
<b>Cr Jon Galletly</b>	Ten Meetings		All Meetings	
<b>Cr Debra O'Brien</b>	Nine Meetings	23 August 2023 22 November 2023	Two Meetings	13 May 2024



# Committees of Council

Committees of Council provide an opportunity for Councillors to engage directly with community members on key community and Council matters in a regular and inclusive meeting environment.

---

In addition to the Committee framework, the Council also convened six Key Pillar Working Groups aligned to the six pillars in the Advancing Our Region Community Plan 2022-2032.

The Purpose of the Key Pillar Working Groups is to better engage with relevant community groups and stakeholders to formulate positive strategic outcomes in line with the key direction of each Community Plan Theme.

## In 2023/2024 Council engaged with 5 Committees

- **Traffic Committee** (this committee is a Transport or NSW committee with Council as one of the stakeholders). The Traffic Committee convenes on a monthly basis to provide advice and guidance on traffic matters raised by Council.
- **Audit Risk & Improvement Committee** (ARIC). The ARIC is an oversight and assurance committee comprised of three Independent members. The ARIC meets quarterly and reports directly to Council.
- **The Sports Council Advisory Committee** acts as the link between Council and the sport and recreation community which ensures open two-way communication to foster and develop sport and recreation in our community. It comprised of one councillor delegate and at least eight external community members who appreciate and understand sport in the Armidale and surrounding region. As an advisory committee there are no delegations from Council, all committee recommendations are submitted to Council for consideration. The committee meets every two months.
- **The Access Advisory Committee** was formed to provide recommendations and advice on matters relating to access issues as defined by the *Disability Discrimination Act 1992* (Comm.) and *Disability Inclusion Act 2014 (NSW)* as well as actions outlined in the Councils Disability Action Plan. The Committee also provides a forum for people living with disability and their supports, service providers and Council officers, to make the local government area a more accessible, inclusive and safe place. The Committee comprised three councillor representatives, Manager Community Services and six community representatives, convenes bimonthly.
- **The Aboriginal Advisory Committee** was convened to assist Council with tracking progress on the Councils Aboriginal Action Plan and to promote the status of and facilitate positive relationship with Aboriginal people in the Armidale Regional Council local government area. The Committee makes recommendations to Council on strategies and matters which reflect mutual respect, awareness and dignity in services for and to Aboriginal people. The Committee comprised two councillor representatives (non-voting members), Armidale Regional Council Executive Officer, Manager of Community Services as well as up to six organisational representatives and six residents with an interest or involvement in matters relating to Aboriginal inclusion and affairs. The Committee convenes bi-monthly.





## Our Region and Community

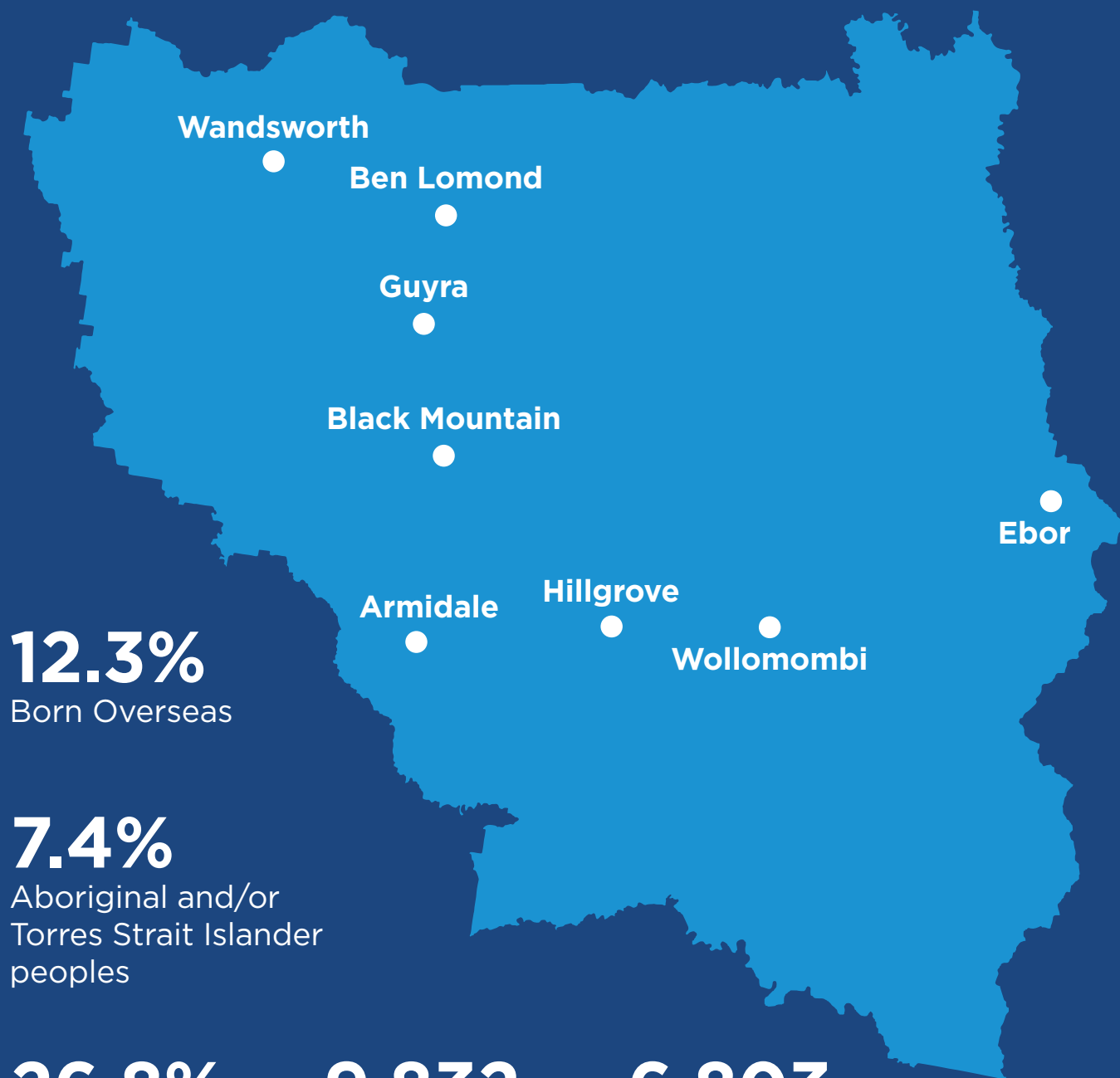
Armidale Regional Council is located in NSW in the picturesque New England High Country region and boasts spectacular waterfalls, World Heritage listed national parks, a fascinating and diverse cultural heritage, and a thriving arts scene. Armidale – Australia’s highest city, is centrally located between Brisbane and Sydney.

With a cosmopolitan culture, it is a university city that prides itself on being dynamic, progressive, and innovative. It enjoys great natural beauty, with vast and productive agricultural land, cohesive local towns and villages, and a progressive Armidale city that provides many essential services to the region.





# Armidale Council Region



**12.3%**  
Born Overseas

**7.4%**  
Aboriginal and/or  
Torres Strait Islander  
peoples

**26.8%**  
Aged under  
19 years

**9,832**  
Dwellings

**6,803**  
Family  
Households

**34**  
Median Age

**32%**  
University or  
Tertiary Education

**14,970**  
Local Jobs

# Armidale Regional Council Snapshot

30,166

Estimated population (2024)



14,966

Employed residents (2023)



27%

Aid work/volunteer



3.56188/km<sup>2</sup>

Population Density



8,621 km<sup>2</sup>

Land Area



149,383h

Area of local  
National Parks

\$1.99 billion

Gross Regional Product (2023)

\$464 million

Agricultural, Forestry and  
Fishing output value (2022/23)

14,966

Local jobs (2023)



2,900

Local businesses (2023)

\$256.3 million

Income generated from  
tourism (2022/23)



# Year in Review – Annual Scorecard

	2021/2022	2022/2023	2023/2024
Value of Development Applications determined	\$68,733,728	\$104,489,316	\$78,782,686
Number of street trees planted	245	107	150
Monkton Aquatic Centre Pool Numbers	20,785	27,449	38,788
Kilometres of roads resheeted	41.98	26.23	37.1
Kilometres of roads resealed (includes Asphalt) Urban	3.63	6.41	8.8
Kilometres of roads resealed – rural	13.59	14.55	23.7
Kilometres of footpath constructed	0.02	0.02	0.73
Kilometres of Kerb and gutter constructed	0.41	0.63	0.1
Heavy Patching completed m <sup>2</sup>	8236	17458	10125
Estimated Kilometres of roads graded	900	1000	950
Kilometres of road reconstructed – rural	0.99	3.90	6.3
Kilometres of roads reconstructed – urban	0.00	0.22	0.3
Litres of water treated (megalitres)	2,282	2,660	2,802
Litres of wastewater treated (megalitres)	2,454	2,270	1,912
Council and committee meeting live streams	13	13	13
Amount of domestic waste sent to landfill	12,606t	14,093t	16,891t Total for both landfills (including asbestos) Does not include virgin excavated natural material/ timber used for daily cover

# Year in Review – Annual Scorecard

	2021/2022	2022/2023	2023/2024
<b>Amount of waste able to be recovered/recycled</b>	10,117t	12,453t 47% resource recovery rate	14,109t 45.5% Resource Recovery Rate
<b>Volunteers referred by Armidale Regional Council</b>	140	86	90
<b>Number of service requests by customers</b>	7,474	6,139	5,639
<b>Phone calls received by Customer Service</b>		17,143	14,427
<b>Visitor Information Centre - visitor numbers</b>	21,862 (Covid)	34,989	43,188
<b>Library visits</b>	68,089	77,832	81,872
<b>Library loans</b>	210,452	213,862	219,341
<b>Heritage bus tours</b>	1,140 (Covid)	2,122	2236
<b>Big Chill Festival tickets sold</b>	2,044	2,689	3,799
<b>Visitation to Hillgrove Museum</b>	477 (closed 6 months)	913	638
<b>Visitation to Armidale Folk Museum</b>	822 (4 months closed/ missing data)	1710	1233
<b>Food shop inspections</b>	20	148	152
<b>Swimming pool inspections</b>	14	19	21
<b>Fines for environmental breaches</b>	4	5	1
<b>Dog attacks reported to Council</b>	52	56	51
<b>Dogs impounded/surrendered</b>	354	370	339
<b>Dogs returned home/rehomed</b>	286	284	229
<b>Cats impounded/surrendered</b>	228	234	278
<b>Cats returned home/rehomed</b>	111	114	148





# Our Leadership Team



**James Roncon**  
General Manager



**Annie Harris**  
Executive Manager  
People & Culture



**Daniel Boyce**  
Chief Officer  
Activation and Planning



**Aimee Hutton**  
Acting Chief Officer  
Corporate & Community



**Darren Schaefer**  
Acting Chief Officer  
Assets & Services



**Ann Newsome**  
Chief Finance Officer



**Alex Manners**  
Project Director K2A

## Our Workforce



**322**

Total Staff  
(including casuals)

**293.4**

Total Full Time  
Equivalent



**110**

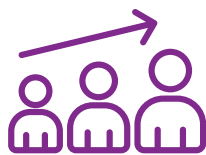
Female Staff



**187**

Male Staff

**44.5**



Average age of workforce

**7.63**

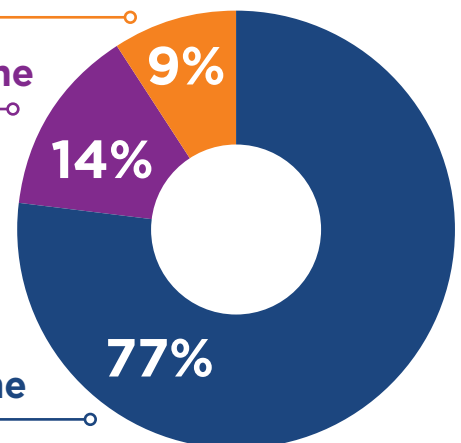


Average length of service

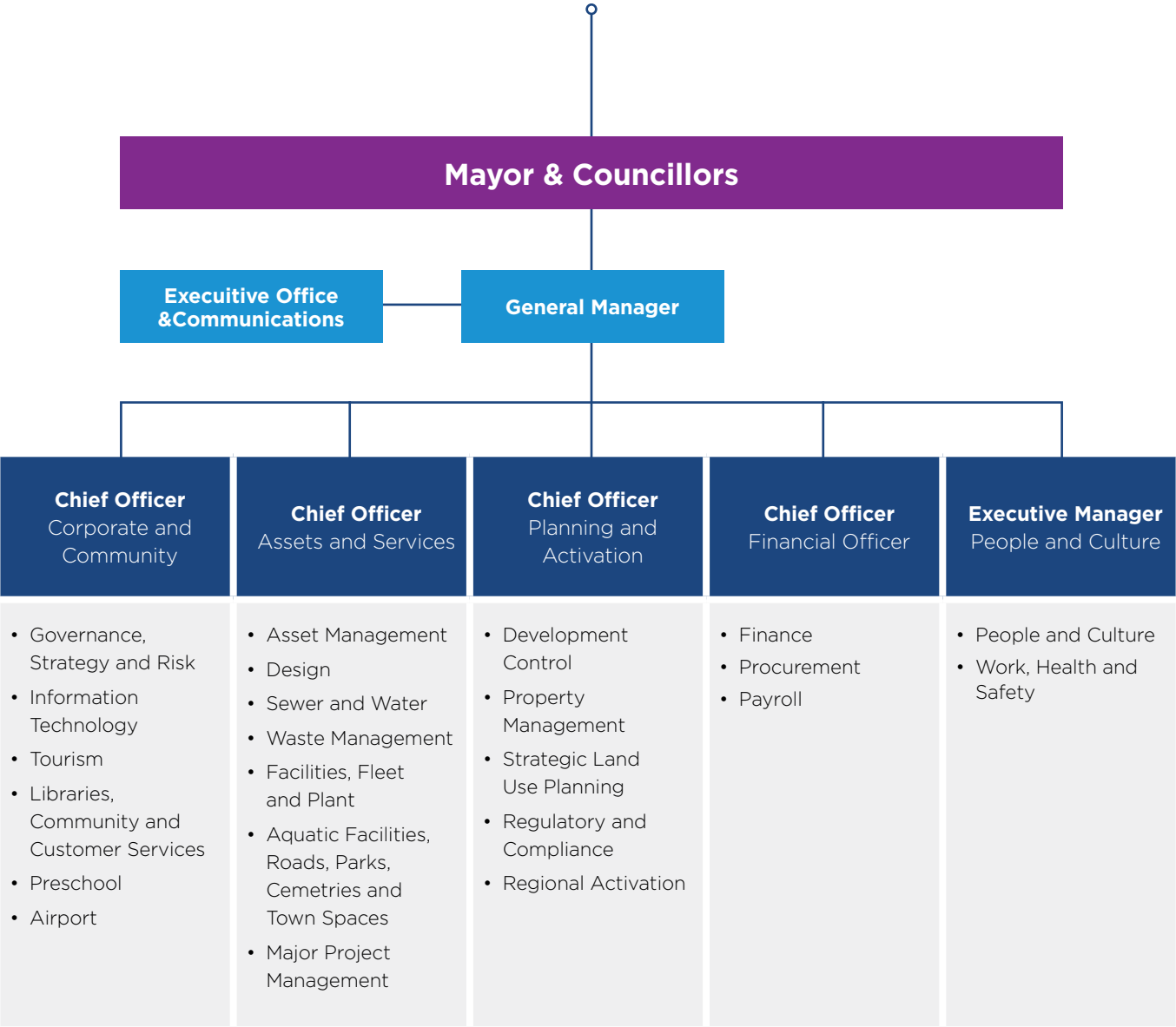
Casual/Seasonal

Part Time

Full Time



# Organisational Structure





# Councils Culture Program

Council has continued its 'Restore and Thrive' culture-change journey involving all staff.

A staff survey was undertaken in May 2024 to pulse check current staff sentiment and how the organisation was progressing with its Restore and Thrive goals. The results of the survey were then 'truth' tested with a series of consultation sessions involving all staff.

Overall the morale, engagement and role clarity were all perceived to have significantly increased and Armidale Regional Council was perceived to be functioning in a much more effective and collaborative way. Leadership commitment and support (at all levels) was seen as a strong, positive, driving force for change.

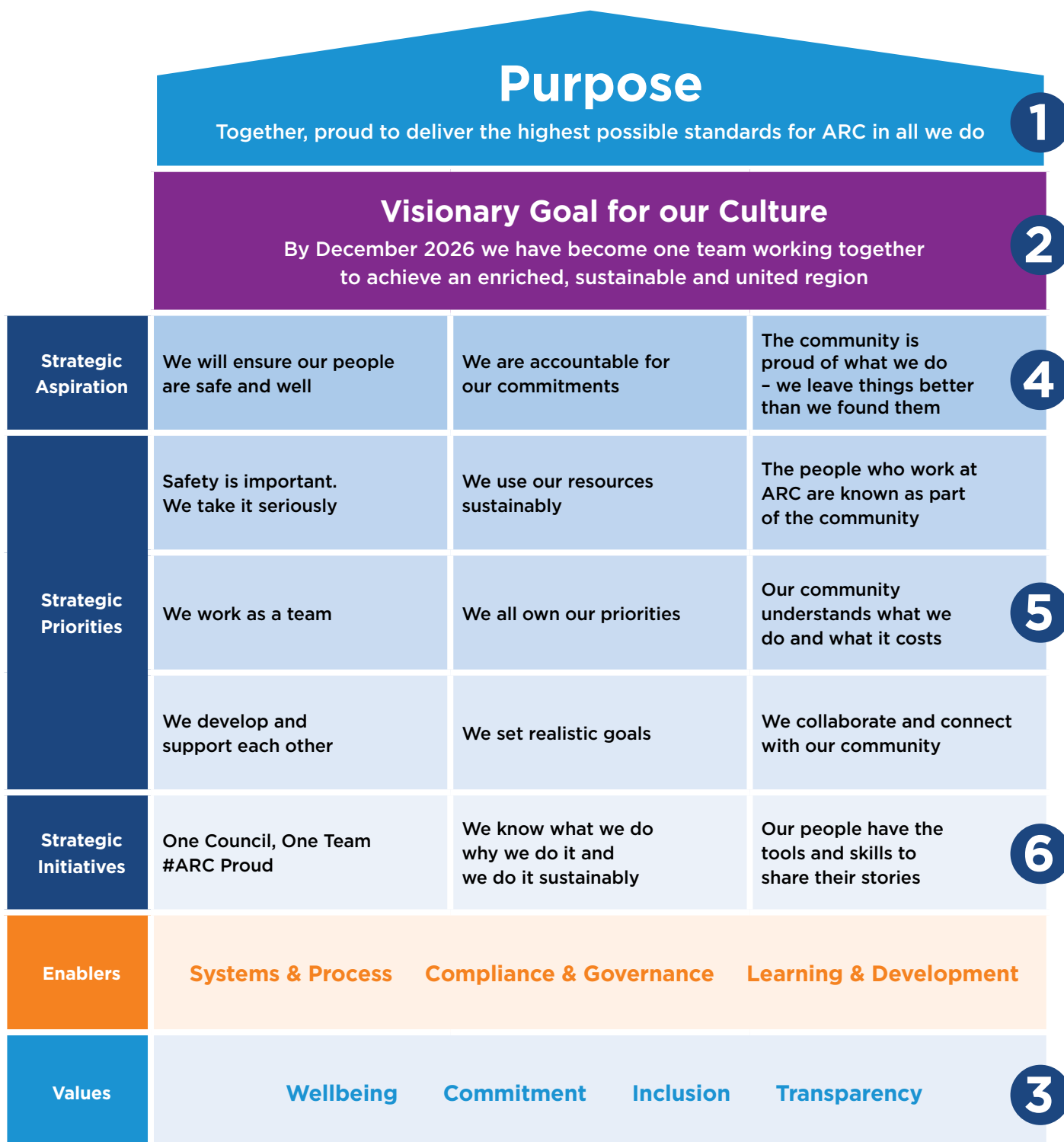
## **Key results from the survey question "What's it like to come to work now compared with two years ago, were:**

- A more cohesive and values-aligned culture
- Greater staff morale and engagement across the board
- More transparent and inclusive communication
- Clearer about priorities and responsibilities
- Greater collaboration within and across teams
- Improved community perceptions about Armidale Regional Council





# Restore & Thrive Strategy Map



A vibrant outdoor scene at a swimming pool. In the foreground, a man in a dark blue shirt is lifting a young girl in a pink and blue swimsuit into the water, creating a large splash. To the left, a boy in green shorts and goggles stands on a yellow and blue inflatable slide. In the background, another boy is swimming in the pool, and a black fence with a blue and white striped pattern is visible under a clear sky.

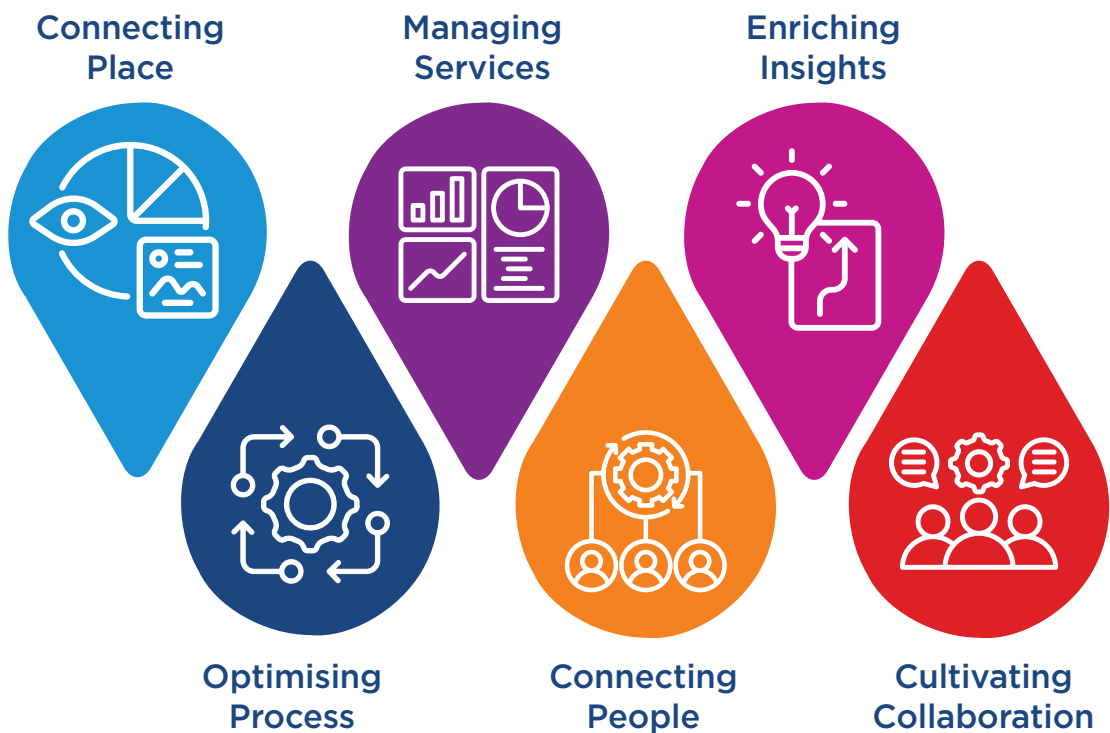
Community  
vibrancy that  
improves our  
liveability.

# Our Performance

The Community Strategic Plan 2022-2032 sets out the goals and aspirations of the regional community, established through an extensive community engagement process.

The Plan provides the foundation for Council to develop the strategies and actions which it will undertake to create the physical, economic and social environment that the community seeks.

This section outlines some of the 2023-2024 highlights in working towards the goals of the Community Strategic Plan.







## Thriving Region

### Economy and Tourism

We will broaden our economic base and develop initiatives to grow existing and new business, and we will attract new residents and tourists to our region.

#### Goals:

- A strong economy, sustainable growth, and opportunity
- A destination of choice, renowned for our beauty, heritage, and unique attractions





## Big Chill Festival

The hugely successful Armidale Big Chill event attracted more than 4,000 festival goers over the weekend of 18-19 May 2024. The event had a significant positive impact on the local economy generating \$2.3 million in economic benefit for the community.

Festival goers were not deterred by the weather and came out in droves to experience the incredible atmosphere and stellar lineup of artists, including headlining acts the Rubens and Diesel, under the big top tent.

Statistics collected by event organiser Armidale Regional Council (ARC), and analysed by Regional Development Australia Northern Inland NSW, showed that the event also attracted 1,140 visitors, most of whom stayed for two nights and attended the festival on both days.



## Armidale Airside Business Park

The Airside Business Park is a key enabler of the region's long-term prosperity. Council undertook the 59-lot industrial subdivision to facilitate and drive commercial, industrial and air business enterprise developments.

Construction has started on the much-anticipated Aero Healthcare site which will be the largest building at the new Armidale Airside Business Park. The Aero Healthcare building is more than 6900sqm in size and can cater for more than 5000 pallets of supplies and equipment.

The new site will provide world class facilities for more than 60 staff in Armidale and is a realisation of the strategic objectives of the Airside Business Park development.

**Thriving  
Region**

Economy and  
Tourism





## Connected Region

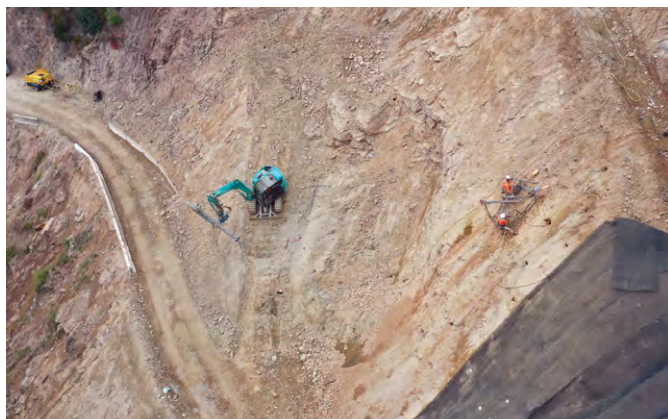
### Transport and Technology

We will provide and improve high quality connections within, and outside of the region.

#### Goals:

- Quality infrastructure makes it safe and easy to travel around our region
- Transport and technology that enable connectivity both locally and outside the region





## K2A

Armidale Regional Council is undertaking one of the largest roads infrastructure projects undertaken by a Local Government Authority in the history of New South Wales.

The Kempsey-Armidale Road is an important corridor connecting Armidale to the coast. It serves not only the local community but also supports key industries, including agriculture and tourism, in both the Armidale and Kempsey regions.

The road was severely damaged by bushfires at the end of 2019 and subsequent flooding in 2020 and 2022, cutting off the safe route between Lower Creek and Armidale. This impacted both the local community and the agriculture and tourism sectors.

The road condition and management of risk to the public has been a concern for Council since the road was reclassified and transferred to Council in 2009. While the roads condition is the best it has been for many years, but still poses a significant risk to motorists not familiar with the road and not inducted into its challenges.

To this end, Council is working to rehabilitate and restore 43kms of Kempsey-Armidale Road and a 5.1km section of Lower Creek Road to pre-disaster condition. The project is known as the K2A project and represents the biggest civil infrastructure project undertaken by Armidale Regional Council.

In the 2023-2024 Financial Year, K2A successfully completed the 6 Curves contract which refers to the repairing of six critical culverts that continually washed out under heavy rain. Completion of this provides the community with a safer and more resilient transport connection for our communities between Armidale and the coast.



## E-Scooter Trial

Armidale Regional Council partnered with Transport for NSW and Beam Mobility to deliver an e-scooter trial which took place from September 2023 – September 2024. The trial has assisted the NSW Government to be better informed about the future of e-scooters in NSW. It sought to provide a more sustainable transportation option as part of an effort to reduce greenhouse gas emissions, and provide community members with more options when commuting around the city. Throughout the trial, participants hired e-scooters from Beam Mobility, resulting in over 45,000 trips and a total distance of 30,000 kilometres travelled.

This trial was part of the Council's broader Brilliant Region Strategy, aimed at enhancing digital capabilities. The NSW Government are currently assessing the results of the trials around the State and while uncertain about the future of e-scooters in our area, Council appreciates the opportunity to have hosted the trial and provide alternative options for connection within the city.

**Connected  
Region**

Transport and  
Technology





## Virtual Museum Tours

Museum staff have been working on digitising and modernising Council museums and making the spaces more accessible to the public.

As part of this initiative, the museums have launched a virtual tour of each museum venue which allow visitors to view the museums from the comfort of their own home at any time. Council used its connections to the New England Regional Art Museum (NERAM), to access the specialist 360-degree camera. The virtual tours are not intended to be a replacement to in-person visitation to any of Council's museums, rather a way to encourage enthusiasm for the museums among the wider public in a way that is accessible to all.



## Pothole Program

In late 2022, the Minister for Local Government declared a Statewide Roads Emergency in the wake of more than 220 natural disasters declared across NSW. These natural disasters had a significant impact on our local road network.

In the months leading up to the end of 2023, Council's transport department filled more than 10,000 potholes under the State Government's Pothole Repair Grant program designed to support emergency and heavy patching of the pothole damage to roads.

Council completed the following road improvements under the funding;

- 3,403 potholes repaired on urban roads
- 441 potholes repaired on regional roads
- 6,289 potholes repaired on rural roads.





## Bridge Renewal Program

Council commenced a Bridge Renewal Program that has been progressively replacing aged timber bridges throughout the Armidale region with new concrete structures. Out of the 31 structures initially identified in the program, we have now completed more than the required structure renewals.

In 2023/2024, Council completed major bridge replacements, including the Boorolong Creek Bridge, Laura Creek Bridge, and Bakers Creek Bridge. This work was essential for maintaining road safety and improving the region's road network, as the existing timber bridges had deteriorated. Bridge assessments had identified the need for substantial load and speed restrictions on all three bridges, making the replacements a critical priority.

The new pre-cast and pre-stressed concrete bridges are designed to withstand a one in a 100-year flood and have increased fire resistance to withstand intense bushfires. This will result in a reduced need for repairs, inspections, and fewer disruptions to the transport network which leads to lower operational costs over the asset's lifecycle.

**Connected  
Region**

Transport and  
Technology





# Future Region

## Sustainability and Resilience

We will enhance the natural beauty of the region, and will create a region that is sustainable and resilient.

### Goals:

- A flourishing natural environment that is protected and enhanced
- A clean, green, and responsible region







## Opening of Armidale Tip Shop

The reopening of the Armidale Tip Shop marks a significant step toward enhancing sustainability and supporting the community. With convenient weekend hours and a commitment to affordability, the shop is poised to make a positive impact in the community.

Since the previous Tip Shop closed in December 2023 due to safety concerns, Council has been working hard to get a new and improved site up and operating for the community.

The Council is committed to providing this interim service using existing resources while working on a long-term solution for the Tip Shop. The Waste Services Team has been actively saving valuable items from landfill since the previous shop's closure.



## Oaky River Dam purchase

Council completed the purchase of Oaky River Dam located 40km east of Armidale near Wollomombi in late 2023, fulfilling the December 2022 Council resolution to acquire the site. The Dam is a vital component to securing the region's water supply and a significant step required to meet Council's population and growth targets.

The dam was acquired for \$4.3 million, with funding sourced from the Council's Water Reserve.

Council will continue the process of lobbying the State and Federal Government's and their opposition counterparts for funding to reinstate the Oaky River Dam wall and construct a pipeline from the dam to the Armidale Water Treatment Plant.

**Future  
Region**

Sustainability  
and Resilience



# Liveable Region

## Places and Spaces

We will develop and maintain pristine places and spaces, and provide facilities to foster an active and healthy community.

### Goals:

- Public spaces and infrastructure that facilitate health, community connections and opportunities
- Proactive, responsible, and innovative regional planning that grows us sustainably







## New Mural outside Council Chambers

Artist James O'Hanlon completed a new public art display outside of the Council chambers in May 2024. The commission was fully grant funded and at no cost to Council. The design for the project was based upon some of this region's creatures who depend upon water for their survival to encourage people to think about water resilience in our area. The work features three creatures, a platypus, striped marsh frog and a microscopic tardigrade, the latter of which artist James believes to be the only public art example in the country. The design, painted on what is otherwise just a large, blank vent, has added another spot of colour to the already vibrant CBD of Armidale.

## Opening of Dumaresq Dam Reserve

**Dumaresq Dam Reserve officially opened on April 13 2024.**

The improvements at Dumaresq Dam Reserve have significantly enhanced the community's recreational offerings, creating a vibrant space that fosters social interaction and outdoor activities. By providing diverse facilities such as the contemporary amenities block, picnic shelters, and upgraded playground equipment, the reserve now serves as a gathering place for families and friends to connect and enjoy nature. The addition of pathways, boardwalks, and an artificial beach encourages exploration and active lifestyles, while the campsite and motorhome parking area attract visitors to the region. These upgrades not only beautify the environment but also promote a sense of community pride and well-being, making Dumaresq Dam Reserve a valuable asset for both residents and tourists alike.



## Beardy Street Mall Christmas celebration

In 2023 Council installed a new Christmas tree, reaching fifteen metres high and spanning six metres wide. It features over a thousand lights, accompanied by hundreds of decorations to light up the Beardy Street Mall.

The installation of the new Christmas tree not only brightened the Beardy Street Mall but has also brought the community together in celebration. The official lighting ceremony, held during the "Christmas in the Mall" event on November 30, drew large crowds and fostered a festive spirit among residents. Families and friends gathered to witness the tree's dazzling display, reinforcing community bonds and creating cherished memories. This vibrant centrepiece has become a focal point for holiday festivities, encouraging local businesses and organisations to participate in the celebrations, making the Christmas season even more special and inclusive for everyone in the region.

**Liveable  
Region**

Places and  
Spaces



## Enriched Region

### Community and Culture

We will improve the quality of life for our community and celebrate its culture and diversity.

#### Goals:

- Access to the services and support that facilitate quality of life
- A proud, inclusive, and cohesive community that celebrates our region in all its diversity and culture





## Reconciliation Week

National Reconciliation Week is held at the end of May each year. It brings the community together for a series of events across the region, including the annual Australians for Native Title and Reconciliation (ANTaR) Reconciliation Bridge Walk in Armidale.

The Armidale Reconciliation Bridge Walk, organised by Armidale ANTaR, has become a significant fixture in our local calendar. It aligns with National Sorry Day and marks the start of National Reconciliation Week. The Council values the opportunity to support this important initiative.

This year, hundreds of participants gathered to walk across Stephen's Bridge. Attendees listened to several speakers who shared their stories and insights and engaged in community activities that included a smoking ceremony, dance and music performances.

In Guyra, a morning tea was hosted by Guyra Preschool and Long Day Care Centre providing an opportunity for storytelling, singing, conversation, and shared cake. The event showcased the strong ongoing relationship between the preschool and local Aboriginal Elders and community members.

## Research collaboration with UNE

In early 2023 Armidale Folk Museum approached the University of New England (UNE) seeking assistance with some unexplained objects in its collection. Over the following twelve months, the collaboration with UNE experts in Geology, Archaeology, and Palaeontology led to some unexpected discoveries, both for the museum and the researchers.

Among the artefacts identified by UNE researchers was a superbly crafted 4000-year-old stone dagger from Denmark, a trove of about 100 items collected in the Solomon Islands in the 19th Century, and two sawfish rostrums collected in the early 20th Century from species that are now critically endangered.

These items add to the already rich collection of artifacts at our museums.

## Youth Week

Armidale Regional Council (ARC) celebrated Youth Week on Thursday 11 April with the reactivation of the region's Youth Awards.

Local school students and other young members of the community gathered at Town Hall to be entertained by local Indigenous performers from Mad Proppa Deadly before the ceremony.

Mayor Sam Coupland oversaw the ceremony and handed out eight awards as well as two high commendations. Two further awards recognising young women in public affairs were also presented by Zonta. Winners received a certificate, trophy, Big Chill tickets and a gift card.

### Award winners included:

- Volunteerism: Tykeisha Collins
- Personal Growth and Resilience: Luke Weighell
- Leadership and Community Services: Sophia Rose Markham
- Arts and Creativity: India Smith
- Sports Achievement: Jake McCann
- Innovation and Technology: Jackson Taylor
- Environment Stewardship: Anna Gooley
- Social Advocacy: Mary Paul

### Highly Commended:

- Oscar Gates: Sports Achievement
- Katherine Edwards: Leadership and Community Service
- Zonta Awards - Young Woman in Public Affairs:
  - Anna Gooley
  - Sophia Rose Mark

**Enriched  
Region**

Community  
and Culture





## Strong Region

### Engagement and Responsibility

We will be a productive, transparent and strong community always putting the needs of our community first.

#### Goals:

- An informed and actively engaged community, that builds partnerships and shapes its future
- Strong governance and leadership that supports our region to grow and prosper





## Community Grants

In 2023/2024 nine deserving community organisations were awarded financial support through the Councils Community Small Grants Program, totalling \$20,000.

The 2023 funding round received 21 applications from a diverse array of organisations within our Local Government Area. Grants of up to \$3,000 were provided to Community Groups for one-time initiatives aimed at enhancing the lives of residents.

The nine organisations selected for funding are implementing programs and initiatives benefiting young children, young women, musical participation, mental health and well being, disability access as well as multicultural programs and sporting events.

Three notable recipients, who received the full amount of funding, were Bald Blair P&C for their Yoga Wellbeing get togethers, Armidale Pipe Band for the “recruit and train a new drumming corps” initiative and St Marks UNE for their extended family foster children holiday camp.

### The complete list of recipients included:

- Bald Blair P&C
- Armidale Pipe Band
- St Marks UNE
- ZONTA Club Armidale
- Bangladesh Cultural Society
- Armidale Spinners and Weavers
- Armidale Crafty Quilters
- Helping Childre and Families Association
- Guyra Campcraft Committee



## Local Strategic Planning Statement

### Advancing our region – Toward 50,000 – Local Strategic Planning Statement

Adopted in April 2024, the Local Strategic Planning Statement (LSPS) - Toward 50,000 outlines a plan to broaden the economic base of the region by enabling 4000 new jobs by 2043. If achieved, this job growth will result in an additional 10,000 people moving to the region. Most of this growth will be in Armidale then Guyra with the villages and rural areas absorbing the balance. The LSPS is proactive in its vision, aiming to provide land for jobs and housing, in unconstrained, well-located areas, supported by infrastructure, services and access to open space whilst being sustainable and maintaining the regions natural assets, heritage and character.

### The LSPS:

- Provides a 20 year land use vision for the Armidale Regional Council Local Government Area;
- Directs where further investigations are to be undertaken to identify how future growth and change will be managed;
- Identifies where further strategic land use planning is required; and
- Explains how the planning priorities and related actions will be implemented.





## Housing strategy

Adopted in August 2024, the Armidale Regional Local Housing Strategy (LHS) builds on the bold new growth agenda articulated in the Local Strategic Planning Statement: Toward 50,000. The LHS identifies the land needed to accommodate an additional 10,000 people moving to the region. The State Government recently said that NSW was in a housing crisis and that through the National Housing Accord, local Councils and the NSW Government agreed to work together to look at every opportunity to address this crisis. Regional NSW has been allocated a minimum target of 55,000 new homes over the next five years. The LHS responds to the National Housing Accord as well as Council's aspirations and provides a detailed staging plan to ensure that Council is supplying adequate land to the market.



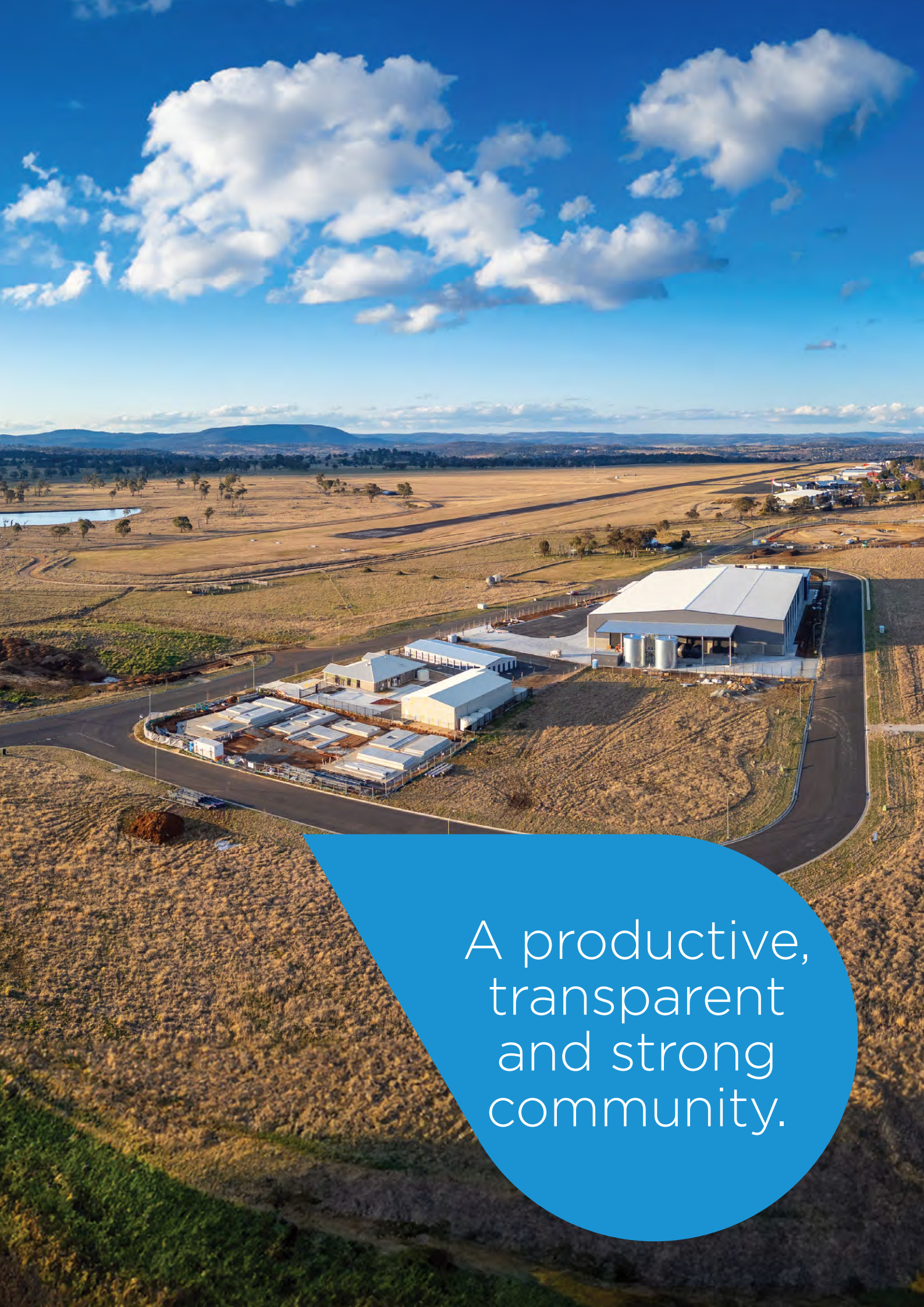
## Brilliant Regions

Adopted in August 2024, the Brilliant Region Strategy supports the aspiration in the LSPS for our region to be “Brilliant” through our unique position to harness the opportunities presented by digital technology, data, and innovation.

Projects that Council has already delivered or that are underway as part of our journey into the digital space include Smart Water Meters, NSW E-scooter Shared Scheme Trial, Smart Bins Trial, and Self-cleaning Toilets.







A productive,  
transparent  
and strong  
community.



# Statutory Information

## Contents

Audited Financial Reports	42
Environmental Upgrade Agreements	42
Special Variation of Rating Income	42
Rates and Charges Written Off	45
Councillor Training and Professional Development	45
Overseas Travels	45
Mayor and Councillor Expenses	45
Contracts awarded greater than \$150,000	46
Legal Proceedings	49
Resolutions Concerning Work Carried Out on Private Land	49
Financial Assistance Grants and Contributions	49
Statement of All External Bodies that Exercised Functions Delegated by Council	50
Statement of All Entities in which Council held a Controlling Interest	50
Statement of All Entities in which the Council Participated during the Year	50
Statement of Activities to Implement its EEO Management Plan	50
General Manager Remuneration	51
Senior Staff Remuneration	51
Statement of Stormwater Management Services	51
Statement of Coastal Protection Services	52





Companion Animals Act 1998	52
Capital Works Projects	53
<i>Carers Recognition Act 2010</i> Compliance	53
Disability Inclusion Plan	54
Planning Agreement Compliance	54
Development Contributions	55
Recovery and Threat Abatement Plans	56
Swimming Pool Inspections	56
<i>Government Information (Public Access) Act 2009</i>	56
<i>Public Interest Disclosures Act 2022</i>	56
Achievements in Implementing Council's Community Strategic Plan / Delivery Program / Operational Plan	56
Council's Progress on Delivery of Service Reviews Undertaken	57
IP&R Guidelines Adherence	59
Anti-slavery Response	59
Procurement Practices and Modern Slavery	59
Total Number of Employed Persons	60

## Audited Financial Reports

The audited financial statements are required to be included as part of the Annual Report and are included in Part C.

## Environmental Upgrade Agreements

Council has no environmental upgrade agreements under Part 2A of the *Local Government Act 1993*.

## Special Variation of Rating Income

Detailed below is information on the 2023-2024 Special Rate Variation, approved by the Independent Pricing and Regulatory Tribunal in May 2023 and implemented from 1 July 2023. The percentage by which Armidale Regional Council (Council) may increase its general income for the period from Year 2023-24 to Year 2025-26 (inclusive) is 58.8%, consisting of annual increases as set out in the table below:

Year	Annual increase in general income	Cumulative increase in general income
<b>2023-24</b>	16.67%	16.67%
<b>2024-25</b>	16.67%	36.12%
<b>2025-26</b>	16.66%	58.8%

The percentage increase set out above is subject to the following conditions:

- a. The Council use the Additional Income for the purpose of funding the Proposed Program.
- b. The Council report in its Annual Report for each year from 2023-24 to 2027-28 (inclusive):
  - i. the program of expenditure that was actually funded by the Additional Income, and any differences between this program and the Proposed Program;
  - ii. any significant differences between the Council's actual revenues, expenses and operating balance and the projected revenues, expenses and operating balance as outlined in its Long-Term Financial Plan, and the reasons for those differences;
  - iii. the outcomes achieved as a result of the Additional Income;
  - iv. the productivity savings and cost containment measures the Council has in place, the annual savings achieved through these measures, and what these savings equate to as a proportion of the Council's total annual expenditure; and
  - v. whether or not the Council has implemented the productivity improvements identified in its application, and if not, the rationale for not implementing them.



The table below shows proposed income and expenditure relating to the SRV:

	Year 1 2023-24	Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28
Income	\$'000	\$'000	\$'000	\$'000	\$'000
Proposed SV income above rate peg	2,640	6,072	10,149	10,403	10,663
Change in operating balance due to proposed SV	640	3,697	6,864	6,036	6,187
<b>Operating expenses (including loan interest costs)</b>					
Maintain services - materials	1,000	1,025	1,051	1,077	1,104
Maintain services - wages	1,000	1,025	1,051	1,077	1,104
Additional materials costs		325	1,183	2,213	2,268
<b>Annual total</b>	<b>2,000</b>	<b>2,325</b>	<b>3,285</b>	<b>4,367</b>	<b>4,367</b>
<b>Capital expenditure/Renewals:</b>					
Transport infrastructure	1,111	2,069	5,141	5,224	5,233
Buildings	239	451	829	846	837
<b>Annual Total</b>	<b>1,350</b>	<b>2,520</b>	<b>5,970</b>	<b>6,070</b>	<b>6,070</b>

SRV Expenditure 2023/2024	Amount
<b>Building Renewal</b>	
Lift Maintenance CAB	\$103,925
Guyra Community Recycling Centre	\$60,401
<b>Urban Resealing &amp; Heavy Patching Program</b>	
Kellys Plains Rd – Rehab 500m <sup>2</sup>	<b>\$251,713</b>
<b>Rural Resealing &amp; Heavy Patching Program</b>	
Moredun Rd Rehab section – Seal Ch 3.3 – Ch 7.2kms	\$281,592
Falconer Rd Resealing – Seg 2 Ch 1.05 to C 3.88kms	\$148,993
Llangothlin Rd Rehabilitation – New England Highway to the main Llangothlin Rd 1.1km	\$423,283
Scouler St Reseal, Hillgrove 282x4.5m	\$17,643
Long Swamp Rd Heavy Patching 393m <sup>2</sup>	\$7,924
Worra St Urban Rd Upgrade, Guyra 340m	\$532,487
	<b>\$1,411,940</b>
<b>Transport Infrastructure</b>	<b>\$1,663,653</b>
<b>Building</b>	<b>\$164,326</b>
<b>Wages</b>	<b>\$236,116</b>
<b>Total SRV Expenditure 2023-2024</b>	<b>\$2,064,095</b>

	2023-24 per IPART	Actual Spend	Shortfall/ (over spend)	Rollover to next year
*Maintain Services - materials	1,000,000		*1,000,000	*447,347
**Maintain services - wages	1,000,000	236,116	763,884	763,884
*Transport infrastructure	1,111,000	1,663,653	*(552,653)	-
Buildings	239,000	164,326	74,674	74,674
<b>Total</b>	<b>3,350,000</b>	<b>2,064,095</b>	<b>1,285,905</b>	<b>1,285,905</b>

\*Spending was diverted from operational to capital works in this year as there was substantial grant funding available for operational maintenance. It was deemed prudent and best value for ratepayers to take advantage of the available grant and to divert funds to asset renewal.

\*\* Attempts were made to invest in additional maintenance wages but given the tight labour market ARC was unable to fill the vacant positions.

#### Long Term Financial Plan comparison to Actual Results – General Fund only:

Projected @ Actual Results FY 2024 (General Fund)	Projected Results \$M	Actual Results \$M	Variance \$M	Comments
Total Revenue	59.8	103.0	43.2	<b>Comment 1</b>
Total Expenses	62.8	77.6	14.8	<b>Comment 2</b>
Operating result from continuing operations	(2.9)	25.4	28.3	<b>Comment 3</b>
Less capital grants and contributions	(1.6)	(25.7)	24.1	<b>Comment 4</b>
Net operating result before capital grants and contributions	(4.6)	(0.3)	4.3	<b>Comment 5</b>

**Comment 1:** A significantly larger than anticipated amount of grant funds were received during the year. The additional grants will be balanced with additional expenditure. Of note was additional interest and investment revenue \$2.9 m realised from a change in the management of investments, a part of the productivity gains. There was also additional revenue from fees and charges with the aerodrome recovering \$1m in additional revenue and better management of Transport for NSW works.

**Comment 2:** The additional grants received necessitated additional materials expenditure \$10m, there has been an increase in depreciation of \$2m and a loss from disposal of assets of \$2.4m.

**Comment 3:** The increase arises from additional capital grants \$24m and productivity gains from Interest, Aerodrome fees and Transport for NSW works project management.

**Comment 4:** Additional capital grants were received during the year.

**Comment 5:** Productivity measures relating to management of investments, airport management and project management contributed significantly to a pleasing net operating result before capital grants and contributions, exceeding the result anticipated in the LTFP.





## Rates and Charges Written Off

**Amount of rates and charges written off during the year. Local Government (General) Regulation 2005 (Reg), cl 132**

Rates abandoned (postponed)	\$13,505
Interest abandoned (postponed)	\$5,869
Mandatory pension rebate	\$607,626
Voluntary pension rebate (*)	\$102,432
<b>Total</b>	<b>\$729,432</b>

(\*) Council has Pensioner Concession Policy which provides an additional concession of up to \$25 in General Rates, up to \$25 in Water Rates and up to \$25 in Sewerage Rates.

## Councillor Training and Professional Development

**Local Government (General) Regulation 2005 Reg cl 186**

Councillors undertook the following training and professional development in 2023-2024:

- Local Government NSW Annual Conference attended by Councillors Coupland, McMichael and Redwood 12 - 14 November 2023.
- Councillor Workshops – ARIC Charter, Due Diligence, Presentation of the 2022/23 Audited Financial Statements, Fees and Charges, Capital Projects, Active Transport Strategy, Integrated Water Cycle Management, Project Zero30, Local Strategic Planning Statement and Local Housing Strategy.
- Five Councillor Key Topics Workshops delivered by Council staff outlining operations.
- Councillor Tours – Armidale Waste Management Facility and Old Armidale Court House
- Monthly Councillor Roundtable Team Building Workshops

## Overseas Travels

**Overseas visits by Councillors, Council staff and other Council representatives Clause 217(1)(a1)**

No overseas travel was undertaken during the 2023-2024 year by Councillors, staff or Council Representatives.

## Mayor and Councillor Expenses

**Local Government (General) Regulation 2005 Clause 217(1)(a1)**

The Mayor and Councillors are paid an annual fee that is within the limit set by the Local Government Remuneration Tribunal.

Mayoral Allowance	64,233
Councillor Allowance	286,888
<b>Totals \$</b>	<b>351,121</b>

All the Councillors are paid for expenses incurred in discharging their functions and responsibilities to the Armidale regional community in accordance with the Councillor Expenses and Facilities Policy readopted on 23 March 2022. The policy is accessible from Council's website.

The policy enables the reasonable and appropriate reimbursement of expenses and provision of facilities to Councillors

to help them undertake their civic duties. It ensures accountability and transparency and seeks to align Councillor expenses and facilities with community expectations. Councillors must not obtain private or political benefit from any expense or facility provided under the policy.

The policy has been prepared in accordance with the *Local Government Act 1993* and *Local Government (General) Regulation 2005*, and complies with the Office of Local Government's Guidelines for the payment of expenses and provision of facilities to Mayors and Councillors in NSW.

The policy sets out the maximum amounts Council will pay for specific expenses and facilities. Expenses not explicitly addressed in this policy will not be paid or reimbursed.

Expense or Facility	Amount \$
Provision of dedicated office equipment allocated to Councillors, telephone calls made by Councillors, other member expenses, subscriptions and publications	140
Training of Councillors and provision of skill development	9,327
Attendance of Councillors at conferences and seminars, interstate visits by Councillors, including transport, accommodation and other out-of-pocket travelling expenses	13,870
Overseas visits by Councillors, including transport, accommodation and other out-of-pocket travelling expenses	0
Expenses of any spouse, partner or other person who accompanied a Councillor in the performance of his or her civic functions, being expenses payable in accordance with the Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors	0
Expenses involved in the provision of care for a child of, or an immediate family member of a Councillor	0
Vehicle provision (Office of Mayor)	9,759
Donations and Contributions	0
<b>Total amount of money expended on the provision of Councillor facilities and the payment of Councillor expenses</b>	<b>33,096</b>

## Contracts awarded greater than \$150,000

In accordance with the *Local Government (General) Regulation 2005* Clause 217(1)(a2)

Contractor	Description	Contract \$
Interflow Pty Ltd	Stormwater & Waste Relining Project	<b>\$801,504.34</b>
Bridge Knowledge Pty Ltd	Bridge Replacement Program 2023 - Design of 5 Bridges	<b>\$235,000.00</b>
Technology One Limited	Variation Agreement - Purchase of Additional Modules and Service Agreement	<b>\$400,000.00</b>
Dattner Group Pty Ltd	Continuation on Restore and Thrive Strategy Phase 4 - Extension of Scope	<b>\$352,303.00</b>
Local Government Appointments	Community Liaison Officer - Kempsey Armidale Road Project - Extension of Contract	<b>\$220,000.00</b>



Contractor	Description	Contract \$
Granicus Australia Pty Ltd	Armidale Regional Council Website Upgrade	<b>\$150,000.00</b>
Seymour White Constructions	Extension/Additional Services Kempsey-Armidale Road ECI Design and Construct	<b>\$2,753,140.00</b>
Mat's Equipment Maintenance	Temporary Staff Placement for ARC Fleet Services 2023-2024	<b>\$150,000.00</b>
Clayton Utz	Extension/Additional Legal Services Project Kempsey-Armidale Road	<b>\$465,000.00</b>
RHE Project Consulting Pty Ltd	Project Director for Kempsey Armidale Road Restoration	<b>\$250,000.00</b>
Armidale Recycling Services	Provision of Recyclables Collection and Processing Services (Eight-year period with option for 2-year extension)	<b>\$1,378,487p/a</b>
BMR Quarries	Gravel Crushing Services at Little Plains Road	<b>\$167,827.00</b>
Projence Pty Ltd	Variation – Professional Services Consultancy, WH&S Manager	<b>\$410,000.00</b>
The Stable	To supply business cases and finding Strategy for Armidale Regional Council Water Security Projects	<b>\$274,000.00</b>
Adrian Shortt	Temp Staff Services – Quarry manager to 30 June 2024	<b>\$245,000.00</b>
Telstra Australia	Purchase of Solar Smart Bins	<b>\$170,000.00</b>
Byron Civil Pty Ltd	Upgrade and Construction Rockvale Road Upgrade	<b>2,383,750.12</b>
Roadworks Industries	ARC Heavy Patching Program 2022-2025 with primary (Roadworks) and secondary (Stabil Corp) contractors	<b>\$1,4000.000.00</b>
Stabil Corp	Essential heavy patching works	<b>\$752,397.80</b>
Meridian Urban Pty Ltd	Armidale and Uralla Regional Drought Resistance Plan	<b>\$159,004.00</b>
Timber Restoration Services	Gara Bridge Strengthening Works	<b>\$267,000.00</b>
SJF Civil Project Management	Project Management – Flying Fox, Blackbird Flat, Big Hill	<b>\$300,000.00</b>
Dillons Contracting	Concrete Footpath Contract Beardy Street, Taylor Street, Barney Street, Rusden Street, Armidale	<b>\$217,470.00</b>



Contractor	Description	Contract \$
SJF Civil Project Management	Shoulder Grading, RMAP Reseal, Heavy Patching, Airport Runway Sate Rd	<b>\$287,660.00</b>
TSA Management	Independent Project Review, Kempsey Road Project	<b>\$250,525.60</b>
5G Management Unit Trust	Professional Services – Oaky River Dam Pipeline	<b>\$155,000.00</b>
The French Group	Cleaning of Stormwater Pipe as specified on Kempsey-Armidale Road	<b>\$211,530.00</b>
<ul style="list-style-type: none"> <li>• GeoLink Consulting Pty Ltd</li> <li>• Clayton Utz</li> <li>• New England Surveying</li> <li>• GHD Pty Ltd</li> <li>• Prevention Partners</li> <li>• TSA Management</li> <li>• R B Ausling &amp; Associates P/L</li> <li>• Adrian McRae</li> </ul>	Variations – Extensions of Contracts for specialised Kempsey Road Project: - Council has endorsed current and future costs for specialist services incurred more than \$250K and ongoing to the conclusion of the project	<b>More than \$250,000.00 per supplier over Life of Project</b>
Various (123 Consultants)	Panel Arrangement - Provision of Professional Engineering & Project Management Services to 30 June 2026	<b>Schedule Of Rates Collectively and Individually over \$250K</b>
Various (8 Suppliers)	Panel Arrangement - Provision of Bulk Materials Panel to 31 October 2026	<b>Schedule Of Rates Collectively and Individually over \$250K</b>
Various (4 Suppliers)	Assets & Services Project Management Procurement Pathway Addition/extension of contracts for engineering & project professionals panel	<b>Schedule Of Rates Collectively and Individually over \$250K</b>
Various (21 Suppliers)	Panel Arrangement - Building Trade Services	<b>Schedule Of Rates Collectively and Individually over \$250K</b>



## Legal Proceedings

**Local Government Act 1993 — Section 428 (4) (b)**

**Local Government (General) Regulation 2021 — Section 217 (1) (a3)**

### Legal proceedings

In 2023/2024, Armidale Regional Council incurred \$26,585.17 in legal expenses in relation to proceedings taken against or by the Armidale Regional Council. These proceedings are detailed in the table below.

### Planning

Planning determinations may be appealed in the Land and Environment Court and can arise when a consent is refused or deemed to have been refused. One matter was appealed in 2023/24 with proceedings heard by the Land & Environment Court.

### Rates recovery

In the 2023/24 year, Armidale Regional Council initiated 90 statements of claim in relation to outstanding rates.

### Public liability claims

In 2023/24 there were no new proceedings brought against Armidale Regional Council seeking compensation for personal injury. Public liability claims are managed by the Council's insurer, Statewide Mutual.

### Appeals against orders issued by Armidale Regional Council

There were no proceedings involving appeals against dangerous dog declarations made under the *Companion Animals Act*.

Matter	Nature of Proceedings	Amount incurred for financial year ending June 2024 (GST exclusive)	Status
ARC & Ors ats Wybenia Estate Pty Ltd & Ors	Legal Proceedings – PFAS contamination	<b>\$8,915.23</b>	Ongoing
Gunter v ARC	Debt Recovery	<b>\$4,566.00</b>	Finalised
ARC ats Wain	Planning – Land & Environment Court Appeal	<b>\$13,823.94</b>	Finalised

## Resolutions Concerning Work Carried Out on Private Land

**In accordance with the *Local Government (General) Regulation Clause 217(1)(a4)***

Council did not resolve to undertake any private works during the period 2023-2024.

## Financial Assistance Grants and Contributions

**Total amount granted under section 356 in accordance with the *Local Government (General) Regulation Clause 217(1)(a5)***

Total amount granted under section 356 in accordance with the *Local Government (General) Regulation Clause 217(1)(a5)* was \$8,267,585

## Statement of all external bodies that exercised functions delegated by Council

**In accordance with the *Local Government (General) Regulation Clause 217(1)(a8)***

No external bodies exercised functions delegated by Council.

## Statement of all entities in which Council held a controlling interest

**In accordance with the *Local Government (General) Regulation Clause 217(1)(a8)***

Council held no controlling interest in any entity for the twelve-month period ended 30 June 2024.

## Statement of all entities in which the Council participated during the year

**Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies (whether or not incorporated) in which the Council participated during the year.**

Council participated in the following entities during the year:

- Arts North West
- Australian Airports Association
- Bushfire Management Committee
- Coalition of Renewable Energy Mayors (CoREM)
- Country Mayors Association
- Mid North Weight of Loads Group
- New England District Emergency Management Committee (DEMC)
- New England Group of Councils (NEGOC)
- New England Conservatorium of Music (NECOM)
- New England Regional Art Museum (NERAM)
- New England Weeds Authority
- New South Wales Inland Forum
- New South Wales Public Libraries Association
- Northern Inland Regional Waste Group (NIRW)
- Northern Region Joint Regional Planning Panel
- StateCover
- Statewide Mutual

For further financial details on Controlled Entities, Associated Entities and Interests in Joint Ventures, refer to Note D2 of the Armidale Regional Council General Purpose Financial Report 2024.

## Statement of Activities to Implement its EEO Management Plan

**In accordance with the *Local Government (General) Regulation Clause 217(1)(a9)***

Armidale Regional Council remains dedicated to fulfilling its statutory requirements in accordance with the *Local Government Act 1993* (NSW), including the ongoing refinement of its *Equal Employment Opportunity (EEO) Management Plan*. Our unwavering commitment is to foster a workplace culture that wholeheartedly embraces and upholds inclusive principles regarding diversity and EEO.

In the reporting period, we successfully implemented a range of EEO and diversity management initiatives, which are as follows:

- Ongoing commitment to a Defence Force Veterans Employment Program: We launched a program to help defence force veterans transition into civilian employment.
- Continued commitment to the Girls in Civil Program - Opening up Career Opportunities for Young Women: Our "Girls in Civil" program aimed to inspire young women to pursue civil construction careers through mentorship, networking, and awareness campaigns.





- Partnering with Transport for NSW to support the Ezidi Pathways to Employment Program. This initiative was delivered in partnership with Transport for NSW, the local Rotary group, with strong support from TAFE and Council. The program not only addresses the skills shortages in the industry, but also contributes to the growth and development of our local workforce.
- Delivery of Cultural Awareness Training and Mental Health First Aid: Our employees received comprehensive cultural awareness and Mental Health First Aid training to promote cultural understanding, respect, and a stigma-free environment for mental health discussions.
- Development Pathway Plan and Structured Training Approach: Council continued to provide professional training opportunities, in both leadership and professional technical development.

## General Manager Remuneration

**In accordance with the *Local Government (General) Regulation 2005* Clause 217(1)(b)**

The total remuneration comprised in the remuneration package of the position of General Manager during the year was:

General Manager Remuneration	Total 2023-24 \$
General Manager	382,409
<b>Total</b>	<b>382,409</b>

## Senior Staff Remuneration

**In accordance with the *Local Government (General) Regulation 2005* Clause 217(1)(b)**

The total remuneration package for Council's senior staff for the year (excluding the General Manager position) is broken down in the following components:

Senior Staff Remuneration	Total 2023-24 \$
Salaries	1,080,213
Termination Benefits	-
Superannuation	117,105
Non-cash Benefits	26,802
<b>Total</b>	<b>1,224,120</b>

## Statement of Stormwater Management Services

**In accordance with the *Local Government (General) Regulation 2005* Clause 217(1)(e)**

The Council stormwater management services provided during the reporting period included:

Stormwater Management Services	Total 2023-24 \$
Maintenance and repair of stormwater pipes, pits, and culverts	108,000
Scheduled cleaning of gross pollutant traps, gullies, and drains	506,000
Kerb & gutter renewal	121,000
When required, reactive response to localised flooding	5,000
Kerb and gutter and stormwater survey investigation and design expenditure	132,000
<b>Total</b>	<b>872,000</b>

## Statement of Coastal Protection Services

### In accordance with the **Local Government (General) Regulation 2005 Clause 217(1)(e1)**

Council did not levy services for the provision of coastal protection services, under Section 496B (1) of the *Local Government Act 1993*, during 2023-2024.

## Companion Animals Act 1998

### In accordance with the provisions of the **Companion Animals Act 1988 (CA Act)** and the **Companion Animal Regulation 2018**

1. Due to staffing levels and changeover of senior leadership within the team the annual report required regarding impounding activities at the Animal shelter will be lodged with the Office of Local Government (OLG) in November 2024
2. Over the 2023-2024 Financial Year Council Rangers received a total 51 reports of alleged dog attacks which involved 72 attacking dogs. The majority of these alleged attacks have occurred on animals both domestic and livestock, with 23 livestock animals and 43 domestic animals (dogs, cats, rabbits etc) allegedly attacked which resulted in 31 deaths. Additionally, there were 26 human victims with 1 of those requiring a hospital visit as a result.
3. Council has spent a total of \$742,268 on companion animal management and activities during the financial year.
4. Council conducts education programs through its Companion Animal Shelter. Additionally, Council works closely with the local vet clinics and the local branch of the Animal Welfare League (AWL) to assist the community in obtaining discounted desexing for companion animals. During the 2023-2024 Financial Year Council undertook three (3) free microchipping days which were held in both Armidale (2) and Guyra (1). These days, whilst targeting the lower socioeconomic community, allowed all pet owners the opportunity to have their animals microchipped free of charge. In addition, these days allowed Council to bring the message of responsible companion animal ownership to the fore. Council continues to work closely with the community to minimise the effects of feral cat populations within the residential areas of the Local Government Area through education around responsible cat ownership and targeted feral cat trapping programs.
5. Council offers for sale all suitable unclaimed/surrendered companion animals from its Companion Animal Shelter. These animals are advertised on Council's Facebook page and through other electronic media outlets. Additionally, word-of-mouth through Council's volunteer program network. All animals sold are desexed, microchipped, lifetime registered, vet checked, wormed and vaccinated. Council also works very closely with several locally based animal welfare organisation including AWL and RSPCA. Other welfare organisations that hold Section 88(B) exemptions are also utilised in rehousing activities to promote alternatives to the euthanasia of unclaimed animals. Council is very proud of the fact it has one of the highest re-housing rates for companion animals in rural New South Wales and is continually striving to ensure this remains the case.
6. Council now provides and maintains six (6) leash-free dog exercise areas within the Armidale Regional Council area. Council will continue to investigate the need for improvement of current leash-free areas throughout the Local Government Area over the next 12 months.

### Financials for managing and controlling companion animals – Financial Year 2023/24

75% of all Rangers and Coordinator salary	\$426,302
Salary oncosts	\$170,520
Companion Animal Shelter materials and contracts	\$73,446
Microchipping	\$5,000
Construction of off-leash dog park in Guyra	\$60,000
<b>Total</b>	<b>\$742,268</b>



## Capital Works Projects

### In accordance with the OLG Capital Expenditure Guidelines

The 2023-2024 Capital Program was developed by identifying critical works, projects with pre-existing commitments, grant dependent projects and a level of asset renewal expenditure that is consistent with Council's Special Rate Variation modelling. Using this criteria, Council produced a 2023-2024 capital program budget totalling \$123.4million as follows:

Description	Budget	Grant Funding	Externally Restricted Funding	Council / Internally Restricted Funding/General Fund
<b>General Fund</b>	\$109,041,221	\$91,488,776	\$70,000	<b>\$17,482,445</b>
<b>Water Fund</b>	\$ 9,973,040	\$1,258,683	\$8,714,357	
<b>Sewerage Fund</b>	\$4,389,386	\$462,919	\$3,926,467	
<b>Consolidated Result</b>	\$123,403,647	\$93,210,378	\$12,710,824	<b>\$17,482,445</b>

A significant proportion of the capital works program (\$80 million) can be attributed to the Kempsey Armidale Road Restoration Project, which is grant funded.

Excluding the Kempsey Road project, Council delivered \$34.8m of expenditure against the \$43.4million budgeted Capital Program. All Capital Projects were included in the Operational Plan 2023-2024 and reported to the community accordingly.

### Major projects in FY2023-2024 included:

- Kempsey Armidale Road Restoration Project - \$9.9million
- Brockley Road reconstruction - \$1.5m
- Moredun Road reconstruction - \$2.9m
- Dumaresq Dam Ecotourism Development Project - \$3.9m
- Sewer mains relining - \$1.8m
- Plant replacement program - \$1.7m
- Oaky Dam acquisition - \$4.3m
- 3 bridges completed – Boorolong Creek, Laura Creek and Bakers Creek - \$6.5m

## Carers Recognition Act 2010 Compliance

### In accordance with Carers Recognition Act 2010 (CR Act), s 8(2)

Armidale Regional Council is fully committed to meeting the requirements of the *Carers Recognition Act 2010*, ensuring that the rights and needs of carers are well-recognised and supported within our organisation. Here's how we are fulfilling these requirements:

**Flexible Work Arrangements Policy:** Our policy on flexible work arrangements is designed to empower employees by providing the flexibility they need to balance work responsibilities with caregiving obligations. Staff members can explore and request customized work schedules and arrangements, allowing them to better manage their daily work tasks and family commitments.

**Access to Carer's Leave:** Recognising the significance of carer's leave, we extend this benefit to all our staff. Employees responsible for caring for family members or loved ones have the option to take necessary leave without undue hardship, ensuring they fulfill their caregiving duties.



**Employee Assistance Program (EAP):** Our EAP plays a crucial role in our support system. It's easily accessible to all staff, offering a confidential and supportive resource for addressing personal, work-related, and caregiving challenges. We actively encourage employees to utilize this program, which provides a safe and private space for seeking assistance and guidance across a wide range of issues.

At Armidale Regional Council, we remain committed to fostering an inclusive and supportive work environment that recognizes the needs of our staff who are also caregivers. Our policies and practices align with the *Carers Recognition Act*, promoting a workplace culture that respects and accommodates these important responsibilities.

## Disability Inclusion Plan

### **In accordance with the *Disability Inclusion Act 2014*, s 13(1)**

The Access Advisory Committee has continued to meet and provide insightful feedback and advice on many Council community projects and initiatives. In 2023-2024, the Council's Active Transport Strategy completed its community consultation with members of the Access Advisory Committee playing a key role in the process through the provision of feedback and recommendations. The intent of this strategy is to be inclusive of all active transport users. The plan considers the specific needs of a range of groups, including older people, pedestrians with mobility and vision impairments, and families with prams/strollers. The committee was also consulted on the East End Mall redevelopment plans and the roll out of the Beam Electric Scooter trial in Armidale.

Armidale Regional Council continues to roll out improvements to its volunteering program, which will help to create more volunteer opportunities and to make these opportunities accessible to a wider cross section of the community. This has worked alongside upgrades to Council venues including the new Nicolli House access ramp in Guyra. In 2023-2024, the Armidale war Memorial Library made use of its new front counter, which has both adjustable and various heights to be more accessible to staff and the community.

Armidale Regional Council's website has continued its upgrade, which will create easier access to Council information and improve access to people with vision impairments or other literacy support needs.

International Day of People with Disability (IDPwD) falls on 3 December 2024 and planning is underway for a public event hosted by Council. This event involves Council staff and elected members participating in day-to-day activities while navigating various challenges living with disabilities can present. Also at the event on IDPwD, Council will present the Armidale Regional Council Steve Austin Access Awards to the local business, not-for-profit, and individual recognised for outstanding support to people with access challenges.

## Planning Agreement Compliance

### ***Environmental Planning & Assessment Act 1979*, section 7.5(5)**

Armidale Regional Council entered into the following planning agreement(s) in the last financial year.

**Tilbuster Solar Farm Planning Agreement (PA)**, between Armidale Regional Council and EP Sunsport 5 Pty Ltd & Enerparc Australia Pty Ltd, entered into on 5 September 2023.

The PA relates to a development involving the construction, operation and decommissioning of a 400,000 panel photovoltaic solar farm that would produce 150MW of electricity.

The development was granted consent on 3 March 2022, reference no. SSD9619

The purpose of the PA is to secure off-site benefits for the community so that Tilbuster Solar Farm delivers a net community benefit for the Armidale Region. The PA promotes the public interest by securing the provision of monetary contributions to secure off-site benefits for the community so that development delivers a net community benefit.

The Tilbuster Solar Farm Planning Agreement requires that the Developer make the following contributions:

- a. A lump sum payment of monetary contributions of \$1,529,000 for public purposes determined by Council; and
- b. Provision of funding for community engagement process to co-design the benefit sharing strategy for the Community Benefit Fund.



**2 Coventry Street Planning Agreement** (PA), between Armidale Regional Council and Richard Leslie & Deborah Jane Burey, entered into on 17 November 2023.

The PA relates to a development for a 1 into 2 lot subdivision at 2 Coventry Street, Guyra which triggered the requirement for kerb and gutter construction across both Coventry and Ryanda Street frontages due to the zoning of the land as E4 – General Industrial (formally IN1 – General Industrial), in accordance with Guyra Shire Council's Development Control Plan (DCP).

The development was granted consent on 30 September 2010, reference no. DA-233-2010.

The 2 Coventry Street Planning Agreement requires that the developer make a monetary contribution to be paid to Council in lieu of the developer providing kerb and gutter. The Planning Agreement will facilitate the following:

- a. The development of additional industrial land in Guyra;
- b. Prevent the creation of isolated section of kerb and gutter and stormwater infrastructure that will have no chance for connecting into existing infrastructure, causing potential downstream impacts;
- c. The Planning Agreement will provide payment towards future improvements to the road and drainage infrastructure around the development area. Withholding construction of the required infrastructure until a more strategic design is completed will ensure a better outcome for Council's infrastructure and assets.

The 2 Coventry Street Planning Agreement requires that the Developer make the following contributions:

- a. A lump sum payment of monetary contributions of \$22,500 for the construction of the kerb and gutter along the Ryanda and Coventry frontages.

## Development Contributions

***Environment Planning and Assessment Regulation 2021 (EPA Reg) cl 218A(1)***

***Environment Planning and Assessment Regulation 2021 (EPA Reg) 218A (2)(a-g)***

### **Armidale Sportsground Carpark:**

An amount of \$295,000 was allocated towards the upgrade of the car park at the Armidale Sportsground. This allocation of funds was not spent in the 2023-24 financial year reporting period.

The project relates to the capital investment in the upgrading of a car park on a public reserve for the benefit of public amenity. The amount of monetary contributions allocated is \$295,000 with the remainder of the project cost to be funded by other funding sources.

The project is not complete.

### **91 Faulkner Street Voluntary Planning Agreement:**

An amount of \$50,000 was allocated towards undertaking master planning and design of improvements for East Mall, Beardsy Street. This allocation of funds was fully expended in the 2023-24 financial year reporting period.

The project relates to the detailed concept design of streetscape upgrades to a section of public road known as East Mall which would benefit the community by improving the public amenity of this asset. The amount of monetary contributions provided approximately 50% of the project cost, with matching funding coming from Council's general fund.

The project is complete.

## Development Contributions

***Environmental Planning and Assessment Regulation 2021 (EPA Reg) 218A(3)(a), (b)***

The total value of all contributions and levies received during the year is \$870,000.

The total value of all contributions and levies expended during the year is \$50,000

## Recovery and Threat Abatement Plans

### **Fisheries Management Act 1994, section 220ZT (2)**

Council has no recovery or threat abatement plans.

## Swimming Pool Inspections

### **Section 22F(2) Swimming Pool Act 1992, section 428 of the Local Government Act 1993 Division 5 of Part 2**

Swimming Pool Regulations	Total Inspections
Number of inspections of tourist and visitor accommodation	5
Number of inspections of premises with more than two dwellings	6
Number of inspections that resulted in the issuing of a certificate of compliance under section 22D of the Act	18
Number of inspections that resulted in the issuing of a certificate of non-compliance under clause 18BA of the Regulation	10

## Government Information (Public Access) Act 2009

**Council has an obligation under the Government Information (Public Access) Act 2009 (GIPA Act) to submit annual reports to the Information and Privacy Commission NSW (IPC) by 31 October each year, in order to meet the requirements under section 125 of the GIPA Act and Clause 7 of the GIPA Regulation.**

### Review of proactive release program

Council continually reviews its proactive release program to identify the kinds of information that we make publicly available. This occurs through extensive publication on Council's website or through inspection and/or provision of information in response to a written application.

### Number of access applications received

During the reporting period, three access requests were received and processed , all were actioned under internal review and all were decided within the statutory timeframe (20 days).

### Number of refused applications for Schedule 1 information

During the reporting period, one (1) formal access application was refused in full.

## Public Interest Disclosures Act 2022

### **Public Interest Disclosures Act 2022, section 31, Public Interest Disclosures Regulation 2022, Clause4**

No public interest disclosures were made during the year ending 30 June 2024.

## Achievements in Implementing Council's Community Strategic Plan / Delivery Program / Operational Plan

### **Advancing our Region Community Plan 2022-2032 - See State of the Region Report 2022-2024 Delivery Program and Operational Plan**

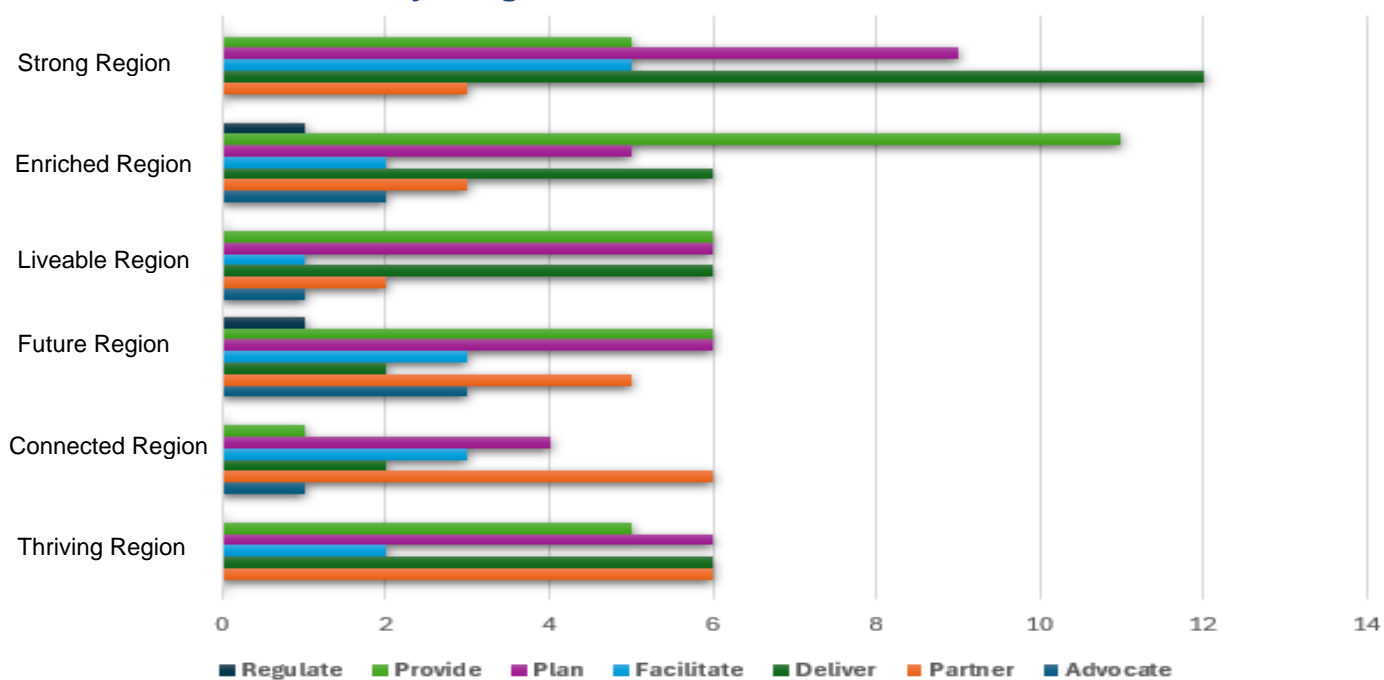
The Delivery Program 2022-2026 outlines the initiatives that Armidale Regional Council undertook in the last Council term to help achieve the goals of the Advancing our Region Community Plan.

The Delivery Program is Armidale Regional Council's commitment to the community for the duration of a Council Term. It is informed by the community, through the Advancing our Region Community Plan, but also takes into consideration the resources of Council and its ability to deliver initiatives on top of its core operations and legislative requirements.

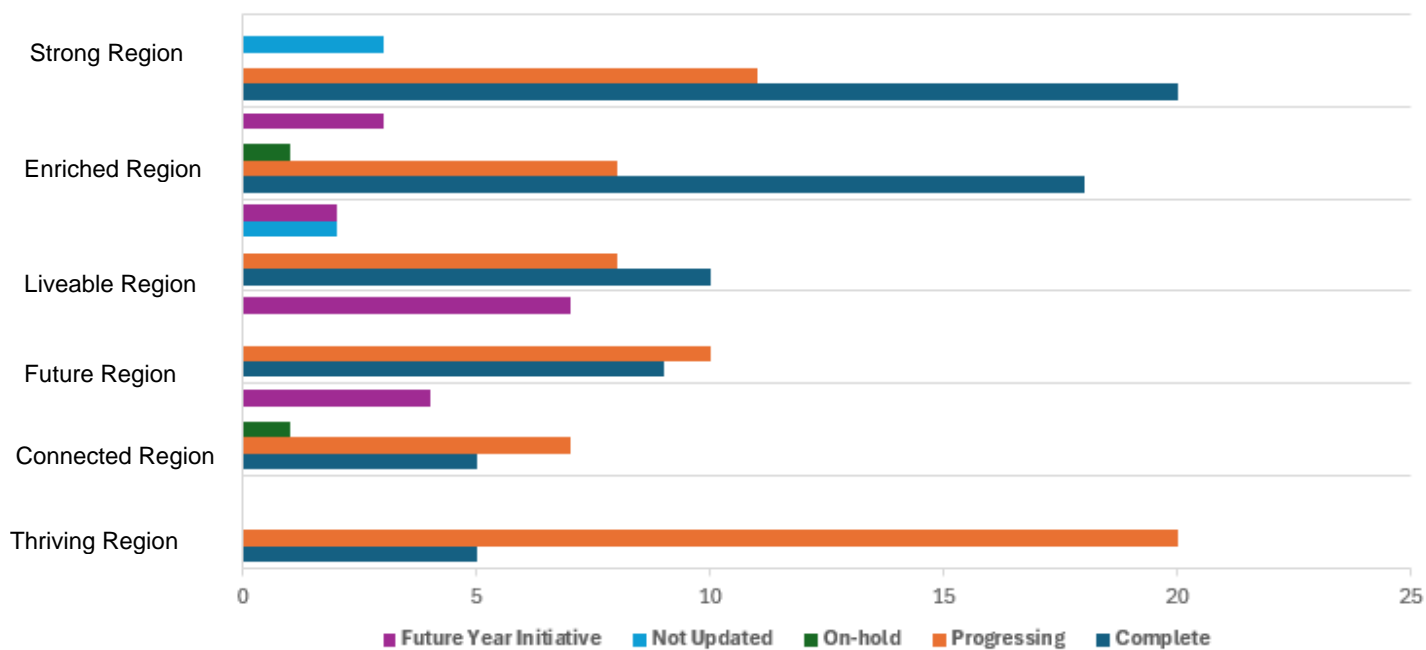




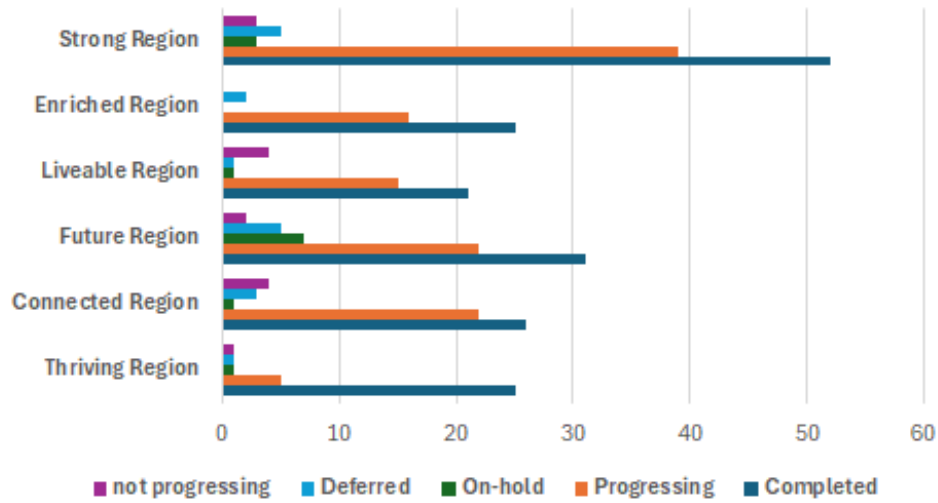
## Council's role in Delivery Program Initiatives



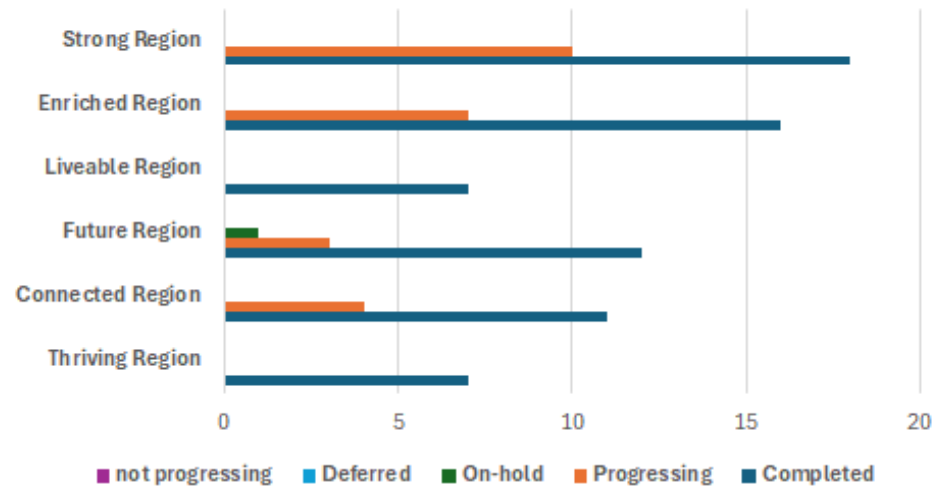
## Status of Delivery Plan Initiatives to June 2024



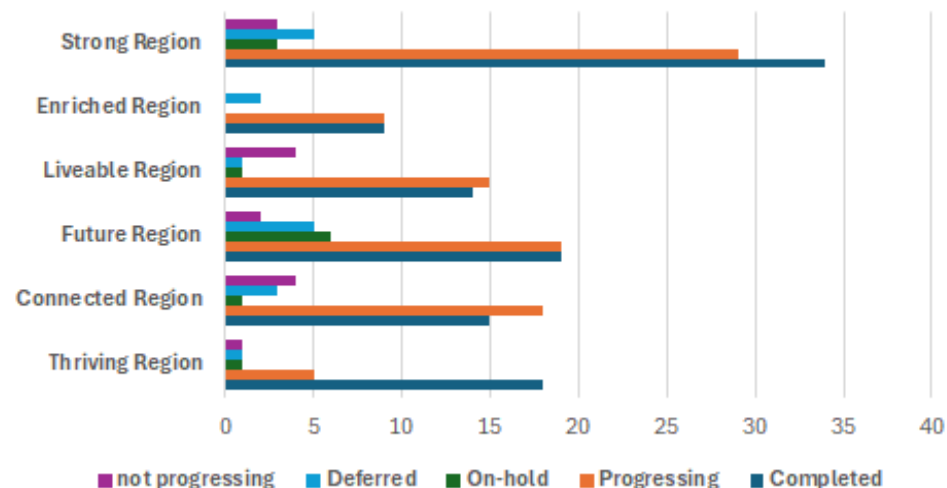
### Overall Operational Plan Status 30/06/2024



### Operations status 30/06/2024



### Projects & Programs Status 30/06/2024



## Council's progress on delivery of Service Reviews undertaken

### In accordance with *Local Government Act s 428(3)* & Essential Element 5.3 – IP&R Guidelines

Council commenced Service Reviews in two areas:

- Plant Fleet and Depots
- Community Services

Final reports and recommendations on both service areas are due in late 2024.

## IP&R Guidelines adherence

### In accordance with *Local Government Act s 428(4)(b)*

Council has met all the requirements of Section 428(4)(b) of the *Local Government Act 1993*.

## Anti-slavery response

### In accordance with *Local Government Act s 428(4)(c)*

**Must contain a statement detailing the action taken by the Council in relation to any issue raised by the Anti-slavery Commissioner during the year concerning the operations of the Council and identified by the Commissioner as being a significant issue.**

In compliance with the *Local Government Act s428 (4)(c)*, Armidale Regional Council has not encountered any issues necessitating action by the Anti-Slavery Commission.

## Procurement practices and modern slavery

### In accordance with *Local Government Act s 428(4)(d)*

**Must contain a statement of steps taken to ensure that goods and services procured by and for the Council during the year were not the product of modern slavery within the meaning of the *Modern Slavery Act 2018*.**

In compliance with the *Local Government Act 1993 s428 (4)(c)*, Armidale Regional Council has taken appropriate steps to ensure that goods and services procured by and for the Council during the year were not the product of modern slavery within the meaning of the *Modern Slavery Act 2018*, including:

- An internal ARC awareness campaign related to the commencement of the *Modern Slavery Act 2018* (NSW) including an all-staff bulletin.
- Improvement in Council's procurement systems, including contract management, and ensuring that compliance with procurement requirements is being adequately achieved across the organisation through monitoring, training and development.
- Council's tender documentation of choice, being *NSW GC 21 Templates*, has inclusions that require the tenderer to state Modern Slavery Requirements in their questionnaires.
- For other ARC Administered Tenders over \$250K, Panel Arrangements or significant Quotations, up to \$250K a dedicated 'Modern Slavery questionnaire is included for supplier attention and declaration.
- Preparation of a revised policy document was presented to Council on 24 July 2024 titled 'Draft Sustainable Procurement and Contracts Policy', after a 28 Day Public Consultation,

Which includes the following statement:

- "Council will take reasonable steps to ensure that goods and services procured by and for the Council are not the product of modern slavery within the meaning of the *Modern Slavery Act 2018*. This will mean a schedule for attention by tenderers in key procurement projects for due diligence and evaluation purposes."

## Total number of employed persons

**Statement of total number of persons who performed paid work on Wednesday 14 February 2024, including, in separate statements, total number of:**

- persons employed by the Council on a permanent full-time, permanent part-time or casual basis or under a fixed-term contract
- persons employed by the Council as senior staff members,
- persons engaged by the Council, under a contract or other arrangement with the person's employer, wholly or principally for the labour of the person
- persons supplied to the Council, under a contract or other arrangement with the person's employer, as an apprentice or trainee

	Headcount
persons employed by the Council on a permanent full-time, permanent part-time or casual basis or under a fixed-term contract	343
persons employed by the Council as senior staff members,	4
persons engaged by the Council, under a contract or other arrangement with the person's employer, wholly or principally for the labour of the person	23
persons supplied to the Council, under a contract or other arrangement with the person's employer, as an apprentice or trainee	5







# Armidale Regional Council

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

---

*Restore and thrive*



# Armidale Regional Council

## General Purpose Financial Statements

for the year ended 30 June 2024

---

Contents	Page
<b>1. Understanding Council's Financial Statements</b>	<b>3</b>
<b>2. Statement by Councillors and Management</b>	<b>4</b>
<b>3. Primary Financial Statements:</b>	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
<b>4. Contents for the notes to the Financial Statements</b>	<b>10</b>
<b>5. Independent Auditor's Reports:</b>	
On the Financial Statements (Sect 417 [2])	73
On the Financial Statements (Sect 417 [3])	74

---

### Overview

Armidale Regional Council ('Council') is constituted under the *Local Government Act 1993 (NSW)* and has its principal place of business at:

135 Rusden Street  
Armidale NSW 2350

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

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

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

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

# Armidale Regional 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.



# Armidale Regional Council

## General Purpose Financial Statements

for the year ended 30 June 2024

---

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

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

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

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

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

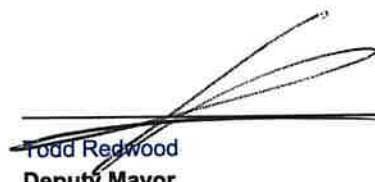
We are not aware of any matter that would render these statements false or misleading in any way.

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




---

Sam Coupland  
Mayor  
31 October 2024



---

Todd Redwood  
Deputy Mayor  
31 October 2024



---

James Roncni  
General Manager  
31 October 2024



---

Ann Newsome  
Responsible Accounting Officer  
31 October 2024

# Armidale Regional Council

## Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
<b>Income from continuing operations</b>				
43,230	Rates and annual charges	B2-1	43,445	39,371
30,437	User charges and fees	B2-2	30,790	27,729
4,162	Other revenues	B2-3	3,041	4,436
14,251	Grants and contributions provided for operating purposes	B2-4	18,625	34,579
93,210	Grants and contributions provided for capital purposes	B2-4	30,366	28,220
2,823	Interest and investment income	B2-5	6,562	4,026
—	Other income	B2-6	763	855
—	Net gain from the disposal of assets	B4-1	—	1,041
<b>188,113</b>	<b>Total income from continuing operations</b>		<b>133,592</b>	<b>140,257</b>
<b>Expenses from continuing operations</b>				
27,455	Employee benefits and on-costs	B3-1	28,892	26,638
40,140	Materials and services	B3-2	36,215	47,594
1,251	Borrowing costs	B3-3	1,653	1,704
25,532	Depreciation, amortisation and impairment of non-financial assets	B3-4	26,965	34,291
1,000	Other expenses	B3-5	2,092	2,104
—	Net loss from the disposal of assets	B4-1	2,648	—
<b>95,378</b>	<b>Total expenses from continuing operations</b>		<b>98,465</b>	<b>112,331</b>
<b>92,735</b>	<b>Operating result from continuing operations</b>		<b>35,127</b>	<b>27,926</b>
<b>92,735</b>	<b>Net operating result for the year attributable to Council</b>		<b>35,127</b>	<b>27,926</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>				
<b>(475)</b>			<b>4,761</b>	<b>(294)</b>

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

## Armidale Regional Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>Net operating result for the year – from Income Statement</b>		<b>35,127</b>	<b>27,926</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-7	<b>57,002</b>	<b>54,512</b>
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>57,002</b>	<b>54,512</b>
<b>Total other comprehensive income for the year</b>		<b>57,002</b>	<b>54,512</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b>92,129</b>	<b>82,438</b>

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

# Armidale Regional Council

## Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	10,820	32,268
Investments	C1-2	134,932	97,877
Receivables	C1-4	10,282	13,655
Inventories	C1-5	1,555	1,798
Contract assets and contract cost assets	C1-6	5,731	1,732
Other	C1-8	894	844
<b>Total current assets</b>		<b>164,214</b>	<b>148,174</b>
<b>Non-current assets</b>			
Receivables	C1-4	110	225
Inventories	C1-5	703	700
Infrastructure, property, plant and equipment (IPPE)	C1-7	1,233,196	1,124,457
Right of use assets	C2-1	409	421
<b>Total non-current assets</b>		<b>1,234,418</b>	<b>1,125,803</b>
<b>Total assets</b>		<b>1,398,632</b>	<b>1,273,977</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	7,244	9,278
Contract liabilities	C3-2	14,909	8,508
Lease liabilities	C2-1	17	55
Borrowings	C3-3	3,295	3,481
Employee benefit provisions	C3-4	5,222	6,440
Provisions	C3-5	126	4,059
<b>Total current liabilities</b>		<b>30,813</b>	<b>31,821</b>
<b>Non-current liabilities</b>			
Contract liabilities	C3-2	3,341	8,041
Lease liabilities	C2-1	284	288
Borrowings	C3-3	13,718	16,924
Employee benefit provisions	C3-4	326	414
Provisions	C3-5	52,912	11,380
<b>Total non-current liabilities</b>		<b>70,581</b>	<b>37,047</b>
<b>Total liabilities</b>		<b>101,394</b>	<b>68,868</b>
<b>Net assets</b>		<b>1,297,238</b>	<b>1,205,109</b>
<b>EQUITY</b>			
Accumulated surplus	C4-1	993,846	958,719
IPPE revaluation reserve	C4-1	303,392	246,390
<b>Council equity interest</b>		<b>1,297,238</b>	<b>1,205,109</b>
<b>Total equity</b>		<b>1,297,238</b>	<b>1,205,109</b>

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



# Armisdale Regional Council

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

	2024			2023		
	Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance at 1 July	958,719	246,390	1,205,109	930,793	191,878	1,122,671
<b>Restated opening balance</b>	<b>958,719</b>	<b>246,390</b>	<b>1,205,109</b>	<b>930,793</b>	<b>191,878</b>	<b>1,122,671</b>
Net operating result for the year	35,127	–	35,127	27,926	–	27,926
<b>Net operating result for the period</b>	<b>35,127</b>	<b>–</b>	<b>35,127</b>	<b>27,926</b>	<b>–</b>	<b>27,926</b>
<b>Other comprehensive income</b>						
Gain (loss) on revaluation of infrastructure, property, plant and equipment	–	57,002	57,002	–	54,512	54,512
<b>Other comprehensive income</b>	<b>–</b>	<b>57,002</b>	<b>57,002</b>	<b>–</b>	<b>54,512</b>	<b>54,512</b>
<b>Total comprehensive income</b>	<b>35,127</b>	<b>57,002</b>	<b>92,129</b>	<b>27,926</b>	<b>54,512</b>	<b>82,438</b>
<b>Closing balance at 30 June</b>	<b>993,846</b>	<b>303,392</b>	<b>1,297,238</b>	<b>958,719</b>	<b>246,390</b>	<b>1,205,109</b>

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

# Armidale Regional Council

## Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
43,182	Rates and annual charges		43,308	39,525
30,324	User charges and fees		31,071	29,611
2,744	Interest received		6,691	2,747
108,464	Grants and contributions		42,960	56,849
6,316	Other		10,390	10,817
<b>Payments:</b>				
(27,454)	Payments to employees		(30,097)	(27,223)
(38,917)	Payments for materials and services		(43,922)	(55,187)
(1,076)	Borrowing costs		(1,111)	(1,265)
—	Bonds, deposits and retentions refunded		(18)	—
(2,224)	Other		(567)	(1,251)
121,359	<b>Net cash flows from operating activities</b>	G1-1	<b>58,705</b>	<b>54,623</b>
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
3,679	Redemption of term deposits		238,530	372,821
—	Sale of real estate assets		688	4,673
—	Proceeds from sale of IPPE		481	550
—	Deferred debtors receipts		115	36
<b>Payments:</b>				
—	Purchase of investments		(555)	(376)
—	Acquisition of term deposits		(275,030)	(384,335)
(123,404)	Payments for IPPE		(40,825)	(31,960)
—	Payment of Real Estate Development costs		(123)	(501)
(119,725)	<b>Net cash flows from investing activities</b>		<b>(76,719)</b>	<b>(39,092)</b>
<b>Cash flows from financing activities</b>				
<b>Payments:</b>				
(3,482)	Repayment of borrowings		(3,392)	(3,296)
(5)	Principal component of lease payments		(42)	(250)
(3,487)	<b>Net cash flows from financing activities</b>		<b>(3,434)</b>	<b>(3,546)</b>
(1,853)	<b>Net change in cash and cash equivalents</b>		<b>(21,448)</b>	<b>11,985</b>
19,651	Cash and cash equivalents at beginning of year		32,268	20,283
17,798	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>10,820</b>	<b>32,268</b>
79,607	plus: Investments on hand at end of year	C1-2	134,932	97,877
97,405	<b>Total cash, cash equivalents and investments</b>		<b>145,752</b>	<b>130,145</b>

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

# Armida Regional Council

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

<b>A About Council and these financial statements</b>	<b>13</b>
A1-1 Basis of preparation	13
<b>B Financial Performance</b>	<b>15</b>
<b>B1 Functions or activities</b>	<b>15</b>
B1-1 Functions or activities – income, expenses and assets	15
B1-2 Components of functions or activities	16
<b>B2 Sources of income</b>	<b>17</b>
B2-1 Rates and annual charges	17
B2-2 User charges and fees	18
B2-3 Other revenues	19
B2-4 Grants and contributions	20
B2-5 Interest and investment income	23
B2-6 Other income	24
<b>B3 Costs of providing services</b>	<b>24</b>
B3-1 Employee benefits and on-costs	24
B3-2 Materials and services	25
B3-3 Borrowing costs	25
B3-4 Depreciation, amortisation and impairment of non-financial assets	26
B3-5 Other expenses	27
<b>B4 Gains or losses</b>	<b>27</b>
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	27
<b>B5 Performance against budget</b>	<b>28</b>
B5-1 Material budget variations	28
<b>C Financial position</b>	<b>30</b>
<b>C1 Assets we manage</b>	<b>30</b>
C1-1 Cash and cash equivalents	30
C1-2 Financial investments	30
C1-3 Restricted and allocated cash, cash equivalents and investments	31
C1-4 Receivables	33
C1-5 Inventories	34

# Armida Regional Council

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

C1-6 Contract assets and Contract cost assets	34
C1-7 Infrastructure, property, plant and equipment	35
C1-8 Other	38
<b>C2 Leasing activities</b>	<b>39</b>
C2-1 Council as a lessee	39
C2-2 Council as a lessor	41
<b>C3 Liabilities of Council</b>	<b>41</b>
C3-1 Payables	41
C3-2 Contract Liabilities	42
C3-3 Borrowings	42
C3-4 Employee benefit provisions	44
C3-5 Provisions	46
<b>C4 Reserves</b>	<b>47</b>
C4-1 Nature and purpose of reserves	47
<b>D Council structure</b>	<b>48</b>
<b>D1 Results by fund</b>	<b>48</b>
D1-1 Income Statement by fund	48
D1-2 Statement of Financial Position by fund	49
<b>D2 Interests in other entities</b>	<b>50</b>
D2-1 Unconsolidated structured entities	50
<b>E Risks and accounting uncertainties</b>	<b>51</b>
E1-1 Risks relating to financial instruments held	51
E2-1 Fair value measurement	54
E3-1 Contingencies	58
<b>F People and relationships</b>	<b>61</b>
<b>F1 Related party disclosures</b>	<b>61</b>
F1-1 Key management personnel (KMP)	61
F1-2 Councillor and Mayoral fees and associated expenses	62
<b>F2 Other relationships</b>	<b>62</b>
F2-1 Audit fees	62
<b>G Other matters</b>	<b>63</b>
G1-1 Statement of Cash Flows information	63
G2-1 Commitments	64
G3-1 Events occurring after the reporting date	64
<b>G4 Statement of developer contributions</b>	<b>65</b>
G4-1 Summary of developer contributions	65
G4-2 Developer contributions by plan	66
<b>G5 Statement of performance measures</b>	<b>67</b>
G5-1 Statement of performance measures – consolidated results	67
G5-2 Statement of performance measures by fund	68
<b>H Additional Council disclosures (unaudited)</b>	<b>70</b>



## A1-1 Basis of preparation (continued)

---

H1-1 Statement of performance measures – consolidated results (graphs)	70
H1-2 Council information and contact details	72

## A About Council and these financial statements

### A1-1 Basis of preparation

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

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

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

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

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.
- iv. Determination of amount of capital work to be capitalised relating to Kempsey-Armidale road restoration project reported in Capital work in progress (WIP) within Note C1-7.

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

#### **The Consolidated Fund**

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and property received by Council is held in the Council's Consolidated Fund 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
- Water service
- 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 (NSW)*, a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

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

### Volunteer services

Council acknowledges the important contribution that volunteers make in the provision of some of Council's community services. Council is not currently able to reliably estimate the value of this volunteer contribution for the 2024 financial year. The services such as Home Support and the delivery of services via the Visitor Information Centres cannot operate without volunteers but these operations form a minor part of Council activities. For these services to be financially viable without volunteers, the current service levels would need to be reduced. An internal volunteer management audit found that there was not any accurate way to measure the contribution of volunteers, however Council is currently redeveloping its method of recording volunteer contributions.

### 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 periods. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2023.

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

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

This Standard amends AASB 13, including adding authoritative implementation guidance and providing related illustrative examples, for application by not-for-profit public sector entities.

In particular, this standard provides guidance on:

- (a) highest and best use
- (b) financially feasible uses
- (c) use of assumptions
- (d) nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence when using the cost approach.

Council does not expect there to be a significant impact on Council's reported financial position, however a full review of the fair value methodology will be undertaken during the next reporting period to ensure that it is in accordance with the guidance included in AASB 2022-10.

The standard applies prospectively to annual periods beginning on or after 1 January 2024; i.e. Council's financial statements for the year ended 30 June 2025, with earlier application not permitted.

### New accounting standards adopted during the year

During the year Council adopted all accounting standards which were mandatorily effective from the first time at 30 June 24. None of these standards had a material impact on Council's reported position or performance.

## B Financial Performance

### B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Functions or activities</b>										
Growth, Prosperity, and Economic Development	5,939	12,289	5,915	9,642	24	2,647	(54)	696	–	–
People and Community	3,917	4,922	15,408	15,821	(11,491)	(10,899)	2,416	5,067	194,496	166,808
Leadership for the Region	53,333	26,681	9,161	5,206	44,172	21,475	21,316	3,935	204,543	475,639
Environment and Infrastructure	70,403	96,365	67,981	81,662	2,422	14,703	25,313	53,101	999,593	631,530
<b>Total functions and activities</b>	<b>133,592</b>	<b>140,257</b>	<b>98,465</b>	<b>112,331</b>	<b>35,127</b>	<b>27,926</b>	<b>48,991</b>	<b>62,799</b>	<b>1,398,632</b>	<b>1,273,977</b>



## B1-2 Components of functions or activities

---

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

### **Growth, Prosperity, and Economic Development**

Includes tourism, economic development, private works and industrial development promotion.

### **People and Community**

Includes public halls and community facilities, parks, gardens and recreation facilities, swimming pools, community development and support including aboriginal services, youth services, aged and disabled services. Also includes libraries, museums and other cultural facilities as well as bush fire and emergency services.

### **Leadership for the Region**

Includes civic governance and executive, finance and human resources services, risk management and occupational health and safety, ranger services, fleet and depot services and customer services.

### **Environment and Infrastructure**

Includes urban and rural sealed and unsealed roads, bridges, footpaths, kerb and gutter, parking areas, airports, water and sewerage operations, cemeteries, footpaths and cycleways, street lighting, waste management and catchment management. Also includes development control, strategic planning, environmental management and animal control.

## B2 Sources of income

### B2-1 Rates and annual charges

	2024 \$ '000	2023 \$ '000
<b>Ordinary rates</b>		
Residential	14,097	11,874
Farmland	6,034	5,137
Mining	74	59
Business	3,336	2,843
Less: pensioner rebates (mandatory)	(316)	(316)
<b>Rates levied to ratepayers</b>	<b>23,225</b>	<b>19,597</b>
Pensioner rate subsidies received	161	157
<b>Total ordinary rates</b>	<b>23,386</b>	<b>19,754</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	5,742	5,920
Water supply services	3,582	3,346
Sewerage services	7,487	7,284
Drainage	498	473
Waste management services (non-domestic)	2,971	2,827
Less: pensioner rebates (Council policy)	(407)	(413)
<b>Annual charges levied</b>	<b>19,873</b>	<b>19,437</b>
Pensioner annual charges subsidies received:		
– Water	68	66
– Sewerage	64	62
– Domestic waste management	54	52
<b>Total annual charges</b>	<b>20,059</b>	<b>19,617</b>
<b>Total rates and annual charges</b>	<b>43,445</b>	<b>39,371</b>

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

#### Material accounting policy information

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

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

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

## B2-2 User charges and fees

	2024 \$ '000	2023 \$ '000
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>		
Water supply services	10,150	9,397
Sewerage services	99	227
Drainage services	65	64
Waste management services (non-domestic)	4,070	3,892
<b>Total specific user charges</b>	<b>14,384</b>	<b>13,580</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>		
Inspection services	155	165
Planning and building regulation	288	320
Private works – section 67	430	403
Regulatory/ statutory fees	110	188
Registration fees	39	48
Regulatory fees	129	133
Section 10.7 certificates (EP&A Act)	97	89
Section 603 certificates	131	120
<b>Total fees and charges – statutory/regulatory</b>	<b>1,379</b>	<b>1,466</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>		
Aerodrome	2,828	1,921
Cemeteries	361	306
Child care	568	645
Leaseback fees – Council vehicles	99	143
Quarry revenues	1,273	817
Transport for NSW works (state roads not controlled by Council)	9,277	8,384
Swimming centres	246	204
Other	375	263
<b>Total fees and charges – other</b>	<b>15,027</b>	<b>12,683</b>
<b>Total other user charges and fees</b>	<b>16,406</b>	<b>14,149</b>
<b>Total user charges and fees</b>	<b>30,790</b>	<b>27,729</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised over time	9,277	8,384
User charges and fees recognised at a point in time	21,513	19,345
<b>Total user charges and fees</b>	<b>30,790</b>	<b>27,729</b>

### Material accounting policy information

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

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

Where an upfront fee is charged and where considered to be material, the fee is recognised on a straight-line basis over the expected term of the income stream.

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

**B2-3 Other revenues**

	<b>2024</b>	<b>2023</b>
	<b>\$ '000</b>	<b>\$ '000</b>
Fines – parking	<b>184</b>	368
Legal fees recovery – rates and charges (extra charges)	<b>153</b>	37
Commissions and agency fees	<b>2</b>	–
Insurance claims recoveries	<b>22</b>	83
Sales – general	<b>887</b>	554
Items for resale	<b>221</b>	208
Sales – cattle	<b>912</b>	2,074
Rebates	<b>269</b>	717
Other	<b>391</b>	395
<b>Total other revenue</b>	<b>3,041</b>	<b>4,436</b>

**Timing of revenue recognition for other revenue**

Other revenue recognised over time	–	–
Other revenue recognised at a point in time	<b>3,041</b>	4,436
<b>Total other revenue</b>	<b>3,041</b>	<b>4,436</b>

**Material accounting policy information for other revenue**

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

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

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



**B2-4 Grants and contributions**

	<b>Operating 2024 \$ '000</b>	<b>Operating 2023 \$ '000</b>	<b>Capital 2024 \$ '000</b>	<b>Capital 2023 \$ '000</b>
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>General purpose (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	281	1,371	–	–
Financial assistance – local roads component	152	843	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	4,814	5,322	–	–
Financial assistance – local roads component	2,577	2,885	–	–
<b>Amount recognised as income during current year</b>	<b>7,824</b>	<b>10,421</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
– Water	15	312	2,020	6,077
– Sewerage	3	–	212	41
Aged care	162	245	–	–
Bushfire and emergency services	167	187	594	–
Child care	130	174	–	–
Community care	312	258	106	58
Economic development	–	112	7	286
Employment and training programs	75	127	–	–
Heritage and cultural	5	10	–	27
Library	139	277	51	109
LIRS subsidy	14	28	–	–
NSW rural fire services	976	341	149	196
Recreation and culture	–	–	162	453
Storm/flood damage	397	14,427	7,697	2,425
Airport	393	–	100	1,529
Waste Management	–	4	129	–
Street lighting	89	86	–	–
Transport (roads to recovery)	1,430	1,430	–	–
Transport (other roads and bridges funding)	4,805	5,709	9,390	997
Other specific grants	281	91	3	–
<b>Previously contributions:</b>				
Other councils – joint works/services	72	–	–	–
Transport for NSW contributions (regional roads, block grant)	1,074	81	–	1,113
Tourism	16	259	–	–
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>10,555</b>	<b>24,158</b>	<b>20,620</b>	<b>13,311</b>

## B2-4 Grants and contributions (continued)

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
<b>Non-cash contributions</b>				
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	–	–	2,583	–
Recreation and culture	246	–	3,643	–
Sewerage (excl. section 64 contributions)	–	–	–	1,075
Water supplies (excl. section 64 contributions)	–	–	–	763
Developer Contributions - Subdivision Assets	–	–	–	3,579
Land & Buildings	–	–	–	1,600
NSW State Government - RFS Assets	–	–	874	5,011
<b>Total other contributions – non-cash</b>	<b>246</b>	<b>–</b>	<b>7,100</b>	<b>12,028</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>10,801</b>	<b>24,158</b>	<b>27,720</b>	<b>25,339</b>
<b>Total grants and non-developer contributions</b>	<b>18,625</b>	<b>34,579</b>	<b>27,720</b>	<b>25,339</b>
<b>Comprising:</b>				
– Commonwealth funding	2,252	12,649	3,476	1,528
– State funding	15,466	21,675	20,380	17,553
– Other funding	907	255	3,864	6,258
	<b>18,625</b>	<b>34,579</b>	<b>27,720</b>	<b>25,339</b>
<b>Developer contributions</b>				
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>				
<b>Cash contributions</b>				
S 7.11 – contributions towards amenities/services	–	–	17	126
S 7.12 – fixed development consent levies	–	–	852	603
S 64 – water supply contributions	–	–	949	1,175
S 64 – sewerage service contributions	–	–	828	977
<b>Total developer contributions – cash</b>	<b>–</b>	<b>–</b>	<b>2,646</b>	<b>2,881</b>
<b>Total developer contributions</b>	<b>–</b>	<b>–</b>	<b>2,646</b>	<b>2,881</b>
<b>Total contributions</b>	<b>–</b>	<b>–</b>	<b>2,646</b>	<b>2,881</b>
<b>Total grants and contributions</b>	<b>18,625</b>	<b>34,579</b>	<b>30,366</b>	<b>28,220</b>
<b>Timing of revenue recognition for grants and contributions</b>				
Grants and contributions recognised over time	16,726	24,790	16,023	10,679
Grants and contributions recognised at a point in time	1,899	9,789	14,343	17,541
<b>Total grants and contributions</b>	<b>18,625</b>	<b>34,579</b>	<b>30,366</b>	<b>28,220</b>

## 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:

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
<b>Unspent grants</b>				
Unspent funds at 1 July	4,249	4,350	13,195	10,589
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	6,708	253	144	—
<b>Add:</b> Funds received and not recognised as revenue in the current year	160	90	6,244	4,308
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(1,975)	(209)	(925)	(391)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(547)	(235)	(2,188)	(1,311)
<b>Unspent grants at 30 June</b>	<b>8,595</b>	<b>4,249</b>	<b>16,470</b>	<b>13,195</b>
<b>Unspent contributions</b>				
Unspent funds at 1 July	533	533	13,125	10,244
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	—	—	2,646	2,881
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	—	—	(50)	—
<b>Unspent contributions at 30 June</b>	<b>533</b>	<b>533</b>	<b>15,721</b>	<b>13,125</b>

### 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 and include events and the provision of particular services. 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

	2024 \$ '000	2023 \$ '000
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	203	96
– Cash and investments	6,353	3,383
– Deferred debtors	6	11
– Lehman Bros recovery	–	536
<b>Total interest and investment income (losses)</b>	<b>6,562</b>	<b>4,026</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
General Council cash and investments	3,172	2,310
<b>Restricted investments/funds – external:</b>		
Developer contributions		
– Section 7.11, Section 7.12	235	110
Water fund operations	1,605	863
Sewerage fund operations	1,550	743
<b>Total interest and investment income</b>	<b>6,562</b>	<b>4,026</b>

### Material accounting policy information

Interest income is recognised using the effective interest rate at the date that interest is earned.

**B2-6 Other income**

	Notes	2024 \$ '000	2023 \$ '000
<b>Rental income</b>			
<b>Other lease income</b>			
Council owned property		763	855
<b>Total other lease income</b>		<b>763</b>	<b>855</b>
Total rental income	C2-2	763	855
Total other income		<b>763</b>	<b>855</b>

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

	2024 \$ '000	2023 \$ '000
Salaries and wages	21,920	19,491
Employee termination costs	127	501
Travel expenses	101	96
Employee leave entitlements (ELE)	3,462	4,081
Superannuation	2,773	2,418
Workers' compensation insurance	1,287	982
Fringe benefit tax (FBT)	145	126
Payroll tax	99	117
Training costs (other than salaries and wages)	691	504
Protective clothing	102	115
Other	60	73
<b>Total employee costs</b>	<b>30,767</b>	<b>28,504</b>
Less: capitalised costs	(1,875)	(1,866)
<b>Total employee costs expensed</b>	<b>28,892</b>	<b>26,638</b>
Number of 'full-time equivalent' employees (FTE) at year end	293	277

**Material accounting policy information**

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

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

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

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



## B3-2 Materials and services

	Notes	2024 \$ '000	2023 \$ '000
Raw materials and consumables		23,125	16,257
Contractor costs		38,846	48,782
Audit Fees	F2-1	165	286
Councillor and Mayoral fees and associated expenses	F1-2	351	351
Advertising		80	99
Bank charges		169	163
Computer software charges		1,719	784
Election expenses		7	–
Electricity and heating		1,420	1,244
Insurance		1,554	1,362
Postage		162	210
Printing and stationery		95	173
Street lighting		190	231
Subscriptions and publications		373	214
Telephone and communications		296	321
Valuation fees		138	107
Items for resale - Cattle		273	1,591
Items for resale - Other		538	85
Promotion and publicity		675	623
Security		83	101
Licences		382	312
Other expenses		1,585	132
Council water expenses		–	994
<b>Legal expenses:</b>			
– Legal expenses: planning and development		82	113
– Legal expenses: debt recovery		1	14
– Legal expenses: other		236	277
Other		16	–
<b>Total materials and services</b>		<b>72,561</b>	<b>74,826</b>
Less: capitalised costs		(36,346)	(27,232)
<b>Total materials and services</b>		<b>36,215</b>	<b>47,594</b>

## B3-3 Borrowing costs

### (i) Interest bearing liability costs

Interest on leases	C2-1c	16	22
Interest on loans		1,082	1,239
Other debts		1	–
<b>Total interest bearing liability costs</b>		<b>1,099</b>	<b>1,261</b>
<b>Total interest bearing liability costs expensed</b>		<b>1,099</b>	<b>1,261</b>

### (ii) Other borrowing costs

Amortisation of discount of Landfill & Quarry remediation liabilities	C3-5	554	443
<b>Total other borrowing costs</b>		<b>554</b>	<b>443</b>
<b>Total borrowing costs expensed</b>		<b>1,653</b>	<b>1,704</b>

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

	Notes	2024 \$ '000	2023 \$ '000
<b>Depreciation and amortisation</b>			
Plant and equipment	C1-7	1,091	1,780
Office equipment	C1-7	170	48
<b>Infrastructure:</b>	C1-7		
– Buildings		3,998	3,578
– Other structures		237	304
– Roads		7,124	6,342
– Bridges		727	696
– Footpaths		316	310
– Stormwater drainage		2,378	2,229
– Water supply network		4,785	3,899
– Sewerage network		1,756	1,695
– Airport infrastructure		882	725
Right of use assets	C2-1a	12	111
<b>Other assets:</b>			
– Heritage collections	C1-7	–	11
– Other	C1-7	1,415	1,320
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Landfill and quarry assets	C1-7	1,191	1,209
<b>Total depreciation and amortisation costs</b>		<b>26,082</b>	<b>24,257</b>
<b>Impairment / revaluation decrement of IPPE</b>			
<b>Infrastructure:</b>			
– Bridges	C1-7	96	–
– Capital work in progress	C1-7	–	10,034
– Other Assets	C1-7	787	–
<b>Total gross IPPE impairment / revaluation decrement costs</b>		<b>883</b>	<b>10,034</b>
<b>Total IPPE impairment / revaluation decrement costs charged to Income Statement</b>		<b>883</b>	<b>10,034</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>26,965</b>	<b>34,291</b>

### Material accounting policy information

#### Depreciation and amortisation

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

#### Impairment of non-financial assets

Council assets held at fair value:

- that are not held primarily for their ability to generate net cash flow, and
- that are deemed to be specialised,

are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value. An impairment loss would be captured during this assessment.

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**

	Notes	2024 \$ '000	2023 \$ '000
<b>Impairment of receivables</b>			
Other		43	18
<b>Total impairment of receivables</b>	C1-4	<b>43</b>	<b>18</b>
<b>Other</b>			
Contributions/levies to other levels of government		1,291	1,187
Donations, contributions and assistance to other organisations (Section 356)		758	899
<b>Total other</b>		<b>2,049</b>	<b>2,086</b>
<b>Total other expenses</b>		<b>2,092</b>	<b>2,104</b>

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

	Notes	2024 \$ '000	2023 \$ '000
<b>Plant and equipment assets</b>			
Proceeds from disposal – plant and equipment		481	550
Less: carrying amount of plant and equipment assets sold/written off	C1-7	(616)	(350)
<b>Gain (or loss) on disposal</b>		<b>(135)</b>	<b>200</b>
<b>Infrastructure assets</b>			
Proceeds of disposal of Infrastructure assets		–	–
Less: carrying amount of infrastructure assets sold/written off	C1-7	(2,943)	(2,014)
<b>Gain (or loss) on disposal</b>		<b>(2,943)</b>	<b>(2,014)</b>
<b>Gain (or loss) on disposal of real estate assets held for sale</b>			
Proceeds from disposal – real estate assets	C1-5	688	4,673
Less: carrying amount of real estate assets sold/written off		(258)	(1,818)
<b>Gain (or loss) on disposal</b>		<b>430</b>	<b>2,855</b>
<b>Gain (or loss) on disposal of term deposits</b>			
Proceeds from disposal/redemptions/maturities – term deposits		238,530	372,821
Less: carrying amount of term deposits sold/redeemed/matured		(238,530)	(372,821)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(2,648)</b>	<b>1,041</b>

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 28 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Revenues</b>				
<b>Rates and annual charges</b>	<b>43,230</b>	<b>43,445</b>	<b>215</b>	<b>0% F</b>
<b>User charges and fees</b>	<b>30,437</b>	<b>30,790</b>	<b>353</b>	<b>1% F</b>
<b>Other revenues</b>	<b>4,162</b>	<b>3,041</b>	<b>(1,121)</b>	<b>(27)% U</b>
Other revenue includes cattle sales, an enterprise run to maximise return from council owned land. In this financial year cattle prices dropped significantly reducing revenue received. During the year a shortage of staff resulted in a reduction in the issuing of fines. The published budget also allocated rent revenue in other revenue, this year this income has been disclosed as other income.				
<b>Operating grants and contributions</b>	<b>14,251</b>	<b>18,625</b>	<b>4,374</b>	<b>31% F</b>
Additional operational grants received that had not been included in budget, particularly RLRRP.				
<b>Capital grants and contributions</b>	<b>93,210</b>	<b>30,366</b>	<b>(62,844)</b>	<b>(67)% U</b>
Major works on the Kempsey to Armidale Road project did not commence this financial year. The original budget included \$80m projected capital grant income.				
<b>Interest and investment revenue</b>	<b>2,823</b>	<b>6,562</b>	<b>3,739</b>	<b>132% F</b>
Council has continued to focus on our active management of the investment portfolio. This has resulted in a significant increase in investment revenue.				
<b>Net gains from disposal of assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>∞ F</b>
<b>Other income</b>	<b>—</b>	<b>763</b>	<b>763</b>	<b>∞ F</b>
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	<b>27,455</b>	<b>28,892</b>	<b>(1,437)</b>	<b>(5)% U</b>
<b>Materials and services</b>	<b>40,140</b>	<b>36,215</b>	<b>3,925</b>	<b>10% F</b>
Some untied grants which were originally anticipated to be spent on operational projects were spent on capital works.				
<b>Borrowing costs</b>	<b>1,251</b>	<b>1,653</b>	<b>(402)</b>	<b>(32)% U</b>
Variation in remediation of landfill and quarry, unwinding discounts landfill.				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	<b>25,532</b>	<b>26,965</b>	<b>(1,433)</b>	<b>(6)% U</b>
<b>Other expenses</b>	<b>1,000</b>	<b>2,092</b>	<b>(1,092)</b>	<b>(109)% U</b>
Contributions to other levels of government included as part of materials and services in the budget.				
<b>Net losses from disposal of assets</b>	<b>—</b>	<b>2,648</b>	<b>(2,648)</b>	<b>∞ U</b>

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

<b>\$ '000</b>	<b>2024 Budget</b>	<b>2024 Actual</b>	<b>2024 ----- Variance -----</b>	
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	<b>121,359</b>	<b>58,705</b>	<b>(62,654)</b>	<b>(52)% U</b>
Budget cash flow receipts from operating activities included \$80m grant fund for the Kempsey to Armidale Road Project.				
<b>Cash flows from investing activities</b>	<b>(119,725)</b>	<b>(76,719)</b>	<b>43,006</b>	<b>(36)% F</b>
<b>Cash flows from financing activities</b>	<b>(3,487)</b>	<b>(3,434)</b>	<b>53</b>	<b>(2)% F</b>



## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
<b>Cash assets</b>		
Cash on hand and at bank	10,820	32,268
<b>Total cash and cash equivalents</b>	<b>10,820</b>	<b>32,268</b>
<b>Reconciliation of cash and cash equivalents</b>		
Total cash and cash equivalents per Statement of Financial Position	10,820	32,268
<b>Balance as per the Statement of Cash Flows</b>	<b>10,820</b>	<b>32,268</b>

#### C1-2 Financial investments

	2024 Current \$ '000	2023 Current \$ '000
<b>Financial assets at fair value through the profit and loss</b>		
Managed funds	10,882	10,327
<b>Total</b>	<b>10,882</b>	<b>10,327</b>
<b>Debt securities at amortised cost</b>		
Medium term deposits	124,050	87,550
<b>Total</b>	<b>124,050</b>	<b>87,550</b>
<b>Total financial investments</b>	<b>134,932</b>	<b>97,877</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>145,752</b>	<b>130,145</b>

#### Material accounting policy information

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

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

#### Classification

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

- amortised cost
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition.

#### Amortised cost

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

## C1-2 Financial investments (continued)

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

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

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

	2024	2023
	\$ '000	\$ '000
<b>(a) Externally restricted cash, cash equivalents and investments</b>		
<b>Total cash, cash equivalents and investments</b>	<b>145,752</b>	<b>130,145</b>
Less: Externally restricted cash, cash equivalents and investments	(104,721)	(90,018)
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>41,031</b>	<b>40,127</b>
	2024	2023
Notes	\$ '000	\$ '000

### External restrictions

#### External restrictions – included in liabilities

External restrictions included in cash, cash equivalents and investments above comprise:

Specific purpose unexpended loans – general		1,585	1,658
Specific purpose unexpended grants – general fund	C3-2	18,250	13,195
<b>External restrictions – included in liabilities</b>		<b>19,835</b>	<b>14,853</b>

#### External restrictions – other

External restrictions included in cash, cash equivalents and investments above comprise:

Developer contributions – general	G4-1	5,845	4,818
Developer contributions – water fund	G4-1	6,068	4,633
Developer contributions – sewer fund	G4-1	4,862	4,003
Specific purpose unexpended grants (recognised as revenue) – general fund	B2-4	6,815	4,249
Water fund		25,433	25,714
Sewer fund		28,346	25,300
Domestic waste management		5,952	4,895
Deposits, Retentions & Bonds		1,565	1,503
Other Contributions		–	50
<b>External restrictions – other</b>		<b>84,886</b>	<b>75,165</b>
<b>Total external restrictions</b>		<b>104,721</b>	<b>90,018</b>

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

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

	2024	2023
	\$ '000	\$ '000

#### (b) Internal allocations

##### Cash, cash equivalents and investments not subject to external restrictions

41,031 40,127

Less: Internally restricted cash, cash equivalents and investments

(36,346) (34,154)

##### Unrestricted and unallocated cash, cash equivalents and investments

4,685 5,973

##### Internal allocations

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

Plant and vehicle replacement	3,111	3,089
Infrastructure replacement	3,080	3,121
Employees leave entitlement	2,884	3,563
Carry over works	3,619	4,000
SRV reserve	1,286	—
NEWA reserve	500	—
Economic Development	5,986	5,329
Waste Management, Landfill & Quarry Rehabilitation	5,658	3,799
Performance Improvement Initiatives	380	730
Natural Disasters	700	700
Technology Strategy	594	594
Other	1,157	1,022
Financial Assistance Grant Advance Payment Amount	7,391	8,207
<b>Total internal allocations</b>	<b>36,346</b>	<b>34,154</b>

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

## C1-4 Receivables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	2,722	–	2,321	–
Interest and extra charges	121	–	72	–
User charges and fees	2,532	–	2,518	–
Private works	1,321	–	498	–
Accrued revenues				
– Interest on investments	1,458	–	1,636	–
– TfNSW Roads Maintenance Council Contract (RMCC) income accruals	–	–	1,757	–
Deferred debtors	–	110	–	225
Government grants and subsidies	–	–	2,706	–
Net GST receivable	557	–	1,701	–
Other debtors	2,126	–	991	–
<b>Total</b>	<b>10,837</b>	<b>110</b>	<b>14,200</b>	<b>225</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(546)	–	(444)	–
User charges and fees	(9)	–	(101)	–
<b>Total provision for impairment – receivables</b>	<b>(555)</b>	<b>–</b>	<b>(545)</b>	<b>–</b>
<b>Total net receivables</b>	<b>10,282</b>	<b>110</b>	<b>13,655</b>	<b>225</b>

	2024 \$ '000	2023 \$ '000
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	545	557
Less Debts written off during the year	(115)	(18)
Add additional provision for impairment in the current year	125	6
<b>Balance at the end of the year</b>	<b>555</b>	<b>545</b>

### Material accounting policy information

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

#### Impairment

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

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

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

When considering the ECL for rates and annual charges debtors, Council 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. None of the receivables that have been written off are subject to enforcement activity.

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

## C1-5 Inventories

		2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
	Notes				
<b>(i) Inventories at cost</b>					
Real estate for resale	(a)	78	703	216	700
Stores and materials		1,093	–	924	–
Cattle stock		384	–	658	–
<b>Total inventories</b>		<b>1,555</b>	<b>703</b>	<b>1,798</b>	<b>700</b>

	2024 Current \$ '000	2023 Current \$ '000
<b>(a) Details of real estate for resale</b>		
Residential Land	23	23
Airport Business Park Development	55	193
<b>Total real estate for resale</b>	<b>78</b>	<b>216</b>

### Material accounting policy information

#### Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods (including cattle stock) are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Land held for resale

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

No borrowings have been taken out for this development.

## C1-6 Contract assets and Contract cost assets

	2024 Current \$ '000	2023 Current \$ '000
Contract assets	5,731	1,732
<b>Total contract assets and contract cost assets</b>	<b>5,731</b>	<b>1,732</b>

### Contract assets

Accrued Income (AASB 1058) <sup>1</sup>	5,731	1,732
<b>Total contract assets</b>	<b>5,731</b>	<b>1,732</b>

#### Significant changes in contract assets

Increase relates to completion of Local Roads and Community Infrastructure Phases 1, 2 & 3 all completed by 30 June 2024, with 90% of outstanding monies received subsequent to balance date. Significant works had been completed for Fixing Country Bridges round 1 that were finished subsequent to balance date, with receipt of funds due at completion.



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

	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 renews	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment losses / revaluations (recognised in P/L)	WIP transfers	Adjustments and transfers	Other movements - RFS Rural Fire-fighting assets	Additions - Contributions	Revaluation increments to equity (A/R)	Revaluation decrements to equity (A/R)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount						
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000						
By aggregated asset class																							
Capital work in progress	9,777	-	9,777	16,997	2,531	-	-	-	(4,770)	-	-	-	-	-	24,535	-	24,535						
Plant and equipment	31,642	(19,643)	11,999	1,886	79	(616)	(1,091)	-	-	(15)	725	-	-	-	30,843	(18,076)	12,767						
Office furniture and equipment	5,371	(5,207)	164	120	91	-	(170)	-	439	-	-	-	-	-	6,021	(5,377)	644						
Land:																							
- Operational land	42,921	-	42,921	-	100	-	-	-	-	-	-	-	-	(6,050)	36,971	-	36,971						
- Community land	45,522	-	45,522	-	-	-	-	-	-	-	-	-	-	(10,054)	35,468	-	35,468						
- Land under roads (post 30/6/08)	1,257	-	1,257	-	-	-	-	-	-	1	-	1	(228)	-	1,030	-	1,030						
Infrastructure:																							
- Buildings	157,690	(80,419)	77,271	382	1,740	-	(3,998)	-	62	518	-	-	-	3,432	165,072	(85,665)	79,407						
- Other structures	29,239	(6,431)	22,808	7	1,319	(34)	(237)	-	-	(14,078)	-	-	-	8,913	23,239	(4,541)	18,698						
- Roads	307,052	(67,965)	239,087	8,141	961	(2,643)	(7,124)	-	3,018	4,651	-	607	-	11,628	337,271	(78,945)	258,326						
- Bridges	58,896	(19,807)	39,089	41	-	-	(727)	(96)	2	(120)	-	-	-	3,355	63,796	(22,252)	41,544						
- Footpaths	14,589	(5,311)	9,278	85	1,117	(6)	(316)	-	26	1,042	-	-	-	471	18,154	(6,457)	11,697						
- Bulk earthworks (non-depreciable)	164,586	-	164,586	-	-	-	-	-	-	1,017	-	116	-	7,919	173,638	-	173,638						
- Stormwater drainage	198,111	(66,464)	131,647	299	96	(71)	(2,378)	299	528	163	-	695	-	6,101	209,027	(71,947)	137,080						
- Water supply network	330,545	(151,568)	178,977	370	2,964	(52)	(4,785)	370	211	14,231	-	438	-	9,364	389,027	(167,289)	201,738						
- Sewerage network	156,173	(63,039)	93,134	2,052	119	(90)	(1,756)	-	17	(17)	-	726	-	4,675	166,872	(68,012)	98,860						
- Airport infrastructure	22,877	(5,214)	17,663	4	-	-	(882)	-	-	-	-	-	-	4,496	41,307	(20,093)	21,214						
- Other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Other assets:																							
- Heritage collections	177	(138)	39	-	-	(29)	-	-	-	(10)	-	-	-	-	-	-	-						
- Other	45,266	(11,995)	33,271	28	965	-	(1,415)	(787)	49	(7,400)	-	-	-	-	47,698	(9,996)	37,702						
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):																							
- Landfill & quarry assets	14,369	(8,402)	5,967	-	-	-	(1,191)	-	-	(2,145)	-	-	-	-	12,224	(9,593)	2,631						
- Other remediation assets	-	-	-	-	39,246	-	-	-	-	-	-	-	-	-	39,246	-	39,246						
Total infrastructure, property, plant and equipment	1,636,060	(511,603)	1,124,457	30,212	51,358	(3,541)	(26,070)	(883)	(418)	(2,162)	725	2,583	(16,333)	73,335	1,801,439	(568,243)	1,233,196						

(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)

	At 1 July 2022										At 30 June 2023									
	Asset movements during the reporting period																			
By aggregated asset class	Grass carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions	Carrying value of disposals	Depreciation expense	Impairment loss / realisable gains (recognised in P/L)	Adjustments and transfers	Other movements recognised in P/L	Other movements recognised in P/L	Revaluation increments to equity (ARR)	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Grass carrying amount	Accumulated depreciation and impairment	Net carrying amount				
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000				
Capital work in progress	30,351	-	30,351	6,971	946	-	(10,034)	(18,350)	(7)	-	-	-	-	9,777	-	9,777				
Plant and equipment	31,535	(18,829)	12,706	1,325	85	(1,780)	-	13	-	-	-	-	-	31,642	(19,643)	11,999				
Office equipment	5,235	(5,159)	76	53	14	(48)	-	69	-	-	-	-	-	5,371	(5,207)	164				
Land:																				
- Operational land	28,744	-	28,744	-	23	-	-	-	-	760	-	(27)	13,422	42,921	-	42,921				
- Community land	30,957	-	30,957	-	-	-	-	-	-	-	-	-	14,491	45,522	-	45,522				
- Land under roads (post 30/6/08)	856	-	856	-	-	-	-	-	-	1	-	-	400	1,257	-	1,257				
Infrastructure:																				
- Buildings	141,371	(72,102)	69,269	381	125	(3,578)	-	1,102	5,011	840	-	-	4,304	157,690	(80,419)	77,271				
- Other structures	26,541	(5,733)	20,808	762	-	(304)	-	204	-	-	-	-	1,338	29,239	(6,431)	22,808				
- Roads	278,349	(58,774)	219,575	4,081	623	(6,342)	-	6,563	-	2,424	-	-	13,683	307,052	(67,965)	239,087				
- Bridges	55,484	(18,208)	37,276	242	186	(696)	-	68	-	-	-	(4)	2,257	58,896	(19,807)	39,089				
- Footpaths	13,683	(4,718)	8,965	-	-	(310)	-	92	-	51	-	-	542	14,589	(5,311)	9,278				
- Bulk earthworks (non-depreciable)	154,583	-	154,583	-	-	-	-	-	-	391	-	-	9,611	164,586	-	164,586				
- Stormwater drainage	185,687	(60,353)	125,334	-	76	(2,230)	-	71	-	713	-	-	7,681	198,111	(66,464)	131,647				
- Water supply network	280,672	(90,876)	189,796	12,048	-	(3,899)	-	5,298	-	763	-	(5,029)	-	330,545	(151,568)	178,977				
- Sewerage network	149,088	(45,022)	104,066	344	-	(1,695)	-	608	-	1,075	-	(11,195)	-	156,173	(63,039)	93,134				
- Airport infrastructure	18,854	(4,172)	14,682	76	17	(725)	-	2,547	-	-	-	-	1,066	22,877	(5,214)	17,663				
- Other infrastructure	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-				
Other assets:																				
- Heritage collections	167	(119)	48	-	-	(11)	-	-	-	-	-	-	2	177	(138)	39				
- Other	40,055	(9,962)	30,093	46	776	(1,320)	-	1,714	-	-	-	-	1,970	45,266	(11,995)	33,271				
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):																				
- Landfill & Quarry assets	11,504	(7,193)	4,311	-	-	(1,209)	-	2,865	-	-	-	-	-	14,369	(8,402)	5,967				
Total infrastructure, property, plant and equipment	1,463,716	(401,220)	1,062,496	26,329	2,771	(2,364)	(10,034)	(1)	2,858	5,011	7,018	5	(16,255)	1,636,060	(511,603)	1,124,457				

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

<b>Plant and equipment</b>	<b>Years</b>	<b>Other equipment</b>	<b>Years</b>
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 20	Buildings: masonry	38
Other plant and equipment	5 to 20	Buildings: other	38
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	80 to 155	Drains	80 to 120
Bores	20 to 40	Culverts	50 to 80
Reticulation pipes: PVC	70 to 100	Flood control structures	80 to 120
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	15 to 30	Bulk earthworks	Infinite
Sealed roads: structure	60 to 200	Swimming pools	43 to 68
Unsealed roads	15 to 20	Other open space/recreational assets	10 to 30
Bridge: concrete	60 to 80	Other infrastructure	13 to 102
Bridge: other	50		
Road pavements	60		
Kerb, gutter and footpaths	60		

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

#### Revaluation model

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

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning 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 not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

### Crown reserves

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

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

### Rural Fire Service assets

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

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

## C1-8 Other

### Other assets

	2024 Current \$ '000	2023 Current \$ '000
Prepayments	894	844
<b>Total other assets</b>	<b>894</b>	<b>844</b>

## C2 Leasing activities

### C2-1 Council as a lessee

Council has leases over a range of assets including land and buildings, and some office equipment. Information relating to the leases in place and associated balances and transactions is provided below.

#### Terms and conditions of leases

##### Buildings

Council leases land and buildings as part of access arrangements and for the provision of services. The leases are generally between 2 to 99 years and some include a renewal option to allow Council to renew the lease. The leases contain an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

##### Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. A new photocopier lease commenced 1st October 2021 for a three year period.

#### (a) Right of use assets

	Photocopier \$ '000	Various Other Property, Plant & Equipment \$ '000	Total \$ '000
<b>2024</b>			
Opening balance at 1 July	–	421	421
Depreciation charge	–	(12)	(12)
<b>Balance at 30 June</b>	<b>–</b>	<b>409</b>	<b>409</b>
<b>2023</b>			
Opening balance at 1 July	202	330	532
Depreciation charge	(70)	(41)	(111)
Other movement	(132)	132	–
<b>Balance at 30 June</b>	<b>–</b>	<b>421</b>	<b>421</b>

#### (b) Lease liabilities

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Lease liabilities	17	284	55	288
<b>Total lease liabilities</b>	<b>17</b>	<b>284</b>	<b>55</b>	<b>288</b>



## C2-1 Council as a lessee (continued)

### (i) Maturity analysis

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

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per Statement of Financial Position \$ '000
<b>2024</b>					
Cash flows	18	68	724	810	301
<b>2023</b>					
Cash flows	58	68	742	868	343

### (c) Income Statement

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

	2024 \$ '000	2023 \$ '000
Interest on lease liabilities	16	22
Depreciation of right of use assets	12	111
	<b>28</b>	<b>133</b>

### (d) Statement of Cash Flows

Total cash outflow for leases	150	149
	<b>150</b>	<b>149</b>

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

Council has a number of leases at significantly below market value for land and buildings which are used for:

- community services
- historical purposes

The leases are generally between 3 and 5 years and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services and other purposes which Council either facilitates or provides, 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.

## C2-2 Council as a lessor

### Operating leases

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

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

Council provides operating leases on Council buildings for the purpose of achieving improved community service provision outcomes, the amounts below relate to operating leases on assets disclosed in C1-7.

Lease income (excluding variable lease payments not dependent on an index or rate)	763	855
<b>Total income relating to operating leases for Council assets</b>	<b>763</b>	<b>855</b>

#### (ii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

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

< 1 year	199	221
1–2 years	183	199
2–3 years	145	183
3–4 years	140	145
4–5 years	137	140
> 5 years	2,376	2,513
<b>Total undiscounted lease payments to be received</b>	<b>3,180</b>	<b>3,401</b>

## C3 Liabilities of Council

### C3-1 Payables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Goods and services – operating expenditure	2,600	–	3,432	–
Accrued expenses:				
– Borrowings	117	–	129	–
– Salaries and wages	776	–	675	–
– Contractors	–	–	1,560	–
– Other expenditure accruals	1,081	–	916	–
Security bonds, deposits and retentions	75	–	93	–
Trust	1,490	–	1,530	–
Prepaid rates	1,105	–	943	–
<b>Total payables</b>	<b>7,244</b>	<b>–</b>	<b>9,278</b>	<b>–</b>

#### Material accounting policy information

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

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

		2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
	Notes				
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	14,909	3,341	7,344	2,738
Unexpended operating grants	(i)	—	—	1,164	5,303
<b>Total grants received in advance</b>		<b>14,909</b>	<b>3,341</b>	<b>8,508</b>	<b>8,041</b>
<b>Total contract liabilities</b>		<b>14,909</b>	<b>3,341</b>	<b>8,508</b>	<b>8,041</b>

### Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library 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.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 and AASB 1058 being satisfied since the performance obligations are ongoing.

### Revenue recognised that was included in the contract liability balance at the beginning of the period

	2024 \$ '000	2023 \$ '000
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	6,448	799
Operating grants (received prior to performance obligation being satisfied)	542	7,584
Operating contributions (received prior to performance obligation being satisfied)	—	26
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>6,990</b>	<b>8,409</b>

### Significant changes in contract liabilities

The increase in unexpended operating grants predominantly relates to additional grant funding received but not yet expended during the reporting period and the associated recognition of revenue.

### Material accounting policy information

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

## C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – secured <sup>1</sup>	3,295	13,718	3,481	16,924
<b>Total borrowings</b>	<b>3,295</b>	<b>13,718</b>	<b>3,481</b>	<b>16,924</b>

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

Disclosures of liability interest rate risk exposures, fair value disclosures and security can be found in Note E.

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

2023	Non-cash movements	2024
------	--------------------	------

### C3-3 Borrowings (continued)

	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	20,405	(3,392)	–	–	–	–	17,013
Lease liability (Note C2-1b)	343	(42)	–	–	–	–	301
<b>Total liabilities from financing activities</b>	<b>20,748</b>	<b>(3,434)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17,314</b>

	2022	Non-cash movements					2023
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	23,701	(3,296)	–	–	–	–	20,405
Lease liability (Note C2-1b)	593	(249)	(1)	–	–	–	343
<b>Total liabilities from financing activities</b>	<b>24,294</b>	<b>(3,545)</b>	<b>(1)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>20,748</b>

#### (b) Financing arrangements

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

##### Total facilities

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

Bank overdraft facilities <sup>1</sup>	1,000	1,000
Credit cards/purchase cards	210	210
<b>Total financing arrangements</b>	<b>1,210</b>	<b>1,210</b>

##### Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	31	34
<b>Total drawn financing arrangements</b>	<b>31</b>	<b>34</b>

##### Undrawn facilities

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

– Bank overdraft facilities	1,000	1,000
– Credit cards/purchase cards	179	176
<b>Total undrawn financing arrangements</b>	<b>1,179</b>	<b>1,176</b>

#### Additional financing arrangements information

##### Breaches and defaults

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

##### Security over loans

The general rating income of Council is provided as security for loans.

##### Unused limits and facilities

Council has access to an unused overdraft with a limit of \$1,000,000.

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

#### 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.

### C3-3 Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

### C3-4 Employee benefit provisions

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Annual leave	1,799	–	2,111	–
Long service leave	3,294	326	4,188	414
Other leave – Accrued leave	129	–	141	–
<b>Total employee benefit provisions</b>	<b>5,222</b>	<b>326</b>	<b>6,440</b>	<b>414</b>

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

	2024 \$ '000	2023 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,766	3,815
	<b>2,766</b>	<b>3,815</b>

#### Description of and movements in provisions

	ELE provisions			
	Annual leave \$ '000	Long service leave \$ '000	Other employee benefits \$ '000	Total \$ '000
<b>2024</b>				
At beginning of year	2,111	4,602	141	6,854
Leave Taken	(1,927)	(1,207)	(165)	(3,299)
Leave Accrued	1,615	225	153	1,993
<b>Total ELE provisions at end of year</b>	<b>1,799</b>	<b>3,620</b>	<b>129</b>	<b>5,548</b>
<b>2023</b>				
At beginning of year	2,225	4,799	157	7,181
Leave Taken	(1,774)	(791)	(1,999)	(4,564)
Leave Accrued	1,660	583	1,983	4,226
Other	–	11	–	11
<b>Total ELE provisions at end of year</b>	<b>2,111</b>	<b>4,602</b>	<b>141</b>	<b>6,854</b>

#### Material accounting policy information

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

#### Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised



## C3-4 Employee benefit provisions (continued)

---

in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

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

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

### **On-costs**

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

## C3-5 Provisions

	2024 Current \$ '000	2024 Non-Current \$ '000	2023 Current \$ '000	2023 Non-Current \$ '000
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	126	52,912	4,059	11,380
<b>Sub-total – asset remediation/restoration</b>	<b>126</b>	<b>52,912</b>	<b>4,059</b>	<b>11,380</b>
<b>Total provisions</b>	<b>126</b>	<b>52,912</b>	<b>4,059</b>	<b>11,380</b>

### Description of and movements in provisions

	Other provisions			
	Landfill & Quarry remediation \$ '000	Gasworks remediation \$ '000	Oaky River Dam Restoration provision \$ '000	Total \$ '000
<b>2024</b>				
At beginning of year	15,439	–	–	15,439
Changes to provision:				
– Revised life	(3,245)	–	–	(3,245)
Unwinding of discount	554	–	–	554
Additional provisions	–	2,460	36,786	39,246
Remeasured Provision	1,044	–	–	1,044
Used Provision	–	–	–	–
Total other provisions at end of year	<b>13,792</b>	<b>2,460</b>	<b>36,786</b>	<b>53,038</b>
<b>2023</b>				
At beginning of year	12,193	–	–	12,193
Unwinding of discount	443	–	–	443
Remeasured Provision	2,740	–	–	2,740
Used Provision	63	–	–	63
Total other provisions at end of year	<b>15,439</b>	<b>–</b>	<b>–</b>	<b>15,439</b>

### Nature and purpose of provisions

#### Landfill and Quarry remediation

Council notes that although the phytocap method of rehabilitation could lead to greater cost savings, it is only in testing phase with a limited number of councils in NSW. The EPA have not yet provided approval for Council to use phytocap technology so a full capping methodology is applied in valuing the Landfill Rehabilitation Provision at 30 June 2024. Apart from the impact of inflation for the year ended 30 June 2024, no other significant amendments were made to the Landfill Rehabilitation Provision at 30 June 2024.

For Council's Quarry Rehabilitation Provision only the impact of inflation on costs have been included, no other changes were identified during the annual review of the Quarry Rehabilitation Provision at 30 June 2024.

#### Gasworks remediation

In preparation to the appointment of a site auditor, as required by Environmental Protection Agency (EPA), remediation option assessments (ROA) were prepared for the 3 remaining sites of the former Armidale Gas Works. These ROAs provide a reliable estimate of works expected to be undertaken based upon testing performed and a new provision has been raised as at 30 June 2024.

#### Restoration provision

Council completed the purchase of Oaky River Dam in February 2024 and has given rise to a constructive obligation to repair the dam wall as part of Council's overall water security program.

Any changes to these provisions will be reflected in future Financial Statements.

## C3-5 Provisions (continued)

### Provisions for close-down and restoration, and environmental clean-up costs – landfills and quarries

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

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

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

### 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.

## 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 / decrements of non-current asset values due to their revaluation.

Refer to the Statement of Changes in Equity for the roll forward of the Accumulated Surplus and Revaluation Reserve from 2023 to 2024 and comparatives for the prior year.

## D Council structure

### D1 Results by fund

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

#### D1-1 Income Statement by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
<b>Income from continuing operations</b>			
Rates and annual charges	32,546	3,495	7,404
User charges and fees	20,208	10,382	200
Interest and investment revenue	3,407	1,605	1,550
Other revenues	1,833	46	1,162
Grants and contributions provided for operating purposes	18,607	15	3
Grants and contributions provided for capital purposes	25,684	2,905	1,777
Other income	763	—	—
<b>Total income from continuing operations</b>	<b>103,048</b>	<b>18,448</b>	<b>12,096</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	25,511	2,159	1,222
Materials and services	26,228	5,946	4,041
Borrowing costs	1,146	507	—
Depreciation, amortisation and impairment of non-financial assets	20,216	4,900	1,849
Other expenses	2,092	—	—
Net losses from the disposal of assets	2,489	52	107
<b>Total expenses from continuing operations</b>	<b>77,682</b>	<b>13,564</b>	<b>7,219</b>
<b>Operating result from continuing operations</b>	<b>25,366</b>	<b>4,884</b>	<b>4,877</b>
<b>Net operating result for the year</b>	<b>25,366</b>	<b>4,884</b>	<b>4,877</b>
<b>Net operating result attributable to each council fund</b>	<b>25,366</b>	<b>4,884</b>	<b>4,877</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(318)</b>	<b>1,979</b>	<b>3,100</b>

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

	<b>General 2024 \$ '000</b>	<b>Water 2024 \$ '000</b>	<b>Sewer 2024 \$ '000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10,820	—	—
Investments	70,223	31,501	33,208
Receivables	7,352	2,601	329
Inventories	1,171	—	384
Contract assets and contract cost assets	5,487	232	12
Other	894	—	—
<b>Total current assets</b>	<b>95,947</b>	<b>34,334</b>	<b>33,933</b>
<b>Non-current assets</b>			
Receivables	110	—	—
Inventories	703	—	—
Infrastructure, property, plant and equipment	874,849	249,443	108,904
Right of use assets	409	—	—
<b>Total non-current assets</b>	<b>876,071</b>	<b>249,443</b>	<b>108,904</b>
<b>Total assets</b>	<b>972,018</b>	<b>283,777</b>	<b>142,837</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	7,170	74	—
Income received in advance	(196)	196	—
Contract liabilities	14,511	219	179
Lease liabilities	17	—	—
Borrowings	2,754	541	—
Employee benefit provision	5,222	—	—
Provisions	126	—	—
<b>Total current liabilities</b>	<b>29,604</b>	<b>1,030</b>	<b>179</b>
<b>Non-current liabilities</b>			
Contract liabilities	3,341	—	—
Lease liabilities	284	—	—
Borrowings	5,538	8,180	—
Employee benefit provision	326	—	—
Provisions	16,126	36,786	—
<b>Total non-current liabilities</b>	<b>25,615</b>	<b>44,966</b>	<b>—</b>
<b>Total liabilities</b>	<b>55,219</b>	<b>45,996</b>	<b>179</b>
<b>Net assets</b>	<b>916,799</b>	<b>237,781</b>	<b>142,658</b>
<b>EQUITY</b>			
Accumulated surplus	651,466	210,723	131,657
Revaluation reserves	265,333	27,058	11,001
<b>Council equity interest</b>	<b>916,799</b>	<b>237,781</b>	<b>142,658</b>
<b>Total equity</b>	<b>916,799</b>	<b>237,781</b>	<b>142,658</b>



## D2 Interests in other entities

### D2-1 Unconsolidated structured entities

Council did not consolidate the following structured entities:

#### 1. New England Weeds Authority

New England Weeds Authority (NEWA), is the registered trading name of The New England Tablelands Noxious Plants County Council. NEWA is a single purpose Council which is a Local Control Authority for priority and invasive weeds under the NSW Biosecurity Act, 2015. The present area of operation of NEWA is the local government areas of Armidale Regional, Walcha, Uralla Shire, and Glen Innes Severn (under a Memorandum of Understanding). These Councils are located in the Northern Tablelands region of New South Wales.

The County Council's governance is in accordance with the Local Government Act 1993 (LGA 1993) with the County Council first proclaimed in 1947. As of 15 May 2024 the Board of NEWA was suspended for a three month period and an interim administrator, John Rayner, was appointed to perform the role and function of the governing body under the LGA 1993. Council has supported the administrator recommendations that the current structure be dissolved with a target date of November 2024 and the extension of the Interim Administrator for a further three months beyond 17 August 2024. The Minister for Local Government granted the extension for a further period of 3 months until 17 November 2024 on 16 August 2024.

NEWA is funded by contributions from its four Constituent Councils, grants and private works. Each Constituent Council has delegated its Noxious weeds control function to NEWA and contributes in accordance with NEWA's proclamation. NEWA's governing body that consisted of seven Councillors elected by each of the Constituent Councils, was replaced with the interim administrator on 15 May 2024.

NEWA leases property from Council for office accommodation, parking and storage of chemicals under a month-to-month lease agreement. Council also provides servicing of vehicles owned by NEWA at cost. Management assessed the impact of the NEWA's operations to be insignificant to the financial statements of Council.

#### Nature of risks relating to the Unconsolidated Structured Entity

NEWA is a separately constituted and proclaimed County Council. The proclamation determined the contribution of each participating Council. These contributions are the total financial support required of each Constituent Council.

Council has no further obligations should NEWA become insolvent. As a proclaimed entity of the State of NSW, any additional funding obligations remain with the State.

#### Non-contractual financial support provided

Council did not provide any non contractual support to NEWA. Council's contribution for the 2023/24 year was \$278,690 including GST (2022/23: \$278,690 including GST). Contracted services provided by NEWA for the 2023/24 year to ARC was \$57,476 for weed spraying.

#### Current intention to provide financial support

Council will continue to provide a contribution to NEWA in accordance with NEWA's proclamation. Council's contribution for the 2024/25 year of \$280,695 including GST has been prepaid.

## E Risks and accounting uncertainties

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

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

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

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

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

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

	Carrying value 2024 \$ '000	Carrying value 2023 \$ '000	Fair value 2024 \$ '000	Fair value 2023 \$ '000
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	10,820	32,268	10,820	32,268
Receivables	10,392	13,880	10,392	13,336
Investments				
– Debt securities at amortised cost	124,050	87,550	124,050	87,550
<b>Fair value through profit and loss</b>				
Investments				
– Held for trading	10,882	10,327	10,882	10,327
<b>Total financial assets</b>	<b>156,144</b>	<b>144,025</b>	<b>156,144</b>	<b>143,481</b>
<b>Financial liabilities</b>				
Payables	7,244	9,278	7,244	9,278
Loans/advances	17,013	20,405	17,013	20,405
<b>Total financial liabilities</b>	<b>24,257</b>	<b>29,683</b>	<b>24,257</b>	<b>29,683</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity 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) 'available-for-sale' – 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:

- 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.

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

	<b>2024</b>	<b>2023</b>
	<b>\$ '000</b>	<b>\$ '000</b>
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	<b>1,180</b>	978
Impact of a 10% movement in price of investments		
– Equity / Income Statement	<b>1,088</b>	1,033

**(b) Credit risk**

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

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

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

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

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

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

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

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

Credit risk on rates and annual charges is minimised by the ability of Council to 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.

	<b>Not yet overdue \$ '000</b>	<b>overdue rates and annual charges &lt; 5 years \$ '000</b>	<b>≥ 5 years \$ '000</b>	<b>Total \$ '000</b>
<b>2024</b>				
Gross carrying amount	–	2,562	160	2,722
<b>2023</b>				
Gross carrying amount	–	2,185	136	2,321

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

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

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

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

	Not yet overdue \$ '000	0 - 30 days \$ '000	Overdue debts 31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	Total \$ '000
<b>2024</b>						
Gross carrying amount	13,053	253	4	95	551	13,956
Expected loss rate (%)	0.00%	0.00%	0.17%	4.26%	24.44%	0.99%
ECL provision	—	—	—	4	135	139
<b>2023</b>						
Gross carrying amount	10,433	1,106	339	1,609	349	13,836
Expected loss rate (%)	0.00%	0.00%	4.26%	0.17%	24.44%	0.74%
ECL provision	—	—	14	3	85	102

### (c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
<b>2024</b>							
Payables	0.00%	75	6,793	—	—	6,868	7,244
Borrowings	5.54%	—	4,202	10,368	7,605	22,175	17,013
<b>Total financial liabilities</b>		<b>75</b>	<b>10,995</b>	<b>10,368</b>	<b>7,605</b>	<b>29,043</b>	<b>24,257</b>
<b>2023</b>							
Payables	0.00%	93	9,185	—	—	9,278	9,278
Borrowings	5.52%	—	4,543	13,275	8,856	26,674	20,405
<b>Total financial liabilities</b>		<b>93</b>	<b>13,728</b>	<b>13,275</b>	<b>8,856</b>	<b>35,952</b>	<b>29,683</b>

### Loan agreement breaches

No breaches of any loan agreements occurred during the year.

## E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements									
Infrastructure, property, plant and equipment									
	C1-7								
Plant and equipment		30/06/24	30/06/20	–	–	12,767	11,999	12,767	11,999
Office equipment		30/06/24	30/06/20	–	–	644	164	644	164
Operational Land		30/06/24	30/06/19	–	–	36,971	42,921	36,971	42,921
Community Land		30/06/24	30/06/19	–	–	35,468	45,522	35,468	45,522
Land Under Roads		30/06/24	30/06/19	–	–	1,030	1,257	1,030	1,257
Buildings (specialised and non-specialised)		30/06/24	30/06/18	79,407	77,271	–	–	79,407	77,271
Other structures		30/06/24	13/05/16	–	–	18,698	22,808	18,698	22,808
Roads		30/06/21	30/06/21	–	–	258,326	239,087	258,326	239,087
Bridges		30/06/21	30/06/21	–	–	41,544	39,089	41,544	39,089
Footpaths		30/06/21	30/06/21	–	–	11,697	9,278	11,697	9,278
Bulk earthworks (non-depreciable)		30/06/21	30/06/21	–	–	173,638	164,586	173,638	164,586
Stormwater drainage		30/06/21	30/06/21	–	–	137,080	131,647	137,080	131,647
Water supply network		31/12/22	31/12/22	–	–	201,738	178,977	201,738	178,977
Sewerage network		31/12/22	31/12/22	–	–	98,860	93,134	98,860	93,134
Airport infrastructure		30/06/24	30/06/17	–	–	21,214	17,663	21,214	17,663
Heritage collections		30/06/24	13/05/16	–	–	–	39	–	39
Other		30/06/24	13/05/16	–	–	37,702	33,271	37,702	33,271
Landfill & quarry assets		30/06/21	30/06/21	–	–	2,631	5,967	2,631	5,967
Total infrastructure, property, plant and equipment				79,407	77,271	1,090,008	1,037,409	1,169,415	1,114,680

### 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:



## E2-1 Fair value measurement (continued)

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

#### Plant and equipment, and office equipment – Level 3

Valuation Techniques – Depreciated historic cost. The nature and value of plant and equipment and office equipment recognises that depreciated historic cost is a representation of fair value. Observable inputs - Available market data to assess the replacement cost of the asset. Unobservable inputs - Estimates of useful life and residual value.

#### Operational Land – Level 3

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. Valuation Techniques – at 30 June 2024 the value of the operational land held by council was based on valuation information obtained from the NSW Valuer-General and their valuations undertaken at 1 July 2022 for rating purposes. Observable inputs - Valuation information obtained from the NSW Valuer-General and sales evidence of price per square metre of land.

#### Community Land and Land under roads – Level 3

Valuations of all of Council's Community Land and Council-managed land were based on either the Unimproved Capital Value (UCV) provided by the NSW Valuer-General or an average unit rate based on the UCV for similar properties where the Valuer-General did not provide a UCV having regard to the highest and best use for this land. As these rates were not considered to be observable market evidence they have been classified as Level 3.

At 30 June 2024, valuation information was obtained from the NSW Valuer-General and their valuations undertaken at 1 July 2022 for rating purposes.

#### Buildings - Level 2

The approach taken with buildings was to estimate the replacement cost of each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While all buildings were physically inspected and the unit rates based on square metres could be supported from market evidence (Level 2), other inputs (such as obsolescence) require extensive professional judgement, and impact significantly on the final determination of fair value. In forming valuations of each building, the market to which the asset could be sold in was taken into account and compared back against the cost. Many of the buildings that council owns are specific purpose and valued using current replacement cost approach, and as such, these assets were classified as having been valued using Level 3 valuation inputs.

Buildings were recorded at fair value following the engagement of an external, independent and qualified valuer to determine the fair value of Buildings at 30 June 2024.

#### Transport Assets - Roads, bridges, footpaths, bulk earthworks, stormwater drainage assets – Level 3

Valuation Techniques – Depreciated Replacement Cost.

Due to the specialised nature of Local Government Assets, observable market inputs are often unavailable. The cost approach has been adopted for Council's Transport Assets and deemed level 3. These assets were valued at 30 June 2021, by Australis Asset Advisory Group. The cost approach to valuation involves the following process:

- The fair value is a reflection of gross value (replacement cost) less accumulated depreciation.
- Actual construction cost data was used to establish unit rates and applied to the asset's attributes to determine the gross value
- A sample of assets were inspected to arrive at a condition score. This is applied along with the asset age to determine the remaining useful life.
- Roads were categorised into appropriate groupings such as Sealed and Unsealed.
- The network was broken into segments linked to defining geographical features
- Assets were disaggregated into significant components which exhibit different patterns of consumption (useful lives) i.e. seal, pavement, subbase, earthworks.

Observable inputs - Construction costs used to assess the replacement cost of the asset. For example Seal cost per m2, Pavement construction per m2, gravel cost.

Unobservable inputs - Estimates of useful life and condition.

#### Water supply network and Sewerage network – Level 3

Valuation Techniques – Cost Approach Method.

Due to the specialised nature of Local Government Assets observable market inputs are often unavailable. The cost approach has been adopted for Council Water and Sewer deemed level 3 and was applied as part of 31 December 2022 fair value process. This involves the following process:

- Council engaged independent external valuer, to perform a comprehensive revaluation of its water and sewerage supply network assets
- Council used data published in the NSW Reference Rates Manual as published by the Office of Water to assess the assets's condition and asset useful life for Valuation of Water & Sewerage Assets.
- For each year where an external valuation has not been performed, Council applies the index from the NSW Reference Rates Manual against the prior year closing replacement cost and accumulated depreciation amounts.

## E2-1 Fair value measurement (continued)

---

Unobservable inputs - Estimates of useful life and condition.

Water and Sewerage Infrastructure Assets were revalued at 31 December 2022 by an independent, external valuer.

### **Landfill & Quarry assets – reinstatement, rehabilitation and restoration – Level 3**

Valuation Techniques - cost inputs, unit rates, useful life, asset condition, dimensions and specifications.

At the time a landfill site becomes full and the site is required to be closed, there are significant costs associated with the rehabilitation of the site.

A rehabilitation model has been developed. Council's in-house Waste Engineer performs an annual review of the Rehabilitation Model including a detailed review of input costings.

Due to the specialised nature of Local Government Assets observable market inputs are often unavailable. The depreciated cost approach has been adopted for this asset class and deemed level 3. This involves the following process:

- The fair value is a reflection of gross value less accumulated depreciation. Published project and cost data applied to the asset's attributes is used to determine the gross value (replacement cost)
- Age and asset condition is applied to determine the level of depreciation.
- Major assets were disaggregated into significant components which exhibit different patterns of consumption (useful lives).

Observable inputs - Available market data to assess the replacement cost of the asset.

Unobservable inputs - Estimates of useful life, and condition.

## E2-1 Fair value measurement (continued)

### Fair value measurements using significant observable and unobservable inputs (levels 2 & 3)

A reconciliation of the movements in recurring fair value measurements allocated to Level 2 and 3 of the hierarchy is provided below:

	Operational land		Community land		Buildings		Infrastructure assets		Other assets		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Opening balance</b>	42,921	28,744	45,522	30,957	77,271	69,269	930,797	886,034	18,169	17,141	1,114,680	1,032,145
<b>Total gains or losses for the period</b>												
Recognised in other comprehensive income – revaluation surplus	(6,050)	13,395	(10,054)	14,491	3,432	4,304	68,713	22,320	–	2	56,041	54,512
<b>Other movements</b>												
Transfers from/(to) another asset class	–	–	–	74	518	–	(3,520)	(66)	(2,160)	–	(5,162)	8
Other Movements	–	(1)	–	–	62	1,102	3,851	17,165	400	2,947	4,313	21,213
Purchases (GBV)	100	23	–	–	2,122	506	22,598	19,277	1,976	1,477	26,796	21,283
Contribution Additions	–	760	–	–	–	5,851	2,583	5,418	725	–	3,308	12,029
Disposals (WDV)	–	–	–	–	–	(183)	(2,925)	(1,831)	(616)	(350)	(3,541)	(2,364)
Depreciation and impairment	–	–	–	–	(3,998)	(3,578)	(20,503)	(17,520)	(2,452)	(3,048)	(26,953)	(24,146)
<b>Closing balance</b>	<b>36,971</b>	<b>42,921</b>	<b>35,468</b>	<b>45,522</b>	<b>79,407</b>	<b>77,271</b>	<b>1,001,594</b>	<b>930,797</b>	<b>16,042</b>	<b>18,169</b>	<b>1,169,482</b>	<b>1,114,680</b>

continued on next page ...

## E2-1 Fair value measurement (continued)

### 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 AASB 119 *Employee Benefits* for the following reasons:

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

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

#### *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.

## E3-1 Contingencies (continued)

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$127,209. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$Nil. Council's expected contribution to the plan for the next annual reporting period is \$102,320.

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 this deficit that is broadly attributed to the Council is estimated to be in the order of 0.55% as at 30 June 2024.

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

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

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

\* Plus promotional increases

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

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

### (ii) Statewide Mutual

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 Mutual depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the Mutual pool and the result of insurance claims within each of the Mutual years.

The future realisation and finalisation of claims incurred but not reported to 30 June 2024 may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

### (iii) StateCover Mutual Limited

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



## E3-1 Contingencies (continued)

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

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

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

### (iv) Other guarantees

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

### 2. Other liabilities

No other liabilities other than those shown elsewhere have been quantified at this time.

## ASSETS NOT RECOGNISED

### (i) Infringement notices/fines

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

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

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

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

### (ii) Kempsey-Armidale Road restoration project

Council has entered into a tripartite agreement with the State and Federal Governments for the future restoration of Kempsey-Armidale Road to restore the road to current engineering standards, which will allow the road to be re-opened to the public. The restoration work is expected to commence in 2024/25 and be ongoing until 2028/29, is subject to funding approval. Application for the original design costings of \$408.0 million was approved in 2022/23, but due to further disaster and investigative work changes to the design and scope of work have been identified, giving rise to Council seeking a funding variation. Until approval of the variation is approved Council is unable to recognise any portion of the funding 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:

	2024 \$ '000	2023 \$ '000
<b>Compensation:</b>		
Short-term benefits	1,860	1,724
Post-employment benefits	155	172
<b>Total</b>	<b>2,015</b>	<b>1,896</b>

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool) will not be disclosed.

Nature of the transaction	Transactions during the year \$ '000
<b>2024</b>	
Goods and services	1,228
Community organisation support where KMP are on the board	383

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

	2024	2023
	\$ '000	\$ '000

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	63
Councillors' fees	287	278
Other Councillors' expenses (including Mayor)	—	10
<b>Total</b>	<b>351</b>	<b>351</b>

## F2 Other relationships

### F2-1 Audit fees

	2024	2023
	\$ '000	\$ '000

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

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

Audit and review of financial statements (NSW Auditor-General) <sup>1</sup>	165	199
Other Assurance services including acquittal audits (other Audit service providers)	—	87
<b>Total audit fees</b>	<b>165</b>	<b>286</b>

(1) Audit Office fees include \$81,000 in fees related to prior years and not accrued in those years

## G Other matters

### G1-1 Statement of Cash Flows information

#### (a) Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
<b>Net operating result from Income Statement</b>	<b>35,127</b>	<b>27,926</b>
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation <sup>1</sup>	26,082	24,257
(Gain) / loss on disposal of assets	2,648	(1,041)
Non-cash capital grants and contributions <sup>1</sup>	(7,346)	(12,028)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Revaluation decrements / impairments of IPP&E direct to P&L	883	10,034
Unwinding of discount rates on reinstatement provisions	554	443
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	3,363	(3,198)
Increase / (decrease) in provision for impairment of receivables	10	(12)
(Increase) / decrease of inventories	105	(41)
(Increase) / decrease of other current assets	(50)	(105)
(Increase) / decrease of contract asset	(3,999)	2,979
Increase / (decrease) in payables	(832)	(183)
Increase / (decrease) in accrued interest payable	(12)	(4)
Increase / (decrease) in other accrued expenses payable	266	(737)
Increase / (decrease) in other liabilities	(1,456)	(898)
Increase / (decrease) in contract liabilities	1,701	4,755
Increase / (decrease) in employee benefit provision	(1,306)	(327)
Increase / (decrease) in other provisions	2,967	2,803
<b>Net cash flows from operating activities</b>	<b>58,705</b>	<b>54,623</b>

Council does not use Non-cash investing and financing activities.

## G2-1 Commitments

### Capital commitments (exclusive of GST)

	2024 \$ '000	2023 \$ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Plant and equipment	4	1,005
Bridges	1,137	6,762
Netball Court Lighting	7	—
Kempsey Road Restoration	34	4,592
Puddledock Pipeline Project	—	—
Dumaresq Dam Wall	—	—
Roads	2,001	1,922
Buildings	7	44
Airport Infrastructure	—	—
Public Works Australia	9,405	4,291
Oaky River Hydro Scheme <sup>1</sup>	—	3,978
Other	400	162
<b>Total commitments</b>	<b>12,995</b>	<b>22,756</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	12,995	22,756
<b>Total payable</b>	<b>12,995</b>	<b>22,756</b>
<b>Sources for funding of capital commitments:</b>		
Unrestricted general funds	7	—
Externally restricted reserves	12,035	21,707
Internally restricted reserves	953	1,049
<b>Total sources of funding</b>	<b>12,995</b>	<b>22,756</b>

#### Details of capital commitments

For each of the commitments, tenders have been called and orders placed prior to year end, with an expectation of delivery early in the 2024/25 financial year.

(1) As part of the Integrated Water Cycle Management Strategy a water security assessment was conducted. This assessment found that ARC's water security had a significant shortfall of 2,088 ML/year. It was determined by council resolution on 14/12/2022 to approve the purchase of the Oaky River Hydro Scheme. Settlement occurred in February 2024, with Council now having a contractual obligation to repair the dam wall, as provided for in C3-5. No contract has yet been awarded for this work.

## G3-1 Events occurring after the reporting date

Council is aware of the following 'non-adjusting events' that merit disclosure:

- The funding agreement variation for Kempsey-Armidale Road restoration project was lodged in May 2024 with Transport for NSW. Included in this variation application was a tripartite agreement, which has been signed in October 2024. The funding agreement variation has not yet been approved and its future financial effect is unknown at this stage. Refer to Note E3-1 Contingencies

No other matters have arisen subsequent to balance date that would require these financial statements to be amended.



## G4 Statement of developer contributions

### G4-1 Summary of developer contributions

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year		Non-cash Other \$ '000	Interest and investment income earned \$ '000	(Expenditure) & Other Adjustments during year \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
Drainage	48	-	-	-	2	-	-	50	-
Roads	1,024	-	-	-	51	-	-	1,075	-
Traffic facilities	19	-	-	-	1	-	-	20	-
Parking	103	-	-	-	3	(50)	-	56	-
Open space	348	-	-	-	17	2	-	367	-
Community facilities	57	-	-	-	2	(2)	-	57	-
Other	80	-	-	-	5	1	-	86	-
Bushfire	1	-	-	-	-	-	-	1	-
Street Trees	101	17	-	-	5	(1)	-	122	-
<b>S7.11 contributions – under a plan</b>	<b>1,781</b>	<b>17</b>	-	-	<b>86</b>	<b>(50)</b>	-	<b>1,834</b>	-
<b>S7.12 levies – under a plan</b>	<b>2,615</b>	<b>853</b>	-	-	<b>149</b>	-	-	<b>3,617</b>	-
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>4,396</b>	<b>870</b>	-	-	<b>235</b>	<b>(50)</b>	-	<b>5,451</b>	-
S7.4 planning agreements	123	-	-	-	8	(4)	-	127	-
S64 contributions	8,680	1,776	-	-	469	4	-	10,929	-
Contributions not under any plan	255	-	-	-	13	-	-	268	-
<b>Total contributions</b>	<b>13,454</b>	<b>2,646</b>	-	-	<b>725</b>	<b>(50)</b>	-	<b>16,775</b>	-

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

## G4-2 Developer contributions by plan

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year		Non-cash Other \$ '000	Interest and investment income earned \$ '000	(Expenditure) & Other Adjustments during year \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000						
<b>CONTRIBUTION PLAN</b>									
Drainage	48	-	-	-	2	-	-	50	-
Roads	1,024	-	-	-	51	-	-	1,075	-
Traffic facilities	19	-	-	-	1	-	-	20	-
Parking	103	-	-	-	3	(50)	-	56	-
Open space	348	-	-	-	17	2	-	367	-
Community facilities	57	-	-	-	2	(2)	-	57	-
Bushfire	1	-	-	-	-	-	-	1	-
Street Trees	101	17	-	-	5	(1)	-	122	-
Other	80	-	-	-	5	1	-	86	-
<b>Total</b>	<b>1,781</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>(50)</b>	<b>-</b>	<b>1,834</b>	<b>-</b>

## S7.12 Levies – under a plan

<b>CONTRIBUTION PLAN</b>									
Other	2,615	853	-	-	149	-	-	3,617	-
<b>Total</b>	<b>2,615</b>	<b>853</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>3,617</b>	<b>-</b>

## G5 Statement of performance measures

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

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023	Indicators 2022	Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>8,335</b>	<b>8.07%</b>	7.85%	7.96%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>103,226</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>84,601</b>	<b>63.33%</b>	54.89%	66.78%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>133,592</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>55,935</b>	<b>6.95x</b>	4.04x	2.27x	> 1.50x
Current liabilities less specific purpose liabilities	<b>8,046</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>36,070</b>	<b>7.09x</b>	6.61x	6.70x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>5,087</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>2,297</b>	<b>5.02%</b>	4.69%	5.07%	< 10.00%
Rates and annual charges collectable	<b>45,750</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>134,870</b>	<b>20.45 months</b>	16.25 months	17.19 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<b>6,596</b>				

(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		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	4.21%	2.43%	12.73%	23.67%	30.04%	31.56%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	57.02%	50.12%	84.17%	61.23%	85.28%	83.26%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	6.95x	4.04x	33.33x	30.62x	189.57x	265.30x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	5.18x	4.60x	14.57x	14.60x	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	6.59%	6.27%	0.00%	0.00%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	20.45	16.25	∞	∞	∞	∞	> 3.00
Monthly payments from cash flow of operating and financing activities	months	months					months

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

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

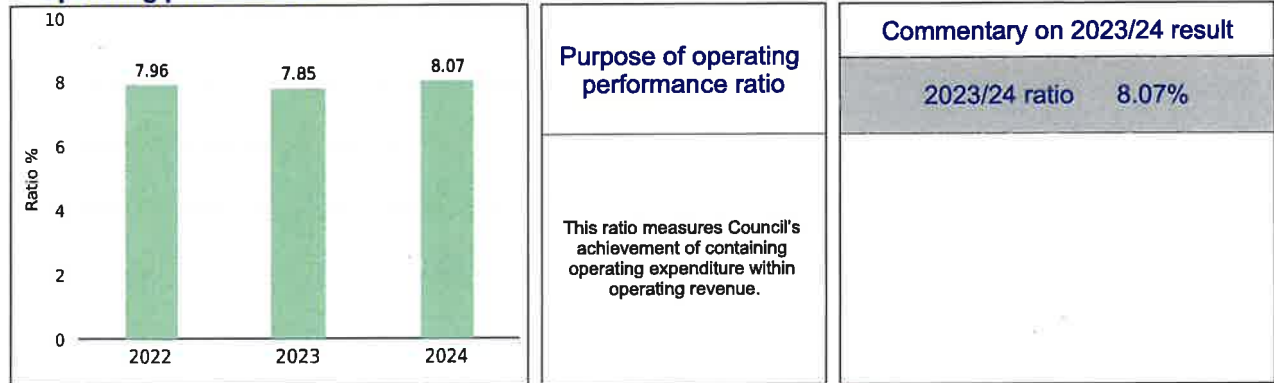
**End of the audited financial statements**



## H Additional Council disclosures (unaudited)

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

#### 1. Operating performance ratio



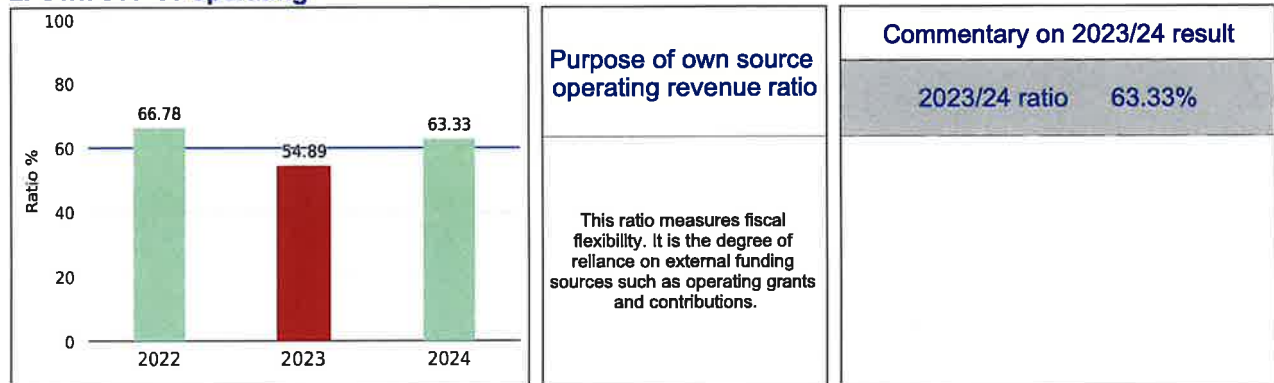
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



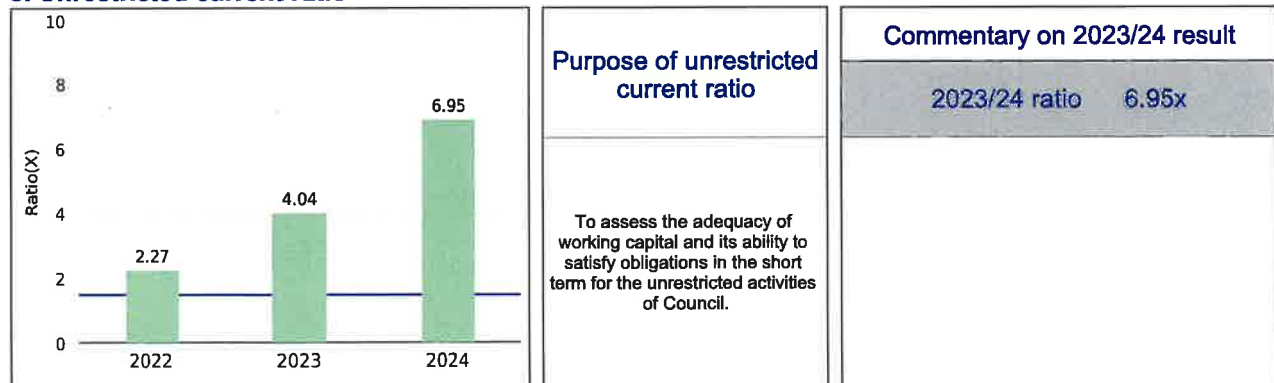
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 3. Unrestricted current ratio



Benchmark: — > 1.50x

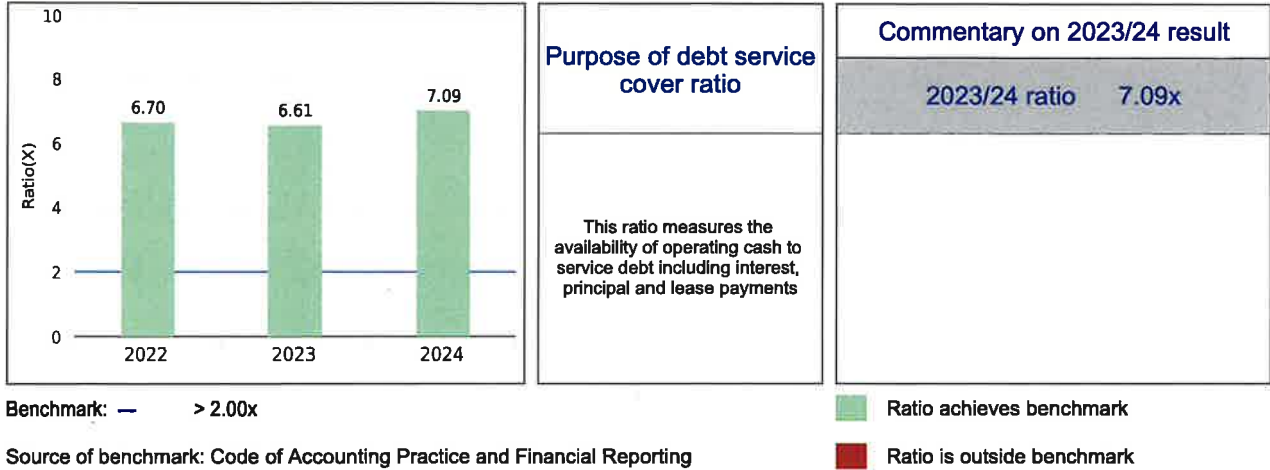
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

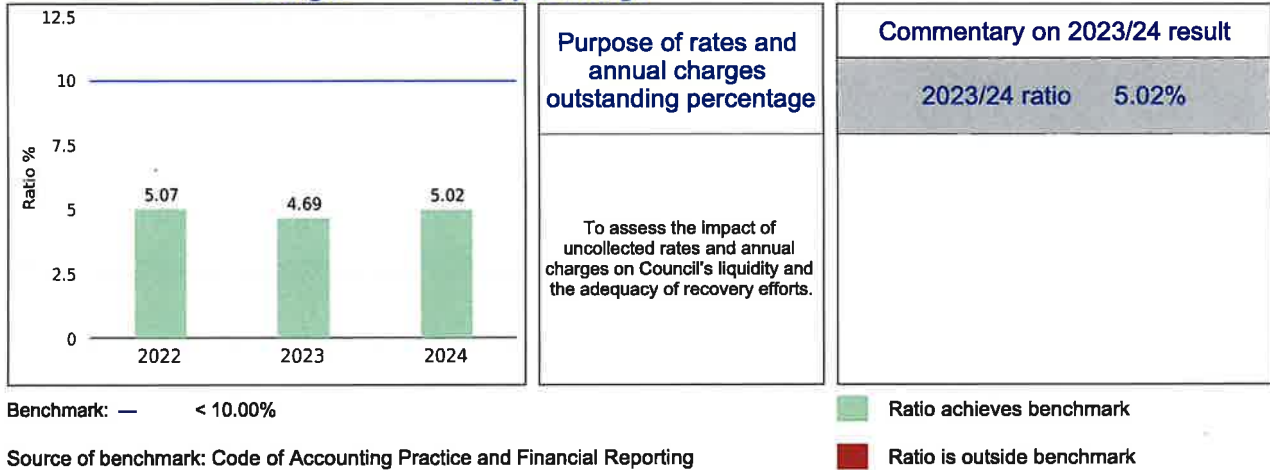
Ratio is outside benchmark

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

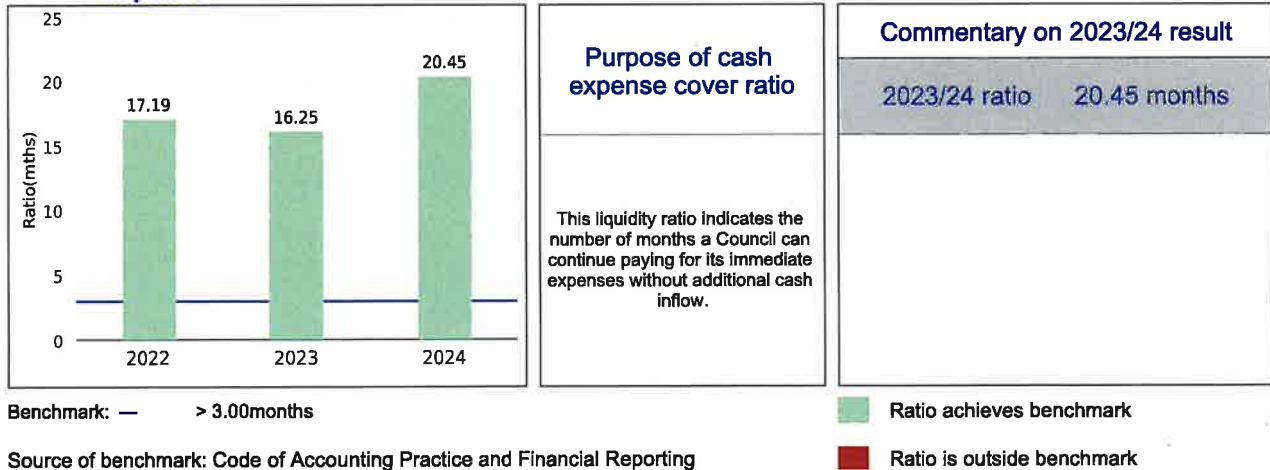
### 4. Debt service cover ratio



### 5. Rates and annual charges outstanding percentage



### 6. Cash expense cover ratio



## H1-2 Council information and contact details

---

**Principal place of business:**

135 Rusden Street  
Armidale NSW 2350

**Contact details**

**Mailing Address:**

PO Box 75A  
Armidale NSW 2350

**Telephone:** 1300 136 833

**Opening hours:**

8:30am - 4:00pm  
Monday to Friday

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

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

**Officers**

**General Manager**

James Roncon

**Responsible Accounting Officer**

Ann Newsome

**Public Officer**

Simone Mooketsi

**Auditors**

Audit Office of New South Wales  
GPO Box 12  
Sydney NSW 2001

**Elected members**

**Mayor**

Sam Coupland

**Councillors**

Todd Redwood (Deputy Mayor)  
Margaret O'Connor  
Debra O'Brien  
Susan McMichael  
Paul Gaddes  
Dorothy Robinson  
Steven Mepham  
Bradley Widders  
Paul Packham  
Jon Galletly

**Other information**

**ABN:** 39 642 954 203



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Armidale Regional Council

To the Councillors of Armidale Regional Council

### Opinion

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

In my opinion:

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

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

### Basis for Opinion

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

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

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

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

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

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

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

### **Other Information**

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

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

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

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

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

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

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



Michael Kharzoo  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

31 October 2024  
SYDNEY



# Armidale Regional Council

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

---

*Restore and thrive*



# Armidale Regional Council

## Special Purpose Financial Statements

for the year ended 30 June 2024

---

Contents	Page
<b>Statement by Councillors and Management</b>	<b>3</b>
<b>Special Purpose Financial Statements:</b>	
Income Statement of water supply business activity	4
Income Statement of sewerage business activity	5
Statement of Financial Position of water supply business activity	6
Statement of Financial Position of sewerage business activity	7
<b>Note – Material accounting policy information</b>	<b>8</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>10</b>

---

### 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).

# Armidale Regional 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:

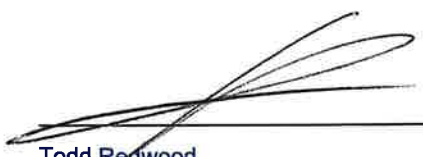

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of 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 water and sewerage businesses as fair and reasonable.

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

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

  
\_\_\_\_\_  
Sam Coupland  
**Mayor**  
31 October 2024  
\_\_\_\_\_  
Todd Redwood  
**Deputy Mayor**  
31 October 2024  
\_\_\_\_\_  
James Ronson  
**General Manager**  
31 October 2024  
\_\_\_\_\_  
Ann Newsome  
**Responsible Accounting Officer**  
31 October 2024

## Armidale Regional Council

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

	2024 \$ '000	2023 \$ '000
<b>Income from continuing operations</b>		
Access charges	3,495	3,255
User charges	10,122	9,376
Fees	260	210
Interest and investment income	1,605	863
Grants and contributions provided for operating purposes	15	312
Other income	46	49
<b>Total income from continuing operations</b>	<b>15,543</b>	<b>14,065</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	2,159	1,888
Borrowing costs	507	545
Materials and services	5,946	4,198
Depreciation, amortisation and impairment	4,900	4,083
Net loss from the disposal of assets	52	—
Other expenses	—	22
<b>Total expenses from continuing operations</b>	<b>13,564</b>	<b>10,736</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,979</b>	<b>3,329</b>
Grants and contributions provided for capital purposes	2,905	8,396
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>4,884</b>	<b>11,725</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>4,884</b>	<b>11,725</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(495)	(832)
<b>Surplus (deficit) after tax</b>	<b>4,389</b>	<b>10,893</b>
<b>Plus accumulated surplus</b>	<b>205,838</b>	<b>194,113</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	495	832
<b>Closing accumulated surplus</b>	<b>210,722</b>	<b>205,838</b>
<b>Return on capital %</b>	<b>1.0%</b>	<b>1.9%</b>
<b>Subsidy from Council</b>	<b>8,240</b>	<b>4,183</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	4,389	10,893
Less: capital grants and contributions (excluding developer contributions)	(2,905)	(6,458)
<b>Surplus for dividend calculation purposes</b>	<b>1,484</b>	<b>4,435</b>
<b>Potential dividend calculated from surplus</b>	<b>742</b>	<b>2,218</b>

## Armidale Regional Council

### Income Statement of sewerage business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>Income from continuing operations</b>		
Access charges	7,404	7,199
User charges	99	226
Liquid trade waste charges	65	64
Fees	36	27
Interest and investment income	1,550	743
Grants and contributions provided for operating purposes	3	–
Other income	1,162	2,154
<b>Total income from continuing operations</b>	<b>10,319</b>	<b>10,413</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	1,222	1,306
Materials and services	4,041	4,023
Depreciation, amortisation and impairment	1,849	1,798
Net loss from the disposal of assets	107	–
<b>Total expenses from continuing operations</b>	<b>7,219</b>	<b>7,127</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>3,100</b>	<b>3,286</b>
Grants and contributions provided for capital purposes	1,777	2,093
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>4,877</b>	<b>5,379</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>4,877</b>	<b>5,379</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(775)	(822)
<b>Surplus (deficit) after tax</b>	<b>4,102</b>	<b>4,557</b>
<b>Plus accumulated surplus</b>	<b>126,780</b>	<b>121,401</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	775	822
<b>Closing accumulated surplus</b>	<b>131,657</b>	<b>126,780</b>
<b>Return on capital %</b>	<b>2.8%</b>	<b>3.3%</b>
<b>Subsidy from Council</b>	<b>1,583</b>	<b>703</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	4,102	4,557
Less: capital grants and contributions (excluding developer contributions)	(1,777)	(41)
<b>Surplus for dividend calculation purposes</b>	<b>2,325</b>	<b>4,516</b>
<b>Potential dividend calculated from surplus</b>	<b>1,163</b>	<b>2,258</b>

## Armidale Regional Council

### Statement of Financial Position of water supply business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Contract assets and contract cost assets	232	—
Investments	31,501	30,347
Receivables	2,601	2,573
<b>Total current assets</b>	<b>34,334</b>	<b>32,920</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	249,443	200,420
<b>Total non-current assets</b>	<b>249,443</b>	<b>200,420</b>
<b>Total assets</b>	<b>283,777</b>	<b>233,340</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	219	312
Payables	74	78
Income received in advance	196	175
Borrowings	541	510
<b>Total current liabilities</b>	<b>1,030</b>	<b>1,075</b>
<b>Non-current liabilities</b>		
Borrowings	8,180	8,720
Provisions	36,786	—
<b>Total non-current liabilities</b>	<b>44,966</b>	<b>8,720</b>
<b>Total liabilities</b>	<b>45,996</b>	<b>9,795</b>
<b>Net assets</b>	<b>237,781</b>	<b>223,545</b>
<b>EQUITY</b>		
Accumulated surplus	210,723	205,839
Revaluation reserves	27,058	17,706
<b>Total equity</b>	<b>237,781</b>	<b>223,545</b>



# Armidale Regional Council

## Statement of Financial Position of sewerage business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Contract assets and contract cost assets	12	—
Investments	33,208	29,303
Receivables	329	283
Inventories	384	658
<b>Total current assets</b>	<b>33,933</b>	<b>30,244</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	108,904	99,238
<b>Total non-current assets</b>	<b>108,904</b>	<b>99,238</b>
<b>Total assets</b>	<b>142,837</b>	<b>129,482</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	179	114
<b>Total current liabilities</b>	<b>179</b>	<b>114</b>
<b>Total liabilities</b>	<b>179</b>	<b>114</b>
<b>Net assets</b>	<b>142,658</b>	<b>129,368</b>
<b>EQUITY</b>		
Accumulated surplus	131,657	126,780
Revaluation reserves	11,001	2,588
<b>Total equity</b>	<b>142,658</b>	<b>129,368</b>

## Note – Material accounting policy information

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

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

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

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

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1 – business activities with gross operating turnover more than \$2 million

<b>a. Water Supplies</b>	Comprising the whole of the operations and assets of water supply systems. As the total annual operating revenues are greater than \$2,000,000, it is defined as a category 1 "Business Unit".
<b>b. Sewerage Service</b>	Comprising the whole of the operations and assets of the sewer reticulation and treatment system. As the total annual operating revenues are greater than \$2,000,000, it is defined as a category 1 "Business Unit".

### 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%)

Land tax – the first \$969,000 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.

## Note – Material accounting policy information (continued)

---

### Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25% (22/23: 25%).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to 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.

#### (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 section 4 of DPE – Water'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 section 4 of DPE – Water'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 DPE – Water.



## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### Armidale Regional Council

To the Councillors of Armidale Regional Council

### Opinion

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

The Declared Business Activities of the Council are:

- water supply
- sewerage.

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

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

### Basis for Opinion

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

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

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

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

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

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

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

## **Emphasis of Matter - Basis of Accounting**

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

## **Other Information**

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

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

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

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

31 October 2024  
SYDNEY



# Armidale Regional Council

**SPECIAL SCHEDULES**  
for the year ended 30 June 2024

---

*Restore and thrive*

**ARMIDALE**  
Regional Council

# Armidale Regional 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

# Armidale Regional Council

## Permissible income for general rates

	Notes	Calculation 2023/24 \$ '000	Calculation 2024/25 \$ '000
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	20,326	23,811
Plus or minus adjustments <sup>2</sup>	b	187	153
<b>Notional general income</b>	c = a + b	<b>20,513</b>	<b>23,964</b>
<b>Permissible income calculation</b>			
Percentage increase	d	16.67%	16.67%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	3,420	3,995
<b>Sub-total</b>	g = (c + e + f)	<b>23,933</b>	<b>27,959</b>
Plus (or minus) last year's carry forward total	h	91	212
Less valuation objections claimed in the previous year	i	(1)	—
<b>Sub-total</b>	j = (h + i)	<b>90</b>	<b>212</b>
<b>Total permissible income</b>	k = g + j	<b>24,023</b>	<b>28,171</b>
Less notional general income yield	l	23,811	27,679
<b>Catch-up or (excess) result</b>	m = k - l	<b>212</b>	<b>492</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>212</b>	<b>492</b>

### Notes

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



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Armidale Regional Council

To the Councillors of Armidale Regional Council

### Opinion

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

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

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

### Basis for Opinion

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

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

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

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

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

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

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

### Emphasis of Matter - Basis of Accounting

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

## Other Information

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

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

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

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

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

My objectives are to:

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

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

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

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

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

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

31 October 2024  
SYDNEY



# Armistale Regional Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard <sup>a</sup>		2023/24 Required maintenance <sup>c</sup>		2023/24 Actual maintenance		Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
<b>Buildings</b>	Buildings	16,178	27,030	4,605	4,636	4,636	4,636	79,407	165,072	25.0%	7.0%	51.0%	16.0%	1.0%
	<b>Sub-total</b>	<b>16,178</b>	<b>27,030</b>	<b>4,605</b>	<b>4,636</b>	<b>4,636</b>	<b>4,636</b>	<b>79,407</b>	<b>165,072</b>	<b>25.0%</b>	<b>7.0%</b>	<b>51.0%</b>	<b>16.0%</b>	<b>1.0%</b>
<b>Other structures</b>	Other structures	309	93	5,324	5,114	5,114	5,114	18,698	23,239	55.4%	32.4%	11.8%	0.3%	0.1%
	<b>Sub-total</b>	<b>309</b>	<b>93</b>	<b>5,324</b>	<b>5,114</b>	<b>5,114</b>	<b>5,114</b>	<b>18,698</b>	<b>23,239</b>	<b>55.4%</b>	<b>32.4%</b>	<b>11.8%</b>	<b>0.3%</b>	<b>0.1%</b>
<b>Roads</b>	Other	23,759	50,296	9,764	4,873	4,873	4,873	485,205	592,859	63.0%	13.9%	14.3%	8.0%	0.8%
	<b>Sub-total</b>	<b>23,759</b>	<b>50,296</b>	<b>9,764</b>	<b>4,873</b>	<b>4,873</b>	<b>4,873</b>	<b>485,205</b>	<b>592,859</b>	<b>63.0%</b>	<b>13.9%</b>	<b>14.3%</b>	<b>8.0%</b>	<b>0.8%</b>
<b>Water supply network</b>	Other	90,698	224,737	3,779	4,005	4,005	4,005	201,738	369,027	13.0%	4.6%	21.5%	46.7%	14.2%
	<b>Sub-total</b>	<b>90,698</b>	<b>224,737</b>	<b>3,779</b>	<b>4,005</b>	<b>4,005</b>	<b>4,005</b>	<b>201,738</b>	<b>369,027</b>	<b>13.0%</b>	<b>4.6%</b>	<b>21.5%</b>	<b>46.7%</b>	<b>14.2%</b>
<b>Sewerage network</b>	Sewerage network	30,266	66,248	2,980	1,756	1,756	1,756	98,860	166,872	5.7%	16.8%	37.8%	31.1%	8.6%
	<b>Sub-total</b>	<b>30,266</b>	<b>66,248</b>	<b>2,980</b>	<b>1,756</b>	<b>1,756</b>	<b>1,756</b>	<b>98,860</b>	<b>166,872</b>	<b>5.7%</b>	<b>16.8%</b>	<b>37.8%</b>	<b>31.1%</b>	<b>8.6%</b>
<b>Stormwater drainage</b>	Other	23,463	56,437	328	361	361	361	137,080	209,027	18.0%	21.0%	34.0%	26.0%	1.0%
	<b>Sub-total</b>	<b>23,463</b>	<b>56,437</b>	<b>328</b>	<b>361</b>	<b>361</b>	<b>361</b>	<b>137,080</b>	<b>209,027</b>	<b>18.0%</b>	<b>21.0%</b>	<b>34.0%</b>	<b>26.0%</b>	<b>1.0%</b>
<b>Other infrastructure assets</b>	Other	-	-	-	-	-	-	1	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Airport Infrastructure	2,891	-	1,915	2,211	2,211	2,211	21,214	41,307	21.0%	9.0%	70.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>2,891</b>	<b>-</b>	<b>1,915</b>	<b>2,211</b>	<b>2,211</b>	<b>2,211</b>	<b>21,215</b>	<b>41,307</b>	<b>21.0%</b>	<b>9.0%</b>	<b>70.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total – all assets</b>		<b>187,564</b>	<b>424,841</b>	<b>28,695</b>	<b>22,956</b>	<b>22,956</b>	<b>22,956</b>	<b>1,042,203</b>	<b>1,567,403</b>	<b>33.9%</b>	<b>12.4%</b>	<b>26.4%</b>	<b>22.5%</b>	<b>4.8%</b>

(a) In accordance with the 2022 NSW Local Government Code of Accounting Practice and Financial Reporting, the condition level for "satisfactory standard" is Condition 2.

(b) In accordance with the 2022 NSW Local Government Code of Accounting Practice and Financial Reporting, the condition level for "agreed service level set by Council" (where Council does not currently have an agreed service level) is Condition 1 discounted to Condition 2.

(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

continued on next page ...

Armidale Regional Council

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

3	Satisfactory	
4	Poor	Maintenance work required
5	Very poor	Renewal required
		Urgent renewal/upgrading required

## Armidale Regional Council

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

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

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023	Indicators 2022	Benchmark
Buildings and Infrastructure renewals ratio					
Asset renewals <sup>1</sup>	30,772	125.59%	74.94%	89.20%	> 100.00%
Depreciation, amortisation and impairment	24,501				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	187,564	17.58%	18.60%	11.67%	< 2.00%
Net carrying amount of infrastructure assets	1,066,738				
Asset maintenance ratio					
Actual asset maintenance	22,956	80.00%	93.70%	104.12%	> 100.00%
Required asset maintenance	28,695				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	424,841	27.10%	28.23%	22.02%	
Gross replacement cost	1,567,403				

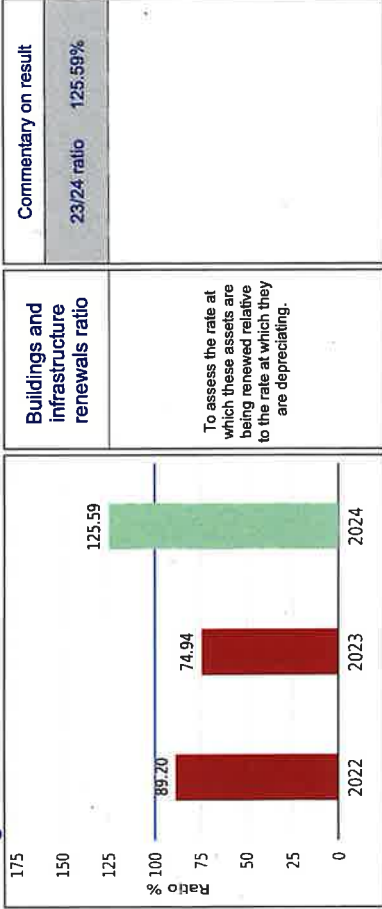
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

# Armisdale Regional Council

## Report on infrastructure assets as at 30 June 2024

### Buildings and infrastructure renewals ratio

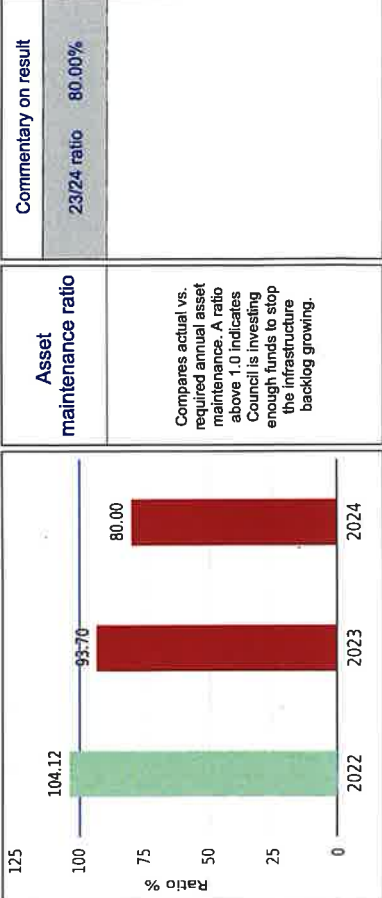


**Buildings and infrastructure renewals ratio**

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

**Commentary on result**  
23/24 ratio 125.59%

### Asset maintenance ratio

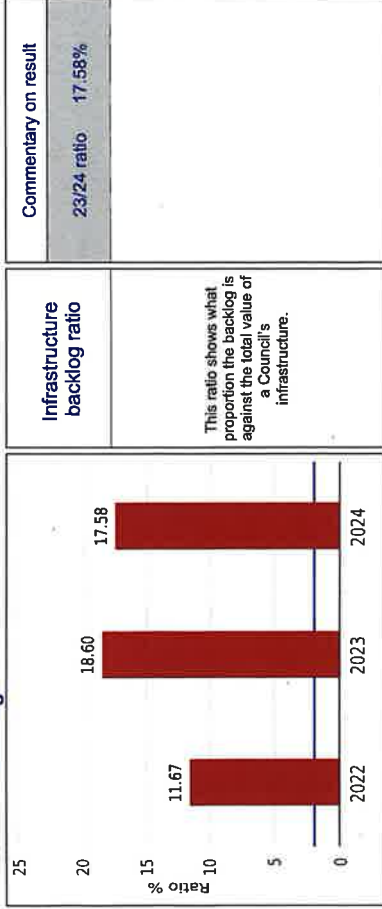


**Asset maintenance ratio**

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

**Commentary on result**  
23/24 ratio 80.00%

### Infrastructure backlog ratio

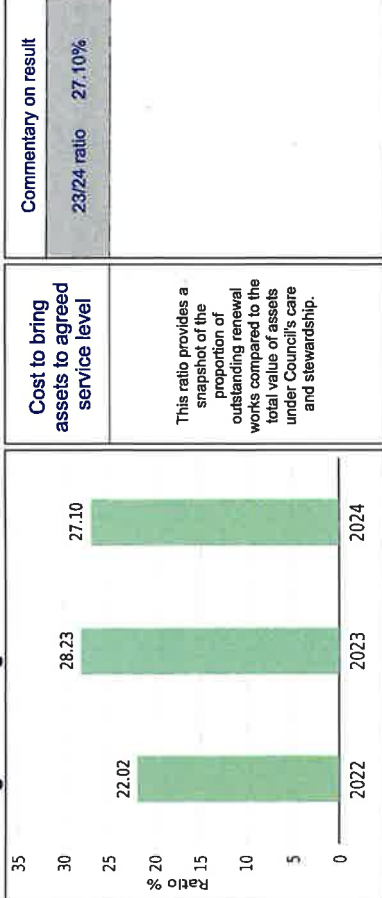


**Infrastructure backlog ratio**

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

**Commentary on result**  
23/24 ratio 17.58%

### Cost to bring assets to agreed service level



**Cost to bring assets to agreed service level**

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

**Commentary on result**  
23/24 ratio 27.10%

# Armidale Regional Council

## Report on infrastructure assets as at 30 June 2024

### Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>Buildings and infrastructure renewals ratio</b>							
Asset renewals <sup>1</sup>							
Depreciation, amortisation and impairment	162.95%	101.27%	12.54%	29.34%	141.68%	17.82%	> 100.00%
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	8.96%	7.94%	44.62%	52.91%	30.49%	40.25%	< 2.00%
<b>Asset maintenance ratio</b>							
Actual asset maintenance							
Required asset maintenance	78.39%	94.76%	105.98%	100.19%	58.93%	75.03%	> 100.00%
<b>Cost to bring assets to agreed service level</b>							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	13.52%	11.89%	60.90%	66.00%	39.70%	48.00%	

<sup>(1)</sup> 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.

