

# Tweed Shire Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2024

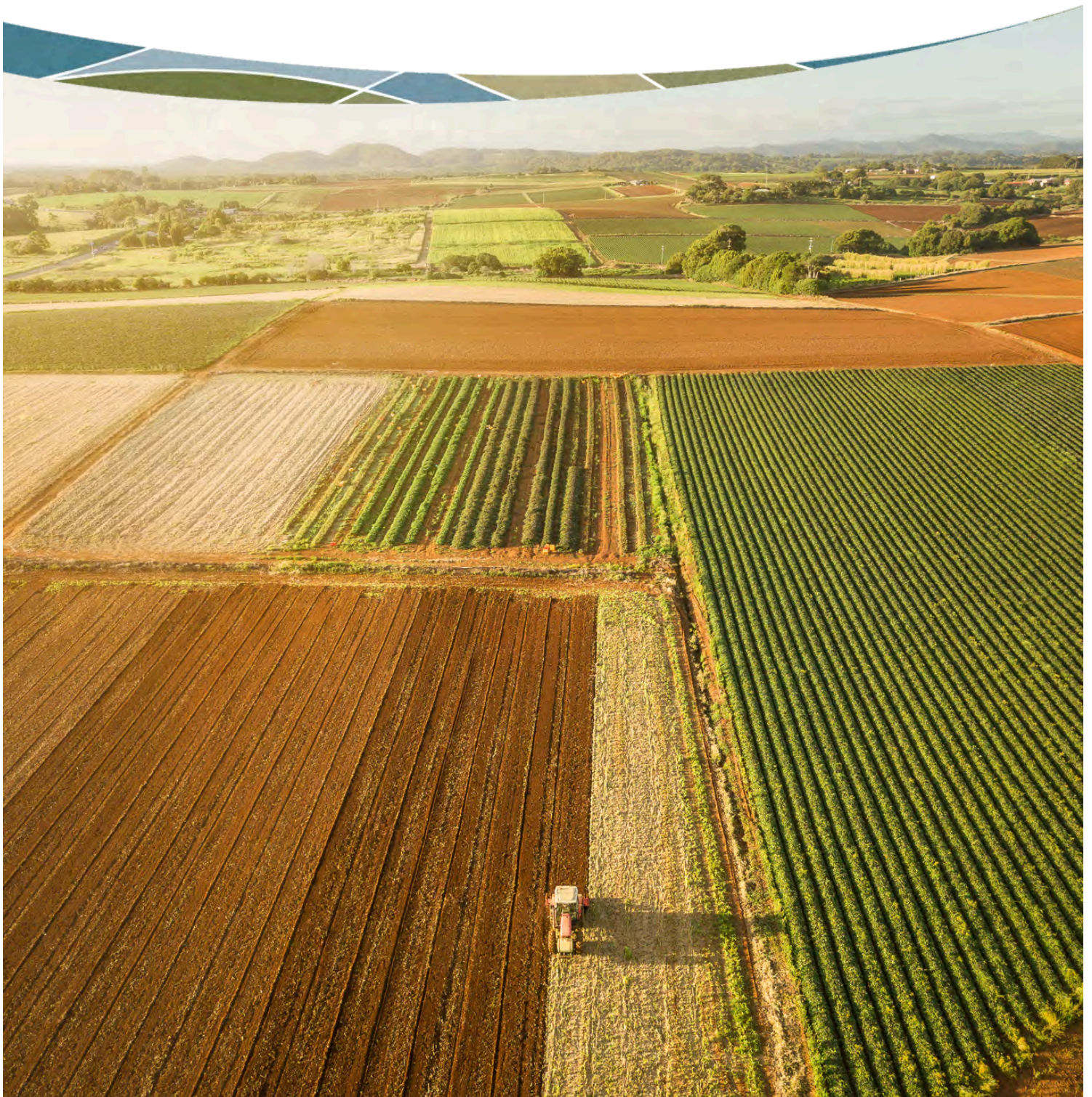
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*Living and loving the Tweed*



# General Purpose Financial Statements

Year ended 30 June 2024



# Tweed Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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### Overview

Tweed Shire Council is constituted under the Local Government Act 1993 (NSW) [LGA] and has its principal place of business at:

Civic and Cultural Centre  
10-14 Tumbulgum Road  
Murwillumbah NSW 2484

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

# Tweed Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Understanding Council's Financial Statements

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#### 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 Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on Council's financial performance and financial position.

#### About the Councillor and Management Statement

The financial statements must include an opinion by councillors and management as 'presenting fairly' Council's financial results for the year and – ensuring both responsibility for and ownership of the financial statements.

#### 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 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.

#### 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.

#### 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.

# Tweed Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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

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

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

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

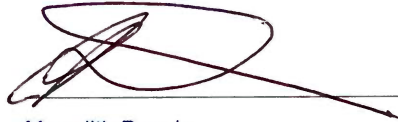
- present fairly Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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 24 October 2024.



Chris Cherry  
Mayor  
24 October 2024



Meredith Dennis  
Deputy Mayor  
24 October 2024



Troy Green  
General Manager  
24 October 2024



Michael Chorlton  
Responsible Accounting Officer  
24 October 2024

## Tweed Shire Council

### Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Income from continuing operations</b>				
133,662	Rates and annual charges	B2-1	<b>136,868</b>	129,386
55,584	User charges and fees	B2-2	<b>63,561</b>	57,702
2,232	Other revenues	B2-3	<b>3,835</b>	2,678
19,341	Grants and contributions provided for operating purposes	B2-4	<b>23,812</b>	66,302
6,750	Grants and contributions provided for capital purposes	B2-4	<b>120,066</b>	48,991
6,506	Interest and investment income	B2-5	<b>23,151</b>	12,612
–	Other income	B2-6	<b>2,560</b>	1,129
<u>224,075</u>	<b>Total income from continuing operations</b>		<u><b>373,853</b></u>	<u>318,800</u>
<b>Expenses from continuing operations</b>				
61,652	Employee benefits and on-costs	B3-1	<b>69,178</b>	63,514
71,376	Materials and services	B3-2	<b>84,463</b>	105,581
7,574	Borrowing costs	B3-3	<b>7,869</b>	8,712
48,648	Depreciation, amortisation and impairment of non-financial assets	B3-4	<b>61,054</b>	58,793
6,066	Other expenses	B3-5	<b>6,265</b>	5,932
–	Net loss from the disposal of assets	B4-1	<b>7,734</b>	6,930
<u>195,316</u>	<b>Total expenses from continuing operations</b>		<u><b>236,563</b></u>	<u>249,462</u>
<u>28,759</u>	<b>Operating result from continuing operations</b>		<u><b>137,290</b></u>	<u>69,338</u>
<u>28,759</u>	<b>Net operating result for the year attributable to Council</b>		<u><b>137,290</b></u>	<u>69,338</u>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>				
<u>22,010</u>			<u><b>17,224</b></u>	<u>20,347</u>

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

## Tweed Shire Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Net operating result for the year – from Income Statement</b>		<b>137,290</b>	69,338
<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>134,919</b>	205,791
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	<b>(539)</b>	8,062
Other comprehensive income – joint ventures and associates		<b>–</b>	1
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>134,380</b>	213,854
<b>Total other comprehensive income for the year</b>		<b>134,380</b>	213,854
<b>Total comprehensive income for the year attributable to Council</b>		<b>271,670</b>	283,192

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

## Tweed Shire Council

### Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	58,713	54,787
Investments	C1-2	352,519	275,444
Receivables	C1-4	23,190	18,391
Inventories	C1-5	1,046	961
Contract assets and contract cost assets	C1-6	5,692	6,122
Other	C1-9	706	604
<b>Total current assets</b>		<b>441,866</b>	<b>356,309</b>
<b>Non-current assets</b>			
Investments	C1-2	115,505	141,217
Receivables	C1-4	383	430
Inventories	C1-5	16,427	9,830
Infrastructure, property, plant and equipment (IPPE)	C1-7	3,584,107	3,378,713
Intangible assets	C1-8	626	1,031
Right of use assets	C2-1	162	258
Investments accounted for using the equity method	D2-1	1,438	1,566
<b>Total non-current assets</b>		<b>3,718,648</b>	<b>3,533,045</b>
<b>Total assets</b>		<b>4,160,514</b>	<b>3,889,354</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	24,877	27,992
Contract liabilities	C3-2	11,778	10,604
Lease liabilities	C2-1	6	71
Borrowings	C3-3	7,834	7,708
Employee benefit provisions	C3-4	21,516	20,586
Provisions	C3-5	48	192
<b>Total current liabilities</b>		<b>66,059</b>	<b>67,153</b>
<b>Non-current liabilities</b>			
Payables	C3-1	113	681
Lease liabilities	C2-1	168	204
Borrowings	C3-3	108,184	107,742
Employee benefit provisions	C3-4	1,681	1,751
Provisions	C3-5	7,897	7,081
<b>Total non-current liabilities</b>		<b>118,043</b>	<b>117,459</b>
<b>Total liabilities</b>		<b>184,102</b>	<b>184,612</b>
<b>Net assets</b>		<b>3,976,412</b>	<b>3,704,742</b>
<b>EQUITY</b>			
Accumulated surplus	C4-1	1,797,607	1,660,317
IPPE revaluation reserve	C4-1	2,178,805	2,044,425
<b>Council equity interest</b>		<b>3,976,412</b>	<b>3,704,742</b>
<b>Total equity</b>		<b>3,976,412</b>	<b>3,704,742</b>

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



## Tweed Shire Council

### Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		1,660,317	2,044,425	3,704,742	1,590,978	1,830,572	3,421,550
Net operating result for the year		137,290	–	137,290	69,338	–	69,338
<b>Net operating result for the period</b>		<b>137,290</b>	<b>–</b>	<b>137,290</b>	<b>69,338</b>	<b>–</b>	<b>69,338</b>
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	134,919	134,919	–	205,791	205,791
– Impairment (loss) reversal relating to IPP&E	C1-7	–	(539)	(539)	–	8,062	8,062
Joint ventures and associates		–	–	–	1	–	1
<b>Other comprehensive income</b>		<b>–</b>	<b>134,380</b>	<b>134,380</b>	<b>1</b>	<b>213,853</b>	<b>213,854</b>
<b>Total comprehensive income</b>		<b>137,290</b>	<b>134,380</b>	<b>271,670</b>	<b>69,339</b>	<b>213,853</b>	<b>283,192</b>
<b>Closing balance at 30 June</b>		<b>1,797,607</b>	<b>2,178,805</b>	<b>3,976,412</b>	<b>1,660,317</b>	<b>2,044,425</b>	<b>3,704,742</b>

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

## Tweed Shire Council

## Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
133,666	Rates and annual charges		136,045	130,515
55,673	User charges and fees		66,495	58,758
6,563	Interest received		19,033	9,905
26,161	Grants and contributions		132,238	104,727
–	Bonds, deposits and retentions received		152	–
2,211	Other		4,485	7,287
<i>Payments:</i>				
(59,929)	Payments to employees		(69,307)	(64,580)
(77,322)	Payments for materials and services		(90,081)	(114,670)
(7,590)	Borrowing costs		(7,687)	(8,089)
(100)	Bonds, deposits and retentions refunded		–	(108)
–	Other		(1)	–
79,333	<b>Net cash flows from operating activities</b>	G1-1	<b>191,372</b>	<b>123,745</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
6,777	Sale of investments		272,019	242,210
1,595	Proceeds from sale of IPPE		1,344	997
–	Deferred debtors receipts		68	68
<i>Payments:</i>				
–	Purchase of investments		(235,917)	(243,530)
–	Acquisition of term deposits		(86,282)	(8,032)
(84,551)	Payments for IPPE		(132,514)	(83,018)
–	Purchase of real estate assets		(6,597)	(3,056)
–	Purchase of intangible assets		(6)	(96)
–	Deferred debtors and advances made		(55)	(47)
(76,179)	<b>Net cash flows from investing activities</b>		<b>(187,940)</b>	<b>(94,504)</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
2,276	Proceeds from borrowings		8,276	2,276
<i>Payments:</i>				
(7,942)	Repayment of borrowings		(7,708)	(7,660)
–	Principal component of lease payments		(74)	(75)
(5,666)	<b>Net cash flows from financing activities</b>		<b>494</b>	<b>(5,459)</b>
(2,512)	<b>Net change in cash and cash equivalents</b>		<b>3,926</b>	<b>23,782</b>
18,374	Cash and cash equivalents at beginning of year		54,787	31,005
15,862	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>58,713</b>	<b>54,787</b>
184,720	plus: Investments on hand at end of year	C1-2	468,024	416,661
200,582	<b>Total cash, cash equivalents and investments</b>		<b>526,737</b>	<b>471,448</b>

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

# Tweed Shire Council

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# Tweed Shire Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 24 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these 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)*, 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.

#### **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 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 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) economic life of infrastructure, property, plant and equipment - refer Note C1-7
- (ii) fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (iii) tip remediation provisions – refer Note C3-5
- (iv) employee benefit provisions – refer Note C3-4.

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

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

## A1-1 Basis of preparation (continued)

### Monies and other assets received by Council

#### The Consolidated Fund

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

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

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

- General Purpose Operations
- Water Supply
- Sewerage Service
- Tweed Holiday Parks

#### Volunteer services

Council utilises volunteers for customer service functions at art galleries and museums. As volunteers do not undergo a selection or performance appraisal process, and each volunteer would have differing levels of skills and abilities, the value of their services cannot be measured reliably. Whilst volunteers provide a valuable service, there is no evidence that had those services not been donated, that Council would have purchased those services to a full or partial extent.

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

Council's assessment on the impact of upcoming new standards and interpretations (pronouncements) published by the Australian Accounting Standards Board that are likely to have an effect on Council's future financial statements, financial performance, financial position and cash flows are set out below:

- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

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

#### New accounting standards adopted during the year

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

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

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

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

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

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

## B Financial Performance

### B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions <sup>1</sup>		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Functions or activities</b>										
Environment management	2,011	2,929	4,536	4,187	(2,525)	(1,258)	1,852	2,651	44,348	41,311
Environment impact	33,824	33,685	24,702	23,135	9,122	10,550	2,712	3,255	30,366	27,557
Water supply and Wastewater services	94,412	82,230	62,439	62,952	31,973	19,278	8,199	8,191	1,450,207	1,388,888
Road and Active Transport network	23,052	38,953	44,106	66,615	(21,054)	(27,662)	21,531	38,791	1,343,756	1,212,434
Safe places	6,679	7,305	12,346	11,966	(5,667)	(4,661)	1,848	2,250	1,037	1,027
Natural disasters and climate change mitigation	80,695	37,149	9,433	9,408	71,262	27,741	79,540	37,077	266,457	255,674
Caring community	3,449	4,344	5,436	4,777	(1,987)	(433)	1,820	2,889	50,425	49,666
Healthy Active community	12,453	11,096	22,129	21,361	(9,676)	(10,265)	6,933	6,592	305,900	310,990
Vibrant community	14,327	12,757	18,507	17,736	(4,180)	(4,979)	1,504	1,295	154,970	155,121
Sustainable local economy	54	360	444	396	(390)	(36)	2	232	106,280	78,985
Future planning	93,010	87,147	11,213	7,771	81,797	79,376	8,947	12,031	309,574	267,626
Other	-	-	-	-	-	-	-	-	-	(8)
Engagement for a better tomorrow	71	41	8,806	8,720	(8,735)	(8,679)	25	-	-	31
Support services	9,816	804	12,466	10,438	(2,650)	(9,634)	8,965	39	97,194	100,044
<b>Total functions and activities</b>	<b>373,853</b>	<b>318,800</b>	<b>236,563</b>	<b>249,462</b>	<b>137,290</b>	<b>69,338</b>	<b>143,878</b>	<b>115,293</b>	<b>4,160,514</b>	<b>3,889,346</b>

(1) Grants and contributions are included in Income and are part of the Operating result.

## B1-2 Components of functions or activities

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

### Environment management

Biodiversity, Bushland, Coastal, Pest animal and Waterways management.

### Environment impact

Environmental sustainability, Sustainable agriculture, Resource recovery and Waste disposal.

### Water supply and Wastewater services

Water supply, Wastewater services and Tweed Laboratory services.

### Road and Active Transport network

Roads and traffic, Footpaths & bike paths

### Safe places

Animal management, Building certification, Compliance, Development assessment, Development engineering and subdivision assessment, Environmental health.

### Natural disasters and climate change mitigation

Floodplain, Local emergency and Stormwater management,

### Caring community

Cemeteries, Community care, Community development

### Healthy Active community

Aquatic centres, Parks and gardens, Sporting fields, Lifeguard services, Public toilets.

### Vibrant community

Art gallery, Auditoria, Holiday parks, Libraries, Museums, Rail trail, Tourism, Events

### Sustainable local economy

Business enterprise, Business support, Employment lands.

### Future planning

Financial services, Strategic land use planning

### Engagement for a better tomorrow

Communications and engagement, Councillor and Civic business, Contact centre and Customer experience.

### Support services

Construction, Work health and safety, Procurement services, Design services, Information technology, Property and legal services, Governance, Internal audit, Human resources, Plant and materials.



## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	62,171	58,573
Farmland	3,326	3,150
Business	6,287	5,966
Less: pensioner rebates (mandatory)	(1,666)	(1,657)
<b>Rates levied to ratepayers</b>	<b>70,118</b>	<b>66,032</b>
Pensioner rate subsidies received	911	933
<b>Total ordinary rates</b>	<b>71,029</b>	<b>66,965</b>
<b>Special rates</b>		
Koala Beach	97	91
Cobaki Lakes	668	628
Kings Forest	1,339	1,179
<b>Total special rates</b>	<b>2,104</b>	<b>1,898</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	18,635	17,705
Water supply services	7,630	7,414
Sewerage services	34,575	32,680
Waste management services (non-domestic)	3,624	3,433
Less: pensioner rebates (mandatory)	(1,609)	(1,599)
<b>Annual charges levied</b>	<b>62,855</b>	<b>59,633</b>
Pensioner annual charges subsidies received:		
– Water	353	358
– Sewerage	340	347
– Domestic waste management	187	185
<b>Total annual charges</b>	<b>63,735</b>	<b>60,523</b>
<b>Total rates and annual charges</b>	<b>136,868</b>	<b>129,386</b>

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

#### Material accounting policy information

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

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

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

## B2-2 User charges and fees

\$ '000	Timing	2024	2023
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>			
Domestic waste management services	2	935	861
Water supply services	2	26,541	23,636
Sewerage services	2	3,695	3,293
Waste management services (non-domestic)	2	6,477	6,045
<b>Total specific user charges</b>		<b>37,648</b>	<b>33,835</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Private works – section 67	2	46	159
Section 603 certificates	2	239	188
Town planning	2	1,305	1,391
Animal control	2	157	120
Health approvals	2	841	792
Building	2	1,330	1,316
<b>Total fees and charges – statutory/regulatory</b>		<b>3,918</b>	<b>3,966</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>			
Aerodrome	2	55	55
Caravan parks	2	13,813	12,791
Cemeteries	2	1,227	1,103
Leaseback fees – Council vehicles	2	373	397
Library and art gallery	2	442	486
Parking fees	2	7	8
Heavy vehicle load weights income	2	920	778
Water connection fees	2	436	345
Beach vehicles	2	18	17
Parks and gardens	2	153	122
Pools	2	2,264	2,189
Sewer/drainage	2	933	496
Other	2	514	258
Sportsgrounds	2	117	122
Tweed laboratory	2	723	734
<b>Total fees and charges – other</b>		<b>21,995</b>	<b>19,901</b>
<b>Total other user charges and fees</b>		<b>25,913</b>	<b>23,867</b>
<b>Total user charges and fees</b>		<b>63,561</b>	<b>57,702</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		63,561	57,702
<b>Total user charges and fees</b>		<b>63,561</b>	<b>57,702</b>

### Material accounting policy information

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

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

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

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

## B2-3 Other revenues

\$ '000	Timing	2024	2023
Fines – parking	2	145	291
Fines – other	2	151	143
Legal fees recovery – rates and charges (extra charges)	2	21	52
Legal fees recovery – other	2	142	234
Diesel rebate	2	248	180
Short-term rent and facilities hire	2	771	879
Insurance claims recoveries	2	1,628	238
Other	2	729	661
<b>Total other revenue</b>		<b>3,835</b>	<b>2,678</b>
<b>Timing of revenue recognition for other revenue</b>			
Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		3,835	2,678
<b>Total other revenue</b>		<b>3,835</b>	<b>2,678</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 are recognised as revenue when the service has been provided or the payment is received, whichever occurs first.

Fines are recognised as revenue when the payment is received.

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

## B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	2	372	2,148	–	–
Financial assistance – local roads component	2	96	921	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	2	8,048	9,133	–	–
Financial assistance – local roads component	2	3,222	3,665	–	–
<b>Amount recognised as income during current year</b>		<b>11,738</b>	<b>15,867</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Water supplies	2	23	–	–	148
Sewerage services	2	–	–	–	205
Bushfire and emergency services	2	402	234	–	696
Community centres	1	–	–	–	800
Library	2	340	343	–	195
Art gallery	2	110	100	–	–
Community service	2	355	863	–	–
Cycleways/walkways	1	–	200	672	10,356
Street lighting	2	163	159	–	–
Environment (incl. coastal/estuary management)	1/2	1,723	1,479	292	1,625
Museums	2	352	90	–	–
Positions funded by other govt. dept	2	139	44	–	–
Transport (other roads and bridges funding)	1/2	3,652	36,589	88,375	6,209
Other specific grants	1/2	2,403	3,829	8,338	965
Recreation and culture	1	–	1,936	–	2,793
Transport for NSW contributions (regional roads, block grant)	2	2,412	2,364	152	152
Roads	1	–	2,205	–	5,794
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>12,074</b>	<b>50,435</b>	<b>97,829</b>	<b>29,938</b>
<b>Non-cash contributions</b>					
Recreation and culture	2	–	–	1,509	–
Sewerage (excl. section 64 contributions)	2	–	–	2,479	1,711
Water supplies (excl. section 64 contributions)	2	–	–	1,044	567
Art gallery	2	–	–	–	456
Dedications (other than by s7.11) – land	2	–	–	–	33
Dedications (other than by s7.11) – drainage	2	–	–	–	176
Dedications (other than by s7.11) – land under roads	2	–	–	–	39
Dedications (other than by s7.11) – roads	2	–	–	6,142	5,184
<b>Total other contributions – non-cash</b>		<b>–</b>	<b>–</b>	<b>11,174</b>	<b>8,166</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>12,074</b>	<b>50,435</b>	<b>109,003</b>	<b>38,104</b>
<b>Total grants and non-developer contributions</b>		<b>23,812</b>	<b>66,302</b>	<b>109,003</b>	<b>38,104</b>
<b>Comprising:</b>					
– Commonwealth funding		14,786	18,528	9,498	4,264
– State funding		8,950	45,584	99,505	24,800
– Other funding		76	2,190	–	9,040
		<b>23,812</b>	<b>66,302</b>	<b>109,003</b>	<b>38,104</b>

## B2-4 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>						
	G4					
<b>Cash contributions</b>						
S 7.11 – contributions towards amenities/services		2	–	–	6,776	6,100
S 64 – water supply contributions		2	–	–	2,426	2,561
S 64 – sewerage service contributions		2	–	–	1,861	2,226
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>11,063</b>	<b>10,887</b>
<b>Total developer contributions</b>			<b>–</b>	<b>–</b>	<b>11,063</b>	<b>10,887</b>
<b>Total grants and contributions</b>			<b>23,812</b>	<b>66,302</b>	<b>120,066</b>	<b>48,991</b>
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time (1)			–	4,341	–	28,785
Grants and contributions recognised at a point in time (2)			23,812	61,961	120,066	20,206
<b>Total grants and contributions</b>			<b>23,812</b>	<b>66,302</b>	<b>120,066</b>	<b>48,991</b>

### Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Grants</b>				
Unspent funds at 1 July	22,386	6,988	5,264	4,202
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	35,682	17,026	6,795	3,974
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(16,287)	(1,628)	(1,895)	(2,912)
<b>Unspent funds at 30 June</b>	<b>41,781</b>	<b>22,386</b>	<b>10,164</b>	<b>5,264</b>
<b>Contributions</b>				
Unspent funds at 1 July	–	–	62,727	57,233
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	11,270	7,080
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(12,797)	(1,586)
<b>Unspent contributions at 30 June</b>	<b>–</b>	<b>–</b>	<b>61,200</b>	<b>62,727</b>

## B2-4 Grants and contributions (continued)

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### Material accounting policy information

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

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

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

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

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

#### Capital grants

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

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

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

#### Developer contributions

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

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

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

#### Other grants and contributions

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

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

## B2-5 Interest and investment income

\$ '000	2024	2023
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	664	401
– Cash and investments	22,485	12,209
– Deferred debtors	2	2
<b>Total interest and investment income (losses)</b>	<b>23,151</b>	<b>12,612</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	394	220
General Council cash and investments	8,202	4,715
<b>Restricted investments/funds – external:</b>		
Developer contributions		
– Section 7.11	2,625	1,325
Water fund operations	3,433	1,759
Sewerage fund operations	7,133	3,450
Domestic waste management operations	1,125	397
<b>Restricted investments/funds – internal:</b>		
Internally restricted assets	239	746
<b>Total interest and investment income</b>	<b>23,151</b>	<b>12,612</b>

## B2-6 Other income

\$ '000	Notes	2024	2023
<b>Fair value increment on investments through profit and loss</b>			
Fair value increment on investments through profit and loss		1,146	356
<b>Total fair value increment on investments through profit and loss</b>		<b>1,146</b>	<b>356</b>
<b>Property rental income</b>			
Rental Income		1,542	511
<b>Total rental income</b>	C2-2	<b>1,542</b>	<b>511</b>
<b>Net share of interests in joint ventures and associates using the equity method</b>			
Joint ventures	D2-1	(128)	262
<b>Total other income</b>		<b>2,560</b>	<b>1,129</b>

## B3 Costs of providing services

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

\$ '000	2024	2023
Salaries and wages	53,769	50,819
Travel expenses	94	87
Employee leave entitlements (ELE)	11,260	9,628
Superannuation	7,145	6,433
Workers' compensation insurance	2,592	1,895
Fringe benefit tax (FBT)	203	177
Payroll tax	1,331	1,162
Training costs (other than salaries and wages)	470	551
Other	290	261
<b>Total employee costs</b>	<b>77,154</b>	<b>71,013</b>
Less: capitalised costs	(7,976)	(7,499)
<b>Total employee costs expensed</b>	<b>69,178</b>	<b>63,514</b>

#### Material accounting policy information

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

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

### B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		72,868	92,868
Audit Fees	F2-1	162	149
Councillor and Mayoral fees and associated expenses	F1-2	341	269
Electricity		4,300	5,096
Insurance		2,791	2,585
Street lighting		774	846
Telephone and communications		421	445
Legal expenses: planning and development		2,184	2,614
Legal expenses: other		115	211
Expenses from leases of low value assets		507	498
<b>Total materials and services</b>		<b>84,463</b>	<b>105,581</b>

### B3-3 Borrowing costs

#### (i) Interest bearing liability costs

Interest on leases		1	6
Interest on overdraft		–	1
Interest on loans		7,689	8,056
<b>Total interest bearing liability costs</b>		<b>7,690</b>	<b>8,063</b>

#### (ii) Other borrowing costs

Amortisation of discounts and premiums:			
- Remediation liabilities	C3-5	179	649
<b>Total other borrowing costs</b>		<b>179</b>	<b>649</b>

#### Total borrowing costs expensed

<b>7,869</b>	<b>8,712</b>
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#### Material accounting policy information

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.



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

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment		2,513	3,064
Office equipment		272	215
Furniture and fittings		135	149
<b>Infrastructure:</b>	C1-7		
– Buildings		3,980	3,158
– Other structures		10	9
– Roads		15,415	16,249
– Bridges		1,965	2,517
– Footpaths		1,215	875
– Stormwater drainage		3,269	3,017
– Water supply network		12,284	11,381
– Sewerage network		15,648	14,537
– Swimming pools		505	217
– Other open space/recreational assets		1,865	1,815
– Other infrastructure		568	564
Right of use assets	C2-1	32	73
<b>Other assets:</b>			
– Service Concession Asset (Organics Facility)		517	177
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C3-5,C1-7	322	341
– Quarry assets	C3-5,C1-7	136	39
Intangible assets	C1-8	403	396
<b>Total depreciation and amortisation costs</b>		<b>61,054</b>	<b>58,793</b>
<b>Impairment / (reversal of impairment)</b>			
<b>Infrastructure:</b>	C1-7		
– Buildings		539	(2,455)
– Roads		–	(3,392)
– Bridges		–	(868)
– Footpaths		–	(36)
– Bulk earthworks (non-depreciable)		–	(715)
– Swimming pools		–	(596)
<b>Total gross IPPE impairment / (reversal of impairment)</b>		<b>539</b>	<b>(8,062)</b>
Amounts taken through revaluation reserve	C1-7	(539)	8,062
<b>Total IPPE impairment charged to Income Statement</b>		<b>–</b>	<b>–</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>61,054</b>	<b>58,793</b>

### Material accounting policy information

#### Depreciation and amortisation

Depreciation and amortisation are generally 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 assessed on an annual basis to ensure that the carrying amount is not materially different from fair value. During this assessment, or if events or changes in circumstances indicate that they may be impaired, an impairment loss is captured.

An impairment loss is reversed to ensure the asset carrying amount is reflective of its fair value after asset remediation has occurred.

This impairment assessment process is also applied to intangible assets not yet available for use.

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

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

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

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

## B3-5 Other expenses

\$ '000	2024	2023
<b>Other</b>		
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	1,545	1,188
– Waste levy	989	1,123
– Department of Lands levy – holiday parks	644	621
Contributions to Richmond Tweed Regional Library	2,878	2,820
Donations, contributions and assistance to other organisations (Section 356)	209	180
<b>Total other expenses</b>	<b>6,265</b>	<b>5,932</b>

## B4 Gains or losses

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

\$ '000	Notes	2024	2023
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Proceeds from disposal – property		–	111
Less: carrying amount of property assets sold/written off		(95)	(704)
<b>Gain (or loss) on disposal</b>		<b>(95)</b>	<b>(593)</b>
<b>Gain (or loss) on disposal of plant and equipment</b>			
	C1-7		
Proceeds from disposal – plant and equipment		1,344	886
Less: carrying amount of plant and equipment assets sold/written off		(1,544)	(773)
<b>Gain (or loss) on disposal</b>		<b>(200)</b>	<b>113</b>
<b>Gain (or loss) on disposal of infrastructure</b>			
	C1-7		
Less: carrying amount of infrastructure assets sold/written off		(7,439)	(6,450)
<b>Gain (or loss) on disposal</b>		<b>(7,439)</b>	<b>(6,450)</b>
<b>Gain (or loss) on disposal of investments</b>			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		272,019	242,209
Less: carrying amount of investments sold/redeemed/matured		(272,019)	(242,209)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(7,734)</b>	<b>(6,930)</b>

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 20 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>	133,662	136,868	3,206	2% <b>F</b>
<b>User charges and fees</b> Predominantly due to higher than budgeted non residential water usage.	55,584	63,561	7,977	14% <b>F</b>
<b>Other revenues</b> Insurance claims/recoveries from the February 2022 flood natural disaster were higher than anticipated.	2,232	3,835	1,603	72% <b>F</b>
<b>Operating grants and contributions</b> Several unbudgeted grants have been received to contribute towards repairs of flood damaged roads through the Disaster Recovery Funding arrangements (DRFA) grant funds.	19,341	23,812	4,471	23% <b>F</b>
<b>Capital grants and contributions</b> Unbudgeted grants were received for assets impaired by floods under the Community Assets Program. Funding was also received under the Infrastructure Betterment Fund for the new Murwillumbah Works Depot.	6,750	120,066	113,316	1,679% <b>F</b>
<b>Interest and investment revenue</b> Grant funds received for the February 2022 floods boosted the cash balance. Higher returns on investments were received following the RBA's target cash rate increase from 4.10% at June 2023 to 4.35% at June 2024.	6,506	23,151	16,645	256% <b>F</b>
<b>Other income</b> A higher investment balance led to an increased fair value increment on investments not included in the budget.	-	2,560	2,560	∞ <b>F</b>
<b>Expenses</b>				
<b>Employee benefits and on-costs</b> An estimated 3% Award salary increase was budgeted for with the actual being 4.5%. The increase was announced in Jun23, after 23/24 budgets were finalised. Workcover premiums increased accordingly.	61,652	69,178	(7,526)	(12)% <b>U</b>
<b>Materials and services</b> Expenditure on materials and services was higher than budget primarily due to the level of flood recovery expenditure required.	71,376	84,463	(13,087)	(18)% <b>U</b>
<b>Borrowing costs</b>	7,574	7,869	(295)	(4)% <b>U</b>
<b>Depreciation, amortisation and impairment of non-financial assets</b> The budget for depreciation is under review given recent revaluations and indexations.	48,648	61,054	(12,406)	(26)% <b>U</b>
<b>Other expenses</b>	6,066	6,265	(199)	(3)% <b>U</b>

continued on next page ...

## B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Net losses from disposal of assets</b>	–	7,734	(7,734)	∞ <b>U</b>
This mainly includes the written down value of assets replaced for which a budget was not provided.				
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	79,333	191,372	112,039	141% <b>F</b>
Predominantly due to the level of unbudgeted flood related repair grants received.				
<b>Cash flows from investing activities</b>	(76,179)	(187,940)	(111,761)	147% <b>U</b>
Largely driven by flood related renewals and replacements of infrastructure, property, plant and equipment.				
<b>Cash flows from financing activities</b>	(5,666)	494	6,160	(109)% <b>F</b>
Due to loan borrowings of \$4m for the Tweed Pound relocation and \$2m towards SES fleet and equipment for flood emergencies.				

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2024	2023
<b>Cash assets</b>		
Cash on hand and at bank	12,122	17,419
Deposits at call	46,591	37,368
<b>Total cash and cash equivalents</b>	<b>58,713</b>	<b>54,787</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	58,713	54,787
<b>Balance as per the Statement of Cash Flows</b>	<b>58,713</b>	<b>54,787</b>

#### C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Debt securities at amortised cost</b>				
Long term deposits	344,515	47,569	267,901	37,901
<b>Total</b>	<b>344,515</b>	<b>47,569</b>	<b>267,901</b>	<b>37,901</b>
<b>Equity securities at fair value through profit and loss</b>				
NCD's, FRN's (with maturities > 3 months)	8,004	67,936	7,543	103,316
<b>Total</b>	<b>8,004</b>	<b>67,936</b>	<b>7,543</b>	<b>103,316</b>
<b>Total financial investments</b>	<b>352,519</b>	<b>115,505</b>	<b>275,444</b>	<b>141,217</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>411,232</b>	<b>115,505</b>	<b>330,231</b>	<b>141,217</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 the Income Statement where transaction costs are expensed as incurred).

#### Financial assets

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

#### Classification

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

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

#### Amortised cost

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

## 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.

### Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value in the Income Statement.

Net gains or losses, including any interest or dividend income, are recognised in the Income Statement.

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>526,737</b>	471,448
Less: Externally restricted cash, cash equivalents and investments	<b>(380,175)</b>	(328,281)
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>146,562</b>	143,167
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Other – security deposits	4,314	4,605
Specific purpose unexpended grants – general fund	51,945	27,650
<b>Total External restrictions – included in liabilities</b>	<b>56,259</b>	32,255
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	67,967	62,733
Water fund	5,005	4,181
Water supplies – asset replacement	72,673	72,168
Sewer fund	5,176	4,175
Sewerage services – Banora Point laboratory	2,294	1,901
Sewerage services – asset replacement	139,386	121,489
Domestic waste management	31,107	29,061
Special rate – Koala Beach	308	318
<b>Total External restrictions – other</b>	<b>323,916</b>	296,026
<b>Total external restrictions</b>	<b>380,175</b>	328,281

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)**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>(b) Internal allocations</b>		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>146,562</b>	143,167
Less: Internally restricted cash, cash equivalents and investments	<u>(145,236)</u>	<u>(141,424)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>1,326</b>	<b>1,743</b>
<b>Internal allocations</b>		
At 30 June, Council has internally allocated funds to the following:		
Tweed Holiday Parks	24,311	22,070
Employees leave entitlement	11,200	11,513
Carry over works	19,692	21,726
Unexpended loans	9,907	2,881
Asset management reserve – infrastructure	21,785	17,967
Community facilities asset management	5,990	6,405
Software and equipment – asset management	3,313	4,039
Access funding	190	152
Art gallery construction	358	318
Beach vehicle licence income	160	161
Catchment water quality	552	564
Insurance	360	500
Land development	693	619
Museum donations	22	16
Non-DWM management	21,108	26,386
Plant operations	11,210	12,091
Revolving energy fund	163	254
Road land sale	132	132
7 year plan	5,841	4,901
Voluntary Planning Agreements	<u>8,249</u>	<u>8,729</u>
<b>Total internal allocations</b>	<b>145,236</b>	<b>141,424</b>

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

## C1-4 Receivables

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Rates and annual charges	6,127	–	5,824	–
Interest and extra charges	1,017	–	827	–
User charges and fees	6,118	–	5,750	–
Accrued revenues				
– Interest on investments	8,166	–	4,238	–
Deferred debtors	9	54	9	59
Government grants and subsidies	221	–	221	–
Loans to sporting clubs	29	329	29	371
Net GST receivable	1,602	–	1,592	–
<b>Total</b>	<b>23,289</b>	<b>383</b>	<b>18,490</b>	<b>430</b>
<b>Less: provision for impairment</b>				
Doubtful debts	(99)	–	(99)	–
<b>Total provision for impairment – receivables</b>	<b>(99)</b>	<b>–</b>	<b>(99)</b>	<b>–</b>
<b>Total net receivables</b>	<b>23,190</b>	<b>383</b>	<b>18,391</b>	<b>430</b>
<b>Externally restricted receivables</b>				
<b>Water supply</b>				
– Rates and availability charges	3,552	–	2,967	–
– Other	1,776	–	352	–
<b>Sewerage services</b>				
– Rates and availability charges	2,784	–	1,755	–
– Other	2,408	–	1,602	–
<b>Domestic waste management</b>	<b>941</b>	<b>–</b>	<b>792</b>	<b>–</b>
<b>Total external restrictions</b>	<b>11,461</b>	<b>–</b>	<b>7,468</b>	<b>–</b>
<b>Unrestricted receivables</b>	<b>11,729</b>	<b>383</b>	<b>10,923</b>	<b>430</b>
<b>Total net receivables</b>	<b>23,190</b>	<b>383</b>	<b>18,391</b>	<b>430</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 determining whether the credit risk of a financial asset has increased significantly since initial recognition, and 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.

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

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

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

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



## C1-4 Receivables (continued)

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

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

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

Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

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 the Income Statement.

Rates and annual charges outstanding are secured against the property.

## C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>(i) Inventories</b>				
Real estate for resale	–	16,427	–	9,830
Stores and materials	1,046	–	961	–
<b>Total inventories</b>	<b>1,046</b>	<b>16,427</b>	<b>961</b>	<b>9,830</b>

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>(a) Details for real estate development</b>				
Industrial/commercial	–	16,427	–	9,830
<b>Represented by:</b>				
Transfers from operational land	–	4,020	–	4,020
Development costs	–	12,407	–	5,810
<b>Total costs</b>	<b>–</b>	<b>16,427</b>	<b>–</b>	<b>9,830</b>
<b>Total real estate for resale</b>	<b>–</b>	<b>16,427</b>	<b>–</b>	<b>9,830</b>
<b>Movements:</b>				
Real estate assets at beginning of the year	–	9,830	–	2,839
– Purchases and other costs	–	6,597	–	6,991
<b>Total real estate for resale</b>	<b>–</b>	<b>16,427</b>	<b>–</b>	<b>9,830</b>

## C1-5 Inventories (continued)

### Material accounting policy information

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

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

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

## C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	5,692	-	6,122	-
<b>Total contract assets and contract cost assets</b>	<b>5,692</b>	<b>-</b>	<b>6,122</b>	<b>-</b>

### Contract assets

Work relating to infrastructure grants	5,692	-	6,122	-
<b>Total contract assets</b>	<b>5,692</b>	<b>-</b>	<b>6,122</b>	<b>-</b>

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

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period								At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation increment / (decrement)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>														
Capital work in progress	78,079	–	78,079	81,391	24,429	–	–	–	(56,804)	(1,028)	–	126,067	–	126,067
Plant and equipment	44,515	(19,638)	24,877	4,992	1,416	(1,329)	(2,513)	–	23	1,278	–	46,848	(18,104)	28,744
Office equipment	1,903	(990)	913	–	–	–	(272)	–	–	19	–	1,621	(961)	660
Furniture and fittings	3,323	(2,717)	606	–	83	(17)	(135)	–	35	(310)	–	819	(557)	262
<b>Land:</b>														
– Operational land	462,444	–	462,444	–	1,319	–	–	–	–	–	–	463,763	–	463,763
– Community land	81,525	–	81,525	–	–	–	–	–	–	(2)	–	81,523	–	81,523
– Crown land	83,720	–	83,720	–	–	–	–	–	–	–	–	83,720	–	83,720
– Land under roads (pre 1/7/08)	70,692	–	70,692	–	–	(4)	–	–	–	–	–	70,688	–	70,688
– Land under roads (post 30/6/08)	1,885	–	1,885	–	73	–	–	–	–	(38)	–	1,920	–	1,920
<b>Infrastructure:</b>														
– Buildings	254,570	(89,119)	165,451	4,681	–	(53)	(3,980)	(539)	839	(2,368)	4,807	273,967	(105,129)	168,838
– Other structures	720	(415)	305	–	8	–	(10)	–	–	–	–	728	(425)	303
– Roads	899,780	(182,249)	717,531	5,280	1,062	(2,056)	(15,415)	–	36,921	(2,235)	38,294	987,640	(208,258)	779,382
– Bridges	239,258	(37,900)	201,358	898	–	(1,273)	(1,965)	–	9,002	(884)	11,185	260,339	(42,018)	218,321
– Footpaths	54,122	(24,845)	29,277	210	510	(18)	(1,215)	–	6,002	–	1,877	64,110	(27,467)	36,643
– Bulk earthworks (non-depreciable)	194,998	(17)	194,981	–	258	(42)	–	–	–	–	10,551	205,748	–	205,748
– Stormwater drainage	300,175	(112,702)	187,473	2,550	–	–	(3,269)	–	77	(77)	10,085	319,072	(122,233)	196,839
– Water supply network	792,327	(282,562)	509,765	1,268	1,612	(414)	(12,284)	–	1,438	–	24,907	833,450	(307,158)	526,292
– Sewerage network	841,901	(347,362)	494,539	2,547	2,699	(275)	(15,648)	–	1,959	–	23,513	889,910	(380,576)	509,334
– Swimming pools	12,351	(4,355)	7,996	–	–	–	(505)	–	–	423	259	12,781	(4,608)	8,173
– Other open space/recreational assets	50,461	(20,940)	29,521	209	374	(76)	(1,865)	–	508	–	6,078	62,275	(27,526)	34,749
– Other infrastructure	24,978	(10,212)	14,766	501	70	(62)	(568)	–	–	327	2,766	29,922	(12,122)	17,800
<b>Other assets:</b>														
– Service Concession Asset (Organics Facility)	7,066	(353)	6,713	–	2,459	–	(517)	–	–	–	597	10,182	(930)	9,252
– Artworks	11,749	–	11,749	–	406	–	–	–	–	–	–	12,155	–	12,155
<b>Reinstatement, rehabilitation and restoration assets</b>														
– Quarry assets	904	(744)	160	651	–	–	(136)	–	–	–	–	1,554	(879)	675
– Tip assets	4,783	(2,396)	2,387	191	–	–	(322)	–	–	–	–	4,975	(2,719)	2,256
<b>Total infrastructure, property, plant and equipment</b>	<b>4,518,229</b>	<b>(1,139,516)</b>	<b>3,378,713</b>	<b>105,369</b>	<b>36,778</b>	<b>(5,619)</b>	<b>(60,619)</b>	<b>(539)</b>	<b>–</b>	<b>(4,895)</b>	<b>134,919</b>	<b>4,845,777</b>	<b>(1,261,670)</b>	<b>3,584,107</b>

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period									At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>															
Capital work in progress	41,644	–	41,644	36,714	22,871	–	–	–	(20,335)	(2,815)	–	–	78,079	–	78,079
Plant and equipment	42,522	(18,491)	24,031	3,023	1,615	(774)	(3,064)	–	46	–	–	–	44,515	(19,638)	24,877
Office equipment	1,701	(1,221)	480	74	574	–	(215)	–	–	–	–	–	1,903	(990)	913
Furniture and fittings	3,314	(2,690)	624	119	–	–	(149)	–	12	–	–	–	3,323	(2,717)	606
<b>Land:</b>															
– Operational land	412,254	–	412,254	–	2,502	(217)	–	–	1,102	(3,336)	–	50,139	462,444	–	462,444
– Community land	81,525	–	81,525	–	–	–	–	–	–	–	–	–	81,525	–	81,525
– Crown land	83,577	–	83,577	–	–	–	–	–	–	–	–	143	83,720	–	83,720
– Land under roads (pre 1/7/08)	70,852	–	70,852	–	–	(160)	–	–	–	–	–	–	70,692	–	70,692
– Land under roads (post 30/6/08)	1,846	–	1,846	–	39	–	–	–	–	–	–	–	1,885	–	1,885
<b>Infrastructure:</b>															
– Buildings	223,015	(59,028)	163,987	1,109	968	(325)	(3,158)	2,455	107	(2)	–	310	254,570	(89,119)	165,451
– Other structures	720	(406)	314	–	–	–	(9)	–	–	–	–	–	720	(415)	305
– Roads	837,743	(164,526)	673,217	8,914	3,493	(3,972)	(16,249)	3,392	8,698	42	–	39,996	899,780	(182,249)	717,531
– Bridges	224,457	(32,597)	191,860	20	10	(101)	(2,517)	868	604	(604)	–	11,218	239,258	(37,900)	201,358
– Footpaths	50,624	(22,507)	28,117	141	264	(2)	(875)	36	409	(445)	–	1,632	54,122	(24,845)	29,277
– Bulk earthworks (non-depreciable)	184,084	(728)	183,356	71	–	(7)	–	715	–	–	–	10,846	194,998	(17)	194,981
– Stormwater drainage	281,704	(103,397)	178,307	230	1,527	(19)	(3,017)	–	–	–	–	10,445	300,175	(112,702)	187,473
– Water supply network	734,975	(255,019)	479,956	1,303	1,033	(1,176)	(11,381)	–	3,383	(15)	–	36,662	792,327	(282,562)	509,765
– Sewerage network	774,372	(310,219)	464,153	3,155	2,469	(988)	(14,537)	–	4,679	–	–	35,608	841,901	(347,362)	494,539
– Swimming pools	5,182	(4,107)	1,075	–	–	–	(217)	596	–	–	–	6,542	12,351	(4,355)	7,996
– Other open space/recreational assets	48,436	(19,247)	29,189	116	1,576	(56)	(1,815)	–	511	–	–	–	50,461	(20,940)	29,521
– Other infrastructure	24,208	(9,685)	14,523	23	–	–	(564)	–	784	–	–	–	24,978	(10,212)	14,766
<b>Other assets:</b>															
– Other	7,067	(177)	6,890	–	–	–	(177)	–	–	–	–	–	7,066	(353)	6,713
– Artworks	9,029	–	9,029	–	471	(1)	–	–	–	–	–	2,250	11,749	–	11,749
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>															
– Tip assets	4,389	(2,054)	2,335	–	–	–	(341)	–	–	393	–	–	4,783	(2,396)	2,387
– Quarry assets	948	(705)	243	–	–	–	(39)	–	–	(44)	–	–	904	(744)	160
<b>Total infrastructure, property, plant and equipment</b>	<b>4,150,188</b>	<b>(1,006,804)</b>	<b>3,143,384</b>	<b>55,012</b>	<b>39,412</b>	<b>(7,798)</b>	<b>(58,324)</b>	<b>8,062</b>	<b>–</b>	<b>(6,826)</b>	<b>–</b>	<b>205,791</b>	<b>4,518,229</b>	<b>(1,139,516)</b>	<b>3,378,713</b>

(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 are 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 generally 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>Buildings</b>	<b>Years</b>
Office equipment	3 to 10	Buildings - floor	60 to 130
Office furniture	4 to 20	Buildings - envelope	45 to 125
Computer equipment	4	Buildings - roof	40 to 90
Vehicles	2.5 to 3		
Heavy plant/road making equipment	5 to 10	Holiday parks' tents, cabins, villas and buildings *	10 to 40
Other plant and equipment	5 to 10		
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	40 to 180	Drains	100
Reticulation pipes: PVC and other	40 to 80	Culverts	75
Pumps and telemetry	15 to 60		
<b>Transportation assets</b>			
Sealed roads: surface	15 to 30	Bridges - concrete	80 to 100
Concrete/paved road	80	Bridges - other	30 to 100
Road pavement - gravel	10	Footpaths	30 to 60
Road pavement - sealed	60 to 100	Kerb and guttering	80
Road pavement - sub-base	180 to 300	Traffic facilities	20 to 80
<b>Other Infrastructure Assets</b>			
Bulk earthworks	Infinite	Marine structures	5 to 80

\* The IPPE of holiday parks predominantly consists of relocatable structures with high usage. Shorter estimated useful lives and lower estimated residual values have been adopted for these assets.

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

#### Revaluation Model

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

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

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

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

### **Land under roads**

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

Further detail has been provided in note E2-1 Fair value measurement.

### **Crown reserves**

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

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.

## Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/24			as at 30/06/23		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
<b>Water supply</b>						
WIP	16,653	–	16,653	11,878	–	11,878
Plant and equipment	305	208	97	379	246	133
Office equipment	9	9	–	9	9	–
Furniture and fittings	–	–	–	20	20	–
Land						
– Operational land	65,439	–	65,439	64,844	–	64,844
– Community land	164	–	164	164	–	164
Buildings	6,258	1,972	4,286	4,171	1,318	2,853
Infrastructure	832,723	307,158	525,565	791,600	282,562	509,038
Other assets	728	–	728	728	–	728
<b>Total water supply</b>	<b>922,279</b>	<b>309,347</b>	<b>612,932</b>	<b>873,793</b>	<b>284,155</b>	<b>589,638</b>
<b>Sewerage services</b>						
WIP	7,422	–	7,422	5,346	–	5,346
Plant and equipment	1,096	851	245	1,164	873	291
Office equipment	11	11	–	16	16	–
Furniture and fittings	–	–	–	109	92	17
Land						
– Operational land	83,229	–	83,229	82,866	–	82,866
– Community land	280	–	280	280	–	280
Buildings	9,334	3,273	6,061	8,783	2,937	5,846
Infrastructure	889,910	380,576	509,334	841,900	347,361	494,539
<b>Total sewerage services</b>	<b>991,282</b>	<b>384,711</b>	<b>606,571</b>	<b>940,464</b>	<b>351,279</b>	<b>589,185</b>
<b>Domestic waste management</b>						
Plant and equipment	254	52	202	228	35	193
Office equipment	27	27	–	27	27	–
Furniture and fittings	198	198	–	198	198	–
Land						
– Operational land	4,642	–	4,642	4,642	–	4,642
Buildings	2,165	600	1,565	1,591	408	1,183
Other structures	66	66	–	66	66	–
<b>Total domestic waste management</b>	<b>7,352</b>	<b>943</b>	<b>6,409</b>	<b>6,752</b>	<b>734</b>	<b>6,018</b>
<b>Total restricted infrastructure, property, plant and equipment</b>	<b>1,920,913</b>	<b>695,001</b>	<b>1,225,912</b>	<b>1,821,009</b>	<b>636,168</b>	<b>1,184,841</b>

## C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
<b>Software</b>		
<b>Opening values at 1 July</b>		
Gross book value	5,109	5,478
Accumulated amortisation	(4,078)	(4,155)
<b>Net book value – opening balance</b>	<b>1,031</b>	<b>1,323</b>
<b>Movements for the year</b>		
Other movements	1	8
Purchases	5	104
Amortisation charges	(403)	(396)
Gross book value written off	–	(473)
Accumulated amortisation charges written off	–	473
<b>Closing values at 30 June</b>		
Gross book value	5,114	5,109
Accumulated amortisation	(4,488)	(4,078)
<b>Total software – net book value</b>	<b>626</b>	<b>1,031</b>
<b>Total intangible assets – net book value</b>	<b>626</b>	<b>1,031</b>



## C1-9 Other

### Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	706	-	604	-
<b>Total other assets</b>	<b>706</b>	<b>-</b>	<b>604</b>	<b>-</b>

### Externally restricted assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Water</b>				
Prepayments	30	-	20	-
<b>Total water</b>	<b>30</b>	<b>-</b>	<b>20</b>	<b>-</b>
<b>Sewerage</b>				
Prepayments	39	-	29	-
<b>Total sewerage</b>	<b>39</b>	<b>-</b>	<b>29</b>	<b>-</b>
Total externally restricted assets	69	-	49	-
Total internally restricted assets	-	-	-	-
Total unrestricted assets	637	-	555	-
<b>Total other assets</b>	<b>706</b>	<b>-</b>	<b>604</b>	<b>-</b>

## C2 Leasing activities

### C2-1 Council as a lessee

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

#### Land and buildings

Council leases land and buildings for a variety of purposes, including open space, marine infrastructure, visitor centre, art gallery, car parking, and operational needs; the leases are generally between 1 and 40 years and some of them include an option to continue the lease for an undefined term at either party's discretion.

These leases often contain an annual pricing mechanism, typically 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 servers. The leases are for between 3 and 6 years with no renewal option with fixed payments.

#### (a) Right of use assets

\$ '000	Office Equipment	OPLAND	Total
<b>2024</b>			
<b>Opening balance at 1 July</b>	<b>45</b>	<b>–</b>	<b>258</b>
Depreciation charge	(29)	(3)	(32)
Other movement	(16)	3	(64)
<b>Balance at 30 June</b>	<b>–</b>	<b>–</b>	<b>162</b>
<b>2023</b>			
Opening balance at 1 July	45	–	269
Depreciation charge	–	–	(73)
Other movement	–	–	62
Balance at 30 June	45	–	258

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

### (b) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
<b>2024</b>					
Cash flows	6	27	142	175	174
<b>2023</b>					
Cash flows	71	82	122	275	275

### (c) Income Statement

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

\$ '000	2024	2023
Interest on lease liabilities	1	6
Depreciation of right of use assets	32	73
Expenses relating to leases of low-value assets	507	498
	<b>540</b>	<b>577</b>

### (d) Statement of Cash Flows

Total cash outflow for leases	433	621
	<b>433</b>	<b>621</b>

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

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

- Museum Uki
- RFS storage facility Burringbar
- Carparking Murwillumbah

The leases are generally between 3 and 20 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 which Council must provide, these services are detailed in the leases.

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

#### Material accounting policy information

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

#### Exceptions to lease accounting

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

#### Leases at significantly below market value / Concessionary leases

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

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes. As the rental is incidental or the asset is held to meet Council's service delivery objective, the assets are included in the Statement of Financial Position note C1-7 Infrastructure, property, plant and equipment.

\$ '000	2024	2023
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#### (i) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of various community and recreational services. The table below relates to operating leases on assets disclosed in C1-7.

Lease income (excluding variable lease payments not dependent on an index or rate)	1,542	511
<b>Total income relating to operating leases for Council assets</b>	<b>1,542</b>	<b>511</b>

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

< 1 year	210	771
<b>Total undiscounted lease payments to be received</b>	<b>210</b>	<b>771</b>

### Material accounting policy information

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

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

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

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

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Interest on leases	4	–	3	–
Prepaid rates	4,569	–	5,089	–
Goods and services – operating expenditure	12,452	–	12,107	–
Goods and services – capital expenditure	2,151	–	5,128	–
Accrued expenses:				
– Borrowings	255	–	254	–
– Salaries and wages	570	–	1,283	–
– Other expenditure accruals	231	–	203	–
Security bonds, deposits and retentions	4,645	113	3,925	681
<b>Total payables</b>	<b>24,877</b>	<b>113</b>	<b>27,992</b>	<b>681</b>

#### Payables relating to restricted assets

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
<b>Externally restricted assets</b>				
Water	441	–	687	–
Sewer	–	–	1,766	–
Domestic waste management	263	–	333	–
Other – bonds and deposits	4,667	49	3,796	681
<b>Payables relating to externally restricted assets</b>	<b>5,371</b>	<b>49</b>	<b>6,582</b>	<b>681</b>
<b>Internally restricted assets</b>				
Other – Tweed Holiday Parks	8	–	121	–
<b>Payables relating to internally restricted assets</b>	<b>8</b>	<b>–</b>	<b>121</b>	<b>–</b>
<b>Total payables relating to restricted assets</b>	<b>5,379</b>	<b>49</b>	<b>6,703</b>	<b>681</b>
<b>Total payables relating to unrestricted assets</b>	<b>19,498</b>	<b>64</b>	<b>21,289</b>	<b>–</b>
<b>Total payables</b>	<b>24,877</b>	<b>113</b>	<b>27,992</b>	<b>681</b>

#### Payables

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

## C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	1,938	-	2,984	-
<b>User fees and charges received in advance:</b>					
Other		9,840	-	7,620	-
<b>Total contract liabilities</b>		<b>11,778</b>	<b>-</b>	<b>10,604</b>	<b>-</b>

### Notes

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

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15/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

\$ '000	2024	2023
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	1,831	3,055
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>1,831</b>	<b>3,055</b>

### Significant changes in contract liabilities

The value of capital grants received was significantly lower than that received last year (\$15.8m v \$38.1m).

### C3-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	7,834	108,184	7,708	107,742
<b>Total borrowings</b>	<b>7,834</b>	<b>108,184</b>	<b>7,708</b>	<b>107,742</b>

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

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

#### Borrowings relating to restricted assets

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
<b>Externally restricted assets</b>				
Water	4,676	44,936	2,189	49,612
Borrowings relating to externally restricted assets	4,676	44,936	2,189	49,612
<b>Total borrowings relating to restricted assets</b>	<b>4,676</b>	<b>44,936</b>	<b>2,189</b>	<b>49,612</b>
<b>Total borrowings relating to unrestricted assets</b>	<b>3,158</b>	<b>63,248</b>	<b>5,519</b>	<b>58,130</b>
<b>Total borrowings</b>	<b>7,834</b>	<b>108,184</b>	<b>7,708</b>	<b>107,742</b>

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

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	115,450	568	–	–	–	–	116,018
Lease liability (Note C2-1b)	275	(11)	–	–	–	(90)	174
<b>Total liabilities from financing activities</b>	<b>115,725</b>	<b>557</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(90)</b>	<b>116,192</b>

### C3-3 Borrowings (continued)

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	120,834	(5,384)	–	–	–	–	115,450
Lease liability (Note C2-1b)	288	(13)	–	–	–	–	275
<b>Total liabilities from financing activities</b>	<b>121,122</b>	<b>(5,397)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>115,725</b>

#### (b) Financing arrangements

\$ '000	2024	2023
<b>Total facilities</b>		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities <sup>1</sup>	1,000	1,000
Credit cards/purchase cards	300	300
<b>Total financing arrangements</b>	<b>1,300</b>	<b>1,300</b>
<b>Drawn facilities</b>		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	23	33
<b>Total drawn financing arrangements</b>	<b>23</b>	<b>33</b>
<b>Undrawn facilities</b>		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	1,000	1,000
– Credit cards/purchase cards	277	267
<b>Total undrawn financing arrangements</b>	<b>1,277</b>	<b>1,267</b>

#### Breaches and defaults

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

#### Security over loans

Loans are secured by a charge over future cash flows of rate revenue.

Lease liabilities are secured by the underlying leased assets.

#### Bank overdrafts

The bank overdraft facility is secured by a charge over future cash flows of rate revenue.

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



## C3-4 Employee benefit provisions

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Annual leave	5,313	–	5,179	–
Sick leave	3,052	559	2,789	810
Long service leave	11,135	995	10,818	827
ELE on-costs	2,016	127	1,800	114
<b>Total employee benefit provisions</b>	<b>21,516</b>	<b>1,681</b>	<b>20,586</b>	<b>1,751</b>

### Employee benefit provisions relating to restricted assets

#### Externally restricted assets

Other	11,135	65	10,818	695
Employee benefit provisions relating to externally restricted assets	11,135	65	10,818	695
<b>Total employee benefit provisions relating to restricted assets</b>	<b>11,135</b>	<b>65</b>	<b>10,818</b>	<b>695</b>

#### Total employee benefit provisions relating to unrestricted assets

	10,381	1,616	9,768	1,056
<b>Total employee benefit provisions</b>	<b>21,516</b>	<b>1,681</b>	<b>20,586</b>	<b>1,751</b>

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	13,898	14,265
	<b>13,898</b>	<b>14,265</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 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

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	48	7,897	192	7,081
<b>Total provisions</b>	<b>48</b>	<b>7,897</b>	<b>192</b>	<b>7,081</b>
<b>Provisions relating to restricted assets</b>				
<b>Externally restricted assets</b>				
Domestic waste management	–	1,637	–	1,945
Provisions relating to externally restricted assets	–	1,637	–	1,945
<b>Internally restricted assets</b>				
Non-Domestic waste management	–	1,636	–	1,945
<b>Provisions relating to internally restricted assets</b>	<b>–</b>	<b>1,636</b>	<b>–</b>	<b>1,945</b>
<b>Total provisions relating to restricted assets</b>	<b>–</b>	<b>3,273</b>	<b>–</b>	<b>3,890</b>
<b>Total provisions relating to unrestricted assets</b>	<b>48</b>	<b>4,624</b>	<b>192</b>	<b>3,191</b>
<b>Total provisions</b>	<b>48</b>	<b>7,897</b>	<b>192</b>	<b>7,081</b>

## Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
<b>2024</b>		
At beginning of year	7,273	7,273
<b>Changes to provision:</b>		
– Revised discount rate	(85)	(85)
– Revised costs	842	842
Unwinding of discount	265	265
Amounts used (payments)	(350)	(350)
Total other provisions at end of year	<b>7,945</b>	<b>7,945</b>
<b>2023</b>		
At beginning of year	6,638	6,638
<b>Changes to provision:</b>		
– Revised discount rate	580	580
– Revised costs	350	350
Unwinding of discount	69	69
Amounts used (payments)	(364)	(364)
Total other provisions at end of year	<b>7,273</b>	<b>7,273</b>

## Nature and purpose of provisions

### Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the tip and quarry as a result of past operations.

## C3-5 Provisions (continued)

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### Material accounting policy information

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

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

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

### Asset remediation – tips and quarries

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

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

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

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### IPPE Revaluation reserve

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

## D Council structure

### D1 Results by fund

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

#### D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
<b>Income from continuing operations</b>			
Rates and annual charges	94,906	7,376	34,586
User charges and fees	30,764	28,326	4,471
Interest and investment revenue	12,416	3,585	7,150
Other revenues	2,718	1,025	92
Grants and contributions provided for operating purposes	23,557	29	226
Grants and contributions provided for capital purposes	112,123	3,470	4,473
Other income	2,421	14	125
<b>Total income from continuing operations</b>	<b>278,905</b>	<b>43,825</b>	<b>51,123</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	54,693	6,361	8,124
Materials and services	62,397	11,460	10,606
Borrowing costs	4,264	3,605	–
Depreciation, amortisation and impairment of non-financial assets	32,718	12,517	15,819
Other expenses	2,881	1,280	2,104
Net losses from the disposal of assets	7,018	420	296
<b>Total expenses from continuing operations</b>	<b>163,971</b>	<b>35,643</b>	<b>36,949</b>
<b>Operating result from continuing operations</b>	<b>114,934</b>	<b>8,182</b>	<b>14,174</b>
<b>Net operating result for the year</b>	<b>114,934</b>	<b>8,182</b>	<b>14,174</b>
<b>Net operating result attributable to each council fund</b>	114,934	8,182	14,174
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>2,811</b>	<b>4,712</b>	<b>9,701</b>

## D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	53,784	1,658	3,271
Investments	163,519	68,000	121,000
Receivables	12,671	5,328	5,191
Inventories	1,046	–	–
Contract assets and contract cost assets	5,692	–	–
Other	635	30	41
<b>Total current assets</b>	<b>237,347</b>	<b>75,016</b>	<b>129,503</b>
<b>Non-current assets</b>			
Investments	84,900	8,020	22,585
Receivables	383	–	–
Inventories	16,427	–	–
Infrastructure, property, plant and equipment	2,359,871	617,633	606,603
Investments accounted for using the equity method	1,438	–	–
Intangible assets	612	6	8
Right of use assets	162	–	–
<b>Total non-current assets</b>	<b>2,463,793</b>	<b>625,659</b>	<b>629,196</b>
<b>Total assets</b>	<b>2,701,140</b>	<b>700,675</b>	<b>758,699</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	24,435	442	–
Contract liabilities	11,778	–	–
Lease liabilities	6	–	–
Borrowings	5,496	2,338	–
Employee benefit provision	21,516	–	–
Provisions	48	–	–
<b>Total current liabilities</b>	<b>63,279</b>	<b>2,780</b>	<b>–</b>
<b>Non-current liabilities</b>			
Payables	113	–	–
Lease liabilities	168	–	–
Borrowings	60,910	47,274	–
Employee benefit provision	1,681	–	–
Provisions	7,897	–	–
<b>Total non-current liabilities</b>	<b>70,769</b>	<b>47,274</b>	<b>–</b>
<b>Total liabilities</b>	<b>134,048</b>	<b>50,054</b>	<b>–</b>
<b>Net assets</b>	<b>2,567,092</b>	<b>650,621</b>	<b>758,699</b>
<b>EQUITY</b>			
Accumulated surplus	1,264,271	233,448	299,888
Revaluation reserves	1,302,821	417,173	458,811
<b>Council equity interest</b>	<b>2,567,092</b>	<b>650,621</b>	<b>758,699</b>
<b>Total equity</b>	<b>2,567,092</b>	<b>650,621</b>	<b>758,699</b>

## D2 Interests in other entities

\$ '000	Council's share of net assets	
	2024	2023
<b>Council's share of net assets</b>		
<b>Net share of interests in joint ventures and associates using the equity method – assets</b>		
Associates	1,438	1,566
<b>Total net share of interests in joint ventures and associates using the equity method – assets</b>	<b>1,438</b>	<b>1,566</b>

### D2-1 Interests in associates

Council has incorporated the following associates into its consolidated financial statements. On 1 July 2017 Council entered into an agreement with other local councils to operate regional library services. Richmond Tweed Regional Library (RTRL) was previously controlled by Lismore City Council. The execution of the new agreement has resulted in RTRL becoming an associate of Council. Council cannot access the assets of RTRL, but is entitled to, on termination of the agreement, equal share of the total equity as at 1 July 2017 and a share of the changes in equity from this date in the same proportion as Council's financial contributions over the duration of the agreement.

#### Summarised financial information for individually immaterial associates

Council has interest in an individually immaterial joint venture - Richmond Tweed Regional Library - that has been accounted for using the equity method.

\$ '000	2024	2023
<b>Individually immaterial associates</b>		
<b>Aggregate carrying amount of individually immaterial associates</b>	1,438	1,566
<b>Aggregate amounts of Council's share of individually immaterial:</b>		
Profit/(loss) from continuing operations	(128)	262
<b>Total comprehensive income – individually immaterial associates</b>	<b>(128)</b>	<b>262</b>

### D2-2 Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

Name of entity/operation	Principal activity/type of entity	2024	2024
		Net profit	Net assets
<b>North East Weight of Loads Group (NEWLOG)</b>	Enforcement of load weights carried by heavy vehicles.	(129)	685

#### Reasons for non-recognition

The above values represent the entire NEWLOG entity position. Council's share of NEWLOG net assets is 11.11%. Council considers this immaterial to the consolidated financial statements.

## 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 risk management program considers the unpredictability of financial markets relating to financial instruments 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.

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

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	58,713	54,787	58,713	54,787
Receivables	23,573	18,821	23,573	18,821
Investments				
– Debt securities at amortised cost	392,084	305,802	392,084	305,802
<b>Fair value through profit and loss</b>				
Investments				
– Equity securities at fair value through profit and loss	75,940	110,859	75,940	110,859
<b>Total financial assets</b>	<b>550,310</b>	<b>490,269</b>	<b>550,310</b>	<b>490,269</b>
<b>Financial liabilities</b>				
Payables	24,990	28,673	24,992	28,666
Loans/advances	116,018	115,450	120,475	120,507
<b>Total financial liabilities</b>	<b>141,008</b>	<b>144,123</b>	<b>145,467</b>	<b>149,173</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 measure at amortised cost investments** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) **at fair value through profit and loss** or (ii) **at fair value through other comprehensive income** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

Council's Financial Services unit manages the cash and investments portfolio.

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether their changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not have sufficient liquid assets to pay its debts as and when they fall due.

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

- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

### (a) Market risk – interest rate and price risk

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	3,952	3,058
Impact of a 10% movement in price of investments		
– Equity / Income Statement	7,594	11,086

### (b) Credit risk

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

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

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

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

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

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

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

#### Credit risk profile

##### Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
<b>2024</b>				
Gross carrying amount	1,618	3,801	708	6,127
2023				
Gross carrying amount	2,173	3,047	604	5,824

##### 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.



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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2024</b>						
Gross carrying amount	21,893	–	640	95	609	23,237
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ECL provision</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>2023</b>						
Gross carrying amount	18,061	–	410	153	594	19,218
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ECL provision</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

### (c) Liquidity risk

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

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

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements.

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

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
<b>2024</b>							
Payables	0.00%	4,758	20,120	114	–	24,992	24,990
Borrowings	6.70%	–	15,465	59,562	95,179	170,206	116,018
<b>Total financial liabilities</b>		<b>4,758</b>	<b>35,585</b>	<b>59,676</b>	<b>95,179</b>	<b>195,198</b>	<b>141,008</b>
<b>2023</b>							
Payables	0.00%	4,039	23,946	681	–	28,666	28,673
Borrowings	6.78%	–	15,396	57,182	97,247	169,825	115,450
<b>Total financial liabilities</b>		<b>4,039</b>	<b>39,342</b>	<b>57,863</b>	<b>97,247</b>	<b>198,491</b>	<b>144,123</b>

## 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
- Financial assets

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).

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2024	2023
		2024	2023	2024	2023	2024	2023
<b>Recurring fair value measurements</b>							
<b>Financial assets</b>							
Financial investments	C1-2						
At fair value through profit and loss		<b>75,940</b>	110,859	–	–	<b>75,940</b>	110,859
<b>Total financial assets</b>		<b>75,940</b>	<b>110,859</b>	<b>–</b>	<b>–</b>	<b>75,940</b>	<b>110,859</b>
<b>Infrastructure, property, plant and equipment</b>							
Operational land	C1-7	<b>463,763</b>	462,444	–	–	<b>463,763</b>	462,444
Community land including Crown land		–	–	<b>165,243</b>	165,245	<b>165,243</b>	165,245
Land under roads		–	–	<b>72,608</b>	72,577	<b>72,608</b>	72,577
Buildings		–	–	<b>168,838</b>	165,451	<b>168,838</b>	165,451
Roads (including bulk earthworks)		–	–	<b>985,130</b>	717,531	<b>985,130</b>	717,531
Bridges		–	–	<b>218,321</b>	201,358	<b>218,321</b>	201,358
Footpaths		–	–	<b>36,643</b>	29,277	<b>36,643</b>	29,277
Stormwater drainage		–	–	<b>196,839</b>	187,473	<b>196,839</b>	187,473
Water supply network		–	–	<b>526,292</b>	509,765	<b>526,292</b>	509,765
Sewerage network		–	–	<b>509,334</b>	494,539	<b>509,334</b>	494,539
<b>Total infrastructure, property, plant and equipment</b>		<b>463,763</b>	<b>462,444</b>	<b>2,879,248</b>	<b>2,543,216</b>	<b>3,343,011</b>	<b>3,005,660</b>

## E2-1 Fair value measurement (continued)

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### Valuation techniques

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

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

#### Financial assets

Council's financial assets are held in a number of forms including cash on hand and at bank, deposits at call, term deposits, floating rate notes and fixed rate bonds. Of these, floating rate notes and fixed rate bonds are fair valued.

These investments are valued by Laminar Group Pty Ltd, using marked to market methodology. Laminar has elected to use the mid-price, that is, the price point that falls halfway between the bid and offer spread to value securities held in portfolios within the Treasury Direct system. Typically when an asset has no bid price or ask price, other level 2 inputs are used to determine the most appropriate fair value, such as quoted prices for similar assets, interest rates, yield curves and credit spreads. Appropriateness may change depending upon market conditions and asset type.

Movements in investments, including fair value movements, are reported to Council monthly.

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

#### Operational Land

Council's operational land includes all of Council's land classified as operational land under the *Local Government Act 1993*. Land use is extremely varied and includes public parks, drainage reserves, sportsfields, sewer pump stations and other uses.

A comprehensive revaluation is ordinarily completed every five years, the most recent one being performed for 30 June 2023 by APV Valuers and Asset Management.

Values are indexed in others years - only where the percentage indexation results in a material change - as per the latest engloba land valuations provided by the Valuer General.

Where there is an active and liquid market, Fair Value is Market Value being highest and best use. When there is no active and liquid market, assessment is made as to whether there is alternative market evidence such as sales of dissimilar but comparable land. Where there is no observable market evidence, Fair Value is then determined by the cost to acquire it (Current Replacement Cost) rather than the amount for which it could be sold (Market Value).

Operational land has historically been valued at highest and best use; that is at values provided by independent professional valuers. The *Local Government Code of Accounting Practice and Financial Reporting – Appendix F* – references NSW Treasury Policy Paper TPP14-01 which promotes the need to take restrictions on assets into account in determining asset values. Canal land which is predominately under water has been re assessed using Valuer General's valuations.

The key unobservable input to the valuation is the rate per square metre. Influencing elements in determining a rate per square metre include market movements, location, size, shape, access, topography, exposure to traffic and facilities, condition (Impairment), use / zoning and flooding risk levels.

This asset class is categorised as Level 2.

#### Community Land

Council's Community Land is land owned by Council and Crown Land administered by Council. It is land intended for public access and use or where other restrictions applied to the land create some obligation to maintain public access. Many of these parcels of land have no practical use other than for parks, reserves and cemeteries. Community Land cannot be sold, cannot be leased or licensed for more than 21 years at a time and must have a plan of management for it.

A revaluation was performed in 2021/22, based on Valuer General issued Unimproved Capital Values (UCV) for properties with a base date of 1 July 2019. Only in a couple of instances where the Valuer has not yet provided a land value, a unit rate per square metre is applied at the same rate as a similar community land parcel within close proximity.

A revaluation is performed every three years following the issue of new values by the Valuer General. Accordingly, it is considered that indexation in the between years is not required.

## E2-1 Fair value measurement (continued)

The key unobservable input to the valuation is the rate per square metre. Influencing elements in determining rate per square metre include market movements, location, size, shape, access, topography, exposure to traffic and facilities, condition (Impairment), use / zoning and flooding risk levels.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

### Land under Roads

Land under Roads is land under roadways, and road reserves, including land under footpaths, nature strips and median strips, as per AASB1051.

Land under Roads was recognised for the first time at 30 June 2011. Council elected to recognise Land under Roads acquired pre 1 July 2008 and post 30 June 2008 as per ASSB 116 - Property, Plant and Equipment. Fair Value for Land under Roads was determined using the Englobo methodology derived from the Local Government Code of Accounting Practice and Financial Reporting. This method applies the total shires road reserve in square metres to the average shires rate calculated from the latest Valuer General issued Unimproved Capital Values (UCV), with a 90% discount.

A revaluation was performed 2021/22, when the Valuer General issued Unimproved Capital Values (UCV) for properties with a base date of 1 July 2019.

This asset class is categorised as Level 3 as inputs used in the valuation require significant professional judgement and are therefore unobservable.

### Buildings

Buildings are owned or controlled. They are componentised into Floor, Building Envelope, Floor Fit-out, Internal Screens Fit-out, Roof, Mechanical Services, Fire Services and Transportation and Security Services. Building use is extremely varied and includes civic centre administration, depot, community and cultural services such as museums, art galleries, libraries, childcare and aged care, sport and recreation clubhouse amenities and public amenities.

A comprehensive revaluation is ordinarily completed every five years, the most recent one being performed for 30 June 2023 by a registered valuation company.

Values are indexed in others years - only where the percentage indexation results in a material change - as per the Producer Price Index – Non-residential building construction New South Wales published by the Australian Bureau of Statistics. In accordance with the indice to June 2024 an indexation of 6.9% was applied in 2023/24.

Where there is an active and liquid market, Fair Value is Market Value being highest and best use. When there is no active and liquid market, assessment is made as to whether there is alternative market evidence; Such as sales of dissimilar but comparable buildings or if the value is driven by its cash generation, a Discounted Cash Flow (DCF) approach is used to determine its fair value. Where there is no observable market evidence, Fair Value is then determined by the cost to acquire it (Depreciated Current Replacement Cost) rather than what you could sell it for (Market Value).

This asset class is categorised as Level 3 with the key unobservable input to the valuation being the Gross Replacement Cost which is influenced by changes in construction costs. Other unobservable inputs are condition changes to any of the buildings components and hence patterns of consumption and remaining useful life. Professional judgement is required to establish the value of a building which is intrinsically linked to the value of the associated land, as combined, they represent fair value of the entire parcel.

The depreciation method used for this asset class is straight line.

### Roads

This asset class comprises the Road Carriageway, Car Parks, Kerb and Gutter, Retaining Walls and Traffic Facilities. The road carriageway consists of the trafficable portion of a road, between but not including the kerb and gutter. The road carriageway is componentised into surface, pavement, pavement sub base and formation and further separated into segments for inspection and valuation.

A valuation of Road assets is undertaken on a five year cycle with values indexed in others years - only where the percentage indexation results in a material change - as per the Producer Price Index – Road and Bridge Construction New South Wales published by the Australian Bureau of Statistics. In accordance with the indice to June 2024 an indexation of 5.4% was applied in 2023/24.

The valuation process commences with a condition assessment of each asset. A condition scale of 1 to 5 is assigned to each asset, with 1 representing excellent condition and 5 representing very poor condition. The condition of Tweed Shire Council's

## E2-1 Fair value measurement (continued)

road segment asset stock is determined by visual inspection in a revaluation year, with the latest condition assessment undertaken in 2020.

Valuations for this asset class were assessed and provided by a registered valuation company. Technical information for the valuation was extracted from Council's asset management system.

Assets were valued using the cost approach. The unit rates are then applied to square or lineal meters as applicable to establish replacement cost at component level. The value of each component is summed to arrive at an overall fair value for an individual asset.

This asset class is categorised Level 3 as extensive professional judgment was required in applying unobservable inputs including the pattern of consumption and remaining service potential. These inputs impacted significantly on the determination of fair value.

The depreciation method used for this asset class is condition based straight-line.

### Bridges

Council's Bridge asset register consists of all pedestrian and vehicle access bridges. Bridge assets are componentised into significant parts with different useful lives and patterns of consumption, including the Sub Structure (abutments and foundations), Super Structure, Rails and Surface (where applicable).

A valuation of Bridge assets is undertaken on a five year cycle with values indexed in others years - only where the percentage indexation results in a material change - as per the Producer Price Index – Road and Bridge Construction New South Wales published by the Australian Bureau of Statistics. In accordance with the indice to June 2024 an indexation of 5.4% was applied in 2023/24.

The valuation process commences with a condition assessment of each asset. Bridges were physically inspected to determine condition. A condition scale of 1 to 5 is assigned to each asset, with 1 representing excellent condition and 5 representing very poor condition. The data collected is used to calculate the remaining service potential of each asset with the latest condition assessment undertaken in 2020.

Valuations for this asset class were assessed and provided by a registered valuation company. Technical information for the valuation was extracted from Council's asset management system.

Assets were valued using the cost approach. The unit rates are then applied to square or lineal meters as applicable to establish replacement cost at component level. The value of each component is summed to arrive at an overall fair value for an individual asset.

This asset class is categorised Level 3 as extensive professional judgment was required in applying unobservable inputs including the pattern of consumption, useful life and remaining life. These inputs impacted significantly on the determination of fair value.

The depreciation method used for this asset class is condition based straight-line.

### Footpaths

This asset class consists of footpaths on road reserves and cycle-ways on Council owned and controlled reserves. Footpaths are segmented to match the adjacent road segment. No further componentisation is undertaken.

A valuation of Footpath assets is undertaken on a five year cycle with values indexed in others years - only where the percentage indexation results in a material change - as per the Producer Price Index – Road and Bridge Construction New South Wales published by the Australian Bureau of Statistics. In accordance with the indice to June 2024 an indexation of 5.4% was applied in 2023/24.

A condition assessment was undertaken by an external provider in 2020 to determine footpath condition ratings. A condition scale of 1 to 5 is assigned to each asset, with 1 representing excellent condition and 5 representing very poor condition. Footpath unit rates were developed by a registered valuation company. Assets were valued using the cost approach.

This asset class is categorised Level 3 as extensive professional judgement based on historical information and experience was applied in determining and remaining useful life. The depreciation method used for this asset class is condition based straight-line.

### Drainage Infrastructure

## E2-1 Fair value measurement (continued)

This asset class consists of pits, pipes, open channels, culverts and headwalls. Pipes are segmented from node to node. No further componentisation is undertaken.

A valuation of Drainage assets is undertaken on a five year cycle with values indexed in others years - only where the percentage indexation results in a material change - as per the Producer Price Index – Road and Bridge Construction New South Wales published by the Australian Bureau of Statistics. In accordance with the indice to June 2024 an indexation of 5.4% was applied in 2023/24.

Fair Values were calculated by a registered valuation company as at 30 June 2020. Assets were valued using the cost approach.

This asset class is categorised Level 3 as extensive professional judgment was required in applying unobservable inputs including the pattern of consumption, useful life, and remaining life. Asset conditions are assumed based on the age of the pipe with some sample testing via CCTV inspections. A condition scale of 1 to 5 is assigned to each asset, with 1 representing excellent condition and 5 representing very poor condition. The depreciation method used for this asset class is condition based straight-line.

### Water Supply Network

Assets within this class comprise dams, weirs, reservoirs, water treatment plant, water pumping stations and water pipelines. This asset class is classified as being valued using Level 3 inputs.

The water supply network, was revalued for 1 July 2021. The Gross Current Replacement Value had been assessed on the basis of replacement with a new asset having similar service potential and includes allowances for installation and professional fees. The Gross Current Replacement Value costings were derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, NSW Reference Rates Manual, Rawlinson's (Australian Construction Handbook), Tweed Shire Council and APV internal database of costs. The Fair Value is the Gross Current Replacement Value less accumulated depreciation calculated to reflect the consumed or expired service potential of the asset. The depreciation of the assets was carried out by conducting a condition assessment of each asset at component level. Components have varying useful lives and consumption patterns.

These assets are indexed annually using the rate as determined by NSW DPI Water, being 5.07% for the 2023/24 reporting period. This asset class is classified as being valued using Level 3 inputs.

### Sewerage Network

Assets within this class comprise sewer treatment plants, sewer pumping stations, sewer pipelines. This asset class is classified as being valued using Level 3 inputs.

The sewerage network, was revalued for 1 July 2021. The Gross Current Replacement Value had been assessed on the basis of replacement with a new asset having similar service potential and includes allowances for installation and professional fees. The Gross Current Replacement Value costings were derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, NSW Reference Rates Manual, Rawlinson's (Australian Construction Handbook), Tweed Shire Council and APV internal database of costs. The Fair Value is the Gross Current Replacement Value less accumulated depreciation calculated to reflect the consumed or expired service potential of the asset. The depreciation of the assets was carried out by conducting a condition assessment of each asset at component level. Components have varying useful lives and consumption patterns.

These assets are indexed annually using the rate as determined by NSW DPI Water, being 5.07% for the 2023/24 reporting period.

## E2-1 Fair value measurement (continued)

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

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

\$ '000	Community Land		Land under Roads		Buildings		Roads	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>165,245</b>	165,102	<b>72,577</b>	72,698	<b>165,451</b>	163,987	<b>717,531</b>	673,217
<b>Total gains or losses for the period</b>								
Recognised in other comprehensive income – revaluation surplus	–	143	–	–	<b>4,807</b>	310	<b>38,294</b>	39,996
<b>Other movements</b>								
Purchases (GBV)	–	–	<b>73</b>	39	<b>5,520</b>	2,077	<b>43,263</b>	21,105
Disposals (WDV)	–	–	<b>(4)</b>	(160)	<b>(53)</b>	(325)	<b>(2,056)</b>	(3,972)
Depreciation and impairment	–	–	–	–	<b>(3,980)</b>	(703)	<b>(17,577)</b>	(12,857)
Other movement	<b>(2)</b>	–	<b>(38)</b>	–	<b>(2,907)</b>	105	<b>(73)</b>	42
<b>Closing balance</b>	<b>165,243</b>	165,245	<b>72,608</b>	72,577	<b>168,838</b>	165,451	<b>779,382</b>	717,531

\$ '000	Bridges		Footpaths		Stormwater drainage		Water supply network	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>201,358</b>	191,860	<b>29,277</b>	28,117	<b>187,473</b>	178,307	<b>509,765</b>	479,956
<b>Total gains or losses for the period</b>								
Recognised in other comprehensive income – revaluation surplus	<b>11,185</b>	11,218	<b>1,877</b>	1,632	<b>10,085</b>	10,445	<b>24,907</b>	36,662
<b>Other movements</b>								
Purchases (GBV)	<b>9,900</b>	30	<b>6,725</b>	814	<b>2,550</b>	1,757	<b>2,880</b>	5,719
Disposals (WDV)	<b>(1,273)</b>	(101)	<b>(18)</b>	(2)	–	(19)	<b>(414)</b>	(1,176)
Depreciation and impairment	<b>(1,965)</b>	(1,649)	<b>(1,215)</b>	(839)	<b>(3,269)</b>	(3,017)	<b>(12,284)</b>	(11,381)
Other movement	<b>(884)</b>	–	<b>(3)</b>	(445)	–	–	<b>1,438</b>	(15)
<b>Closing balance</b>	<b>218,321</b>	201,358	<b>36,643</b>	29,277	<b>196,839</b>	187,473	<b>526,292</b>	509,765

\$ '000	Sewerage network		Total	
	2024	2023	2024	2023
<b>Opening balance</b>	<b>494,539</b>	464,153	<b>2,543,216</b>	2,417,397
Recognised in other comprehensive income – revaluation surplus	<b>23,513</b>	35,608	<b>114,668</b>	136,014
Purchases (GBV)	<b>5,246</b>	10,303	<b>76,157</b>	41,844
Disposals (WDV)	<b>(275)</b>	(988)	<b>(4,093)</b>	(6,743)
Depreciation and impairment	<b>(15,648)</b>	(14,537)	<b>(55,938)</b>	(44,983)
Other movement	<b>1,959</b>	–	<b>(510)</b>	(313)
<b>Closing balance</b>	<b>509,334</b>	494,539	<b>2,673,500</b>	<b>2,543,216</b>

### Highest and best use

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

## E3-1 Contingencies

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

### 1. Guarantees

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

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

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

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

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

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

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

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

\* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing 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 for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2024. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities. It is estimated that there are \$146,132.08 past service contributions remaining.

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

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

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

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



## E3-1 Contingencies (continued)

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 \$571,410.26. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$371,428.36.

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is 1.46%

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

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

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

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

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

### 2. Other liabilities

#### (i) Third party claims

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

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

#### (i) Infringement notices/fines

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

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

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

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

## F People and relationships

### F1 Related party disclosures

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

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

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

\$ '000	2024	2023
<b>Compensation:</b>		
Short-term benefits	1,943	2,091
Post-employment benefits	186	168
Other long-term benefits	57	55
<b>Total</b>	<b>2,186</b>	<b>2,314</b>

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

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

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000						
<b>2024</b>						
Employee expenses relating to close family members of KMP	1	160	-		-	-
<b>2023</b>						
Employee expenses relating to close family members of KMP	1	169	-		-	-

<sup>1</sup> Close family members of Council's KMP are employed by Council under the relevant pay award on an arm's length basis. There is 1 close family member of KMP currently employed by Council.

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

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	95	62
Councillors' fees	246	207
<b>Total</b>	<b>341</b>	<b>269</b>

## F2 Other relationships

### F2-1 Audit fees

\$ '000	2024	2023
During the year, the following fees were incurred for services provided by the auditors of Council		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	162	149
<b>Total fees paid or payable to the Auditor-General</b>	<b>162</b>	<b>149</b>

## G Other matters

### G1-1 Statement of Cash Flows information

#### (a) Reconciliation of Operating Result

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>137,290</b>	69,338
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	61,054	58,793
(Gain) / loss on disposal of assets	7,734	6,930
Non-cash capital grants and contributions	(11,174)	(8,166)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	(1,146)	(356)
- Unwinding of discount rates on reinstatement provisions	180	649
Share of net (profits)/losses of associates/joint ventures using the equity method	128	(262)
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(4,757)	(3,272)
(Increase) / decrease of inventories	(85)	(107)
(Increase) / decrease of other current assets	(102)	33
(Increase) / decrease of contract asset	430	(2,392)
Increase / (decrease) in payables	345	1,662
Increase / (decrease) in accrued interest payable	2	(26)
Increase / (decrease) in other accrued expenses payable	(685)	(59)
Increase / (decrease) in other liabilities	(368)	2,631
Increase / (decrease) in contract liabilities	1,174	(697)
Increase / (decrease) in employee benefit provision	860	(938)
Increase / (decrease) in other provisions	492	(16)
<b>Net cash flows from operating activities</b>	<b>191,372</b>	<b>123,745</b>

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

Art gallery	35	456
Development contributions – general	6,107	5,433
Development contributions – water	–	567
Development contributions – sewerage	–	1,711
Impairment loss	(539)	8,062
<b>Total non-cash investing and financing activities</b>	<b>5,603</b>	<b>16,229</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Buildings	1,616	3,636
Plant and equipment	835	478
Infrastructure	53,359	37,482
<b>Total commitments</b>	<b>55,810</b>	<b>41,596</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	55,810	41,596
<b>Total payable</b>	<b>55,810</b>	<b>41,596</b>

#### Details of capital commitments

Capital commitments represent the unfulfilled portion of contracts awarded for asset related capital works, such as roads, water and sewer infrastructure.

## G3-1 Events occurring after the reporting date

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

## G4 Statement of developer contributions

### G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Drainage	336	19	772	–	13	–	–	368	–
Roads	32,434	3,852	–	–	1,368	(2,458)	–	35,196	–
Traffic facilities	246	10	–	–	10	(1)	–	265	–
Parking	1,031	308	–	–	50	(445)	–	944	–
Open space	18,384	1,517	–	–	753	(719)	–	19,935	–
Community facilities	6,994	567	–	–	287	(96)	–	7,752	–
Other	2,037	372	–	–	88	(464)	–	2,033	–
Path/cycleways	955	134	–	–	40	(7)	–	1,122	–
Street trees	316	26	–	–	13	(3)	–	352	–
<b>S7.11 contributions – under a plan</b>	<b>62,733</b>	<b>6,805</b>	<b>772</b>	<b>–</b>	<b>2,622</b>	<b>(4,193)</b>	<b>–</b>	<b>67,967</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>62,733</b>	<b>6,805</b>	<b>772</b>	<b>–</b>	<b>2,622</b>	<b>(4,193)</b>	<b>–</b>	<b>67,967</b>	<b>–</b>
<b>Total contributions</b>	<b>62,733</b>	<b>6,805</b>	<b>772</b>	<b>–</b>	<b>2,622</b>	<b>(4,193)</b>	<b>–</b>	<b>67,967</b>	<b>–</b>

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

### G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
<b>CONTRIBUTION PLAN NUMBER 1</b>									
Open space	6,031	11	–	–	239	(1)	–	6,280	–
<b>Total</b>	<b>6,031</b>	<b>11</b>	<b>–</b>	<b>–</b>	<b>239</b>	<b>(1)</b>	<b>–</b>	<b>6,280</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 2</b>									
Drainage	87	1	–	–	3	–	–	91	–
<b>Total</b>	<b>87</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>91</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 3</b>									
Community facilities	2	(2)	–	–	–	–	–	–	–
<b>Total</b>	<b>2</b>	<b>(2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 4</b>									

continued on next page ...

## G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
Roads	32,323	3,781	-	-	1,362	(2,452)	-	35,014	-	
<b>Total</b>	<b>32,323</b>	<b>3,781</b>	<b>-</b>	<b>-</b>	<b>1,362</b>	<b>(2,452)</b>	<b>-</b>	<b>35,014</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 5</b>										
Open space	1,016	121	-	-	43	(6)	-	1,174	-	
<b>Total</b>	<b>1,016</b>	<b>121</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>(6)</b>	<b>-</b>	<b>1,174</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 6</b>										
Street trees	316	26	-	-	13	(3)	-	352	-	
<b>Total</b>	<b>316</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>(3)</b>	<b>-</b>	<b>352</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 7</b>										
Drainage	249	18	772	-	10	-	-	277	-	
Open space	1,001	517	-	-	47	(27)	-	1,538	-	
<b>Total</b>	<b>1,250</b>	<b>535</b>	<b>772</b>	<b>-</b>	<b>57</b>	<b>(27)</b>	<b>-</b>	<b>1,815</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 11</b>										
Community facilities (libraries)	1,696	153	-	-	70	(76)	-	1,843	-	
<b>Total</b>	<b>1,696</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>(76)</b>	<b>-</b>	<b>1,843</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 12</b>										
Traffic facilities – bus shelters (other)	246	10	-	-	10	(1)	-	265	-	
<b>Total</b>	<b>246</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>(1)</b>	<b>-</b>	<b>265</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 13</b>										
Other (cemeteries)	135	21	-	-	6	(45)	-	117	-	
<b>Total</b>	<b>135</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>(45)</b>	<b>-</b>	<b>117</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 14</b>										
Roads (mebbin springs)	111	62	-	-	6	(6)	-	173	-	
<b>Total</b>	<b>111</b>	<b>62</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>(6)</b>	<b>-</b>	<b>173</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 15</b>										
Community facilities	3,532	411	-	-	147	(20)	-	4,070	-	
<b>Total</b>	<b>3,532</b>	<b>411</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>(20)</b>	<b>-</b>	<b>4,070</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 16</b>										
Other (surf lifesaving)	123	2	-	-	5	-	-	130	-	
<b>Total</b>	<b>123</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>130</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 18</b>										
Other (council admin fees)	1,779	349	-	-	77	(419)	-	1,786	-	

continued on next page ...

## G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
<b>Total</b>	<b>1,779</b>	<b>349</b>	<b>-</b>	<b>-</b>	<b>77</b>	<b>(419)</b>	<b>-</b>	<b>1,786</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 19</b>										
Open space	163	4	-	-	6	-	-	173	-	
Community facilities	1,764	5	-	-	70	-	-	1,839	-	
Path/cycleways	127	-	-	-	5	-	-	132	-	
<b>Total</b>	<b>2,054</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>2,144</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 22</b>										
Path/cycleways (shire wide cycleways)	828	134	-	-	35	(7)	-	990	-	
<b>Total</b>	<b>828</b>	<b>134</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>(7)</b>	<b>-</b>	<b>990</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 23</b>										
Parking (shire wide car parking)	1,031	308	-	-	50	(445)	-	944	-	
<b>Total</b>	<b>1,031</b>	<b>308</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>(445)</b>	<b>-</b>	<b>944</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 25</b>										
Open space (salt open space)	1,782	-	-	-	43	(705)	-	1,120	-	
<b>Total</b>	<b>1,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>(705)</b>	<b>-</b>	<b>1,120</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 26</b>										
Open space (shirewide)	6,774	861	-	-	314	22	-	7,971	-	
<b>Total</b>	<b>6,774</b>	<b>861</b>	<b>-</b>	<b>-</b>	<b>314</b>	<b>22</b>	<b>-</b>	<b>7,971</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 27</b>										
Open space	718	-	-	-	28	-	-	746	-	
<b>Total</b>	<b>718</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>746</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 28</b>										
Open space	900	3	-	-	33	(2)	-	934	-	
<b>Total</b>	<b>900</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>33</b>	<b>(2)</b>	<b>-</b>	<b>934</b>	<b>-</b>	
Open space	(1)	-	-	-	-	-	-	(1)	-	
<b>Total</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	
<b>CONTRIBUTION PLAN NUMBER 32</b>										
Roads	-	9	-	-	-	-	-	9	-	
<b>Total</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	



## G5 Statement of performance measures

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

\$ '000	Amounts 2024	Indicator 2024	Indicator 2023	Benchmark
<b>1. Operating performance ratio</b>				
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>23,940</b>	<b>9.47%</b>	9.90%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>252,769</b>			
<b>2. Own source operating revenue ratio</b>				
Total continuing operating revenue excluding all grants and contributions <sup>1,3</sup>	<b>228,957</b>	<b>61.41%</b>	63.77%	> 60.00%
Total continuing operating revenue inclusive of all grants and contributions <sup>1</sup>	<b>372,835</b>			
<b>3. Unrestricted current ratio</b>				
Current assets less all external restrictions	<b>165,666</b>	<b>5.71x</b>	5.09x	> 1.50x
Current liabilities less specific purpose liabilities	<b>28,988</b>			
<b>4. Debt service cover ratio</b>				
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>92,863</b>	<b>5.93x</b>	5.73x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>15,651</b>			
<b>5. Rates and annual charges outstanding percentage</b>				
Rates and annual charges outstanding	<b>7,144</b>	<b>4.95%</b>	4.90%	< 10.00%
Rates and annual charges collectable	<b>144,204</b>			
<b>6. Cash expense cover ratio</b>				
Current year's cash and cash equivalents plus all term deposits	<b>450,797</b>	<b>30.94 months</b>	22.17 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<b>14,571</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

(3) Grants funding to contribute towards repairs of flood damaged roads has continued to be received in the current year, with total grants received being \$45.51m higher than the prior year.

## G5-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>4</sup>		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>5.32%</b>	11.34%	<b>12.72%</b>	(0.86)%	<b>21.43%</b>	12.31%	> 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>1,3</sup>	<b>51.17%</b>	54.50%	<b>92.02%</b>	89.96%	<b>90.81%</b>	90.23%	> 60.00%
Total continuing operating revenue inclusive of all grants and contributions <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>5.71x</b>	5.09x	<b>26.99x</b>	24.23x	∞	58.26x	> 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>	<b>4.65x</b>	5.59x	<b>3.67x</b>	2.57x	∞	∞	> 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	<b>4.83%</b>	5.05%	<b>6.22%</b>	5.88%	<b>5.02%</b>	4.28%	< 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	<b>33.16 months</b>	12.66 months	<b>35.86 months</b>	33.96 months	<b>11.53 months</b>	73.34 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

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

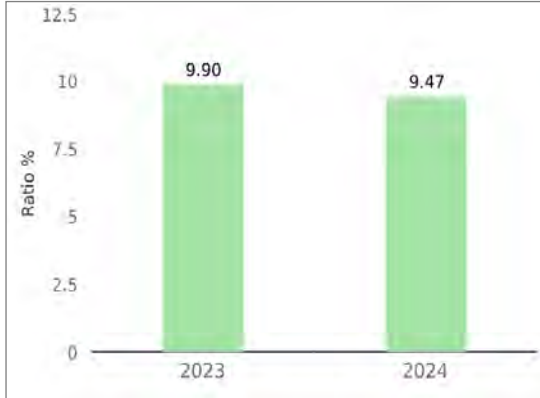
(4) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

**End of the audited financial statements**

## H Additional Council disclosures (unaudited)

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

#### 1. Operating performance ratio



#### Purpose of operating performance ratio

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

#### Commentary on 2023/24 result

**2023/24 ratio 9.47%**

The ratio increased in the current year largely due to the increased level of flood related repair grants. Due to the timing and quantity of work required, the related repair expenditure was not spent at balance date.

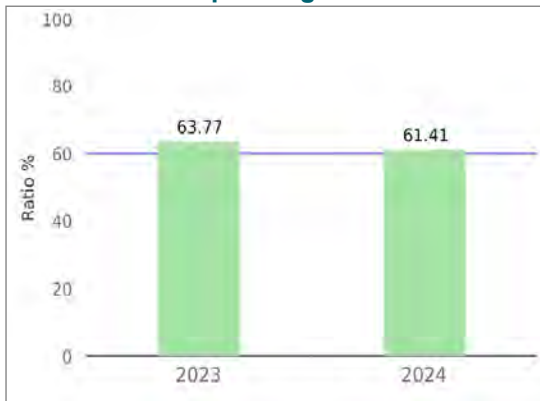
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



#### Purpose of own source operating revenue ratio

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

#### Commentary on 2023/24 result

**2023/24 ratio 61.41%**

Significant flood events created a relatively higher reliance on flood related grant income during the year.

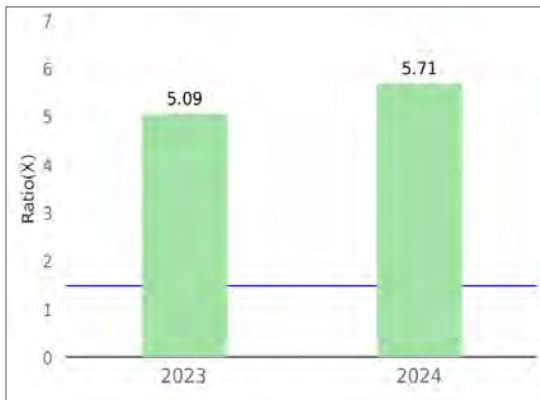
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 3. Unrestricted current ratio



#### Purpose of unrestricted current ratio

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

#### Commentary on 2023/24 result

**2023/24 ratio 5.71x**

A larger volume of grants received for flood repairs later in the year combined with a delay in work undertaken due to labour shortage has returned a negative ratio. The full value of all related grants received is expected to be acquitted.

Benchmark: — > 1.50x

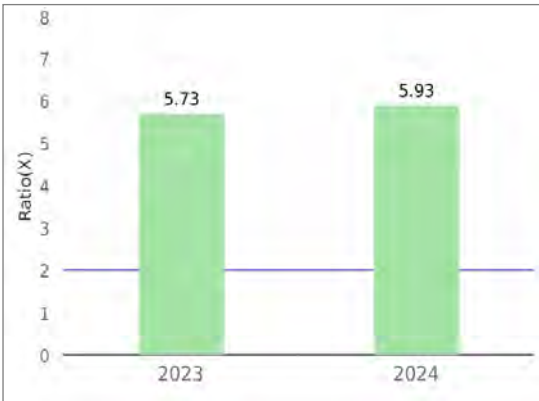
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

## 4. Debt service cover ratio



**Purpose of debt service cover ratio**

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

**Commentary on 2023/24 result**

**2023/24 ratio 5.93x**

The ratio improved in line with the increased operating result for the year, assisted by increased grant income.

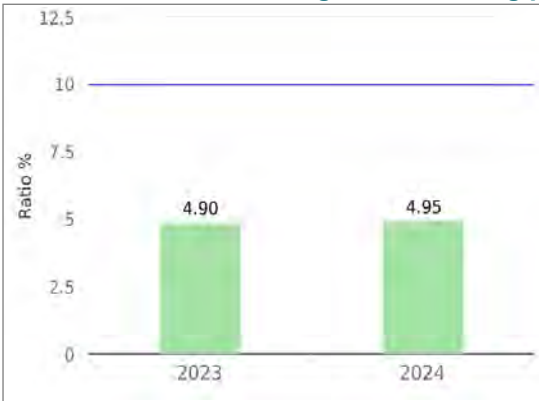
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## 5. Rates and annual charges outstanding percentage



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

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

**Commentary on 2023/24 result**

**2023/24 ratio 4.95%**

Continued cost of living pressures has resulted in a marginally higher current year ratio. However, the ratio remains well below the benchmark.

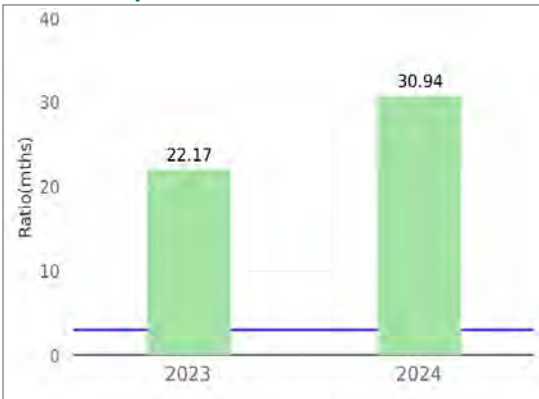
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## 6. Cash expense cover ratio



**Purpose of cash expense cover ratio**

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

**Commentary on 2023/24 result**

**2023/24 ratio 30.94 months**

The ratio has been boosted by the receipt of flood related repair grants later in the year not being spent at balance date, due to the timing and quantity of work required.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## H1-2 Council information and contact details

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**Principal place of business:**

Civic & Cultural Centre  
10-14 Tumbulgum Road  
Murwillumbah NSW 2484

**Contact details**

**Mailing Address:**

PO Box 816  
Murwillumbah NSW 2484

**Telephone:** 02 6670 2400

**Opening hours:**

9:00am - 4:00pm  
Monday to Friday  
Closed Public Holidays

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

**Email:** [tsc@tweed.nsw.gov.au](mailto:tsc@tweed.nsw.gov.au)

**Officers**

**General Manager**

Troy Green

**Responsible Accounting Officer**

Michael Chorlton

**Auditor**

Audit Office of New South Wales

**Elected members**

**Mayor**

Chris Cherry

**Councillors**

Reece Byrnes  
Rhiannon Brinsmead  
Meredith Dennis  
Nola Firth  
James Owen  
Warren Polglase (term ended 1 October 2024)  
Kimberly Hone (declared elected 2 October 2024)

**Other information**

**ABN:** 90 178 732 496



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Tweed Shire Council

To the Councillors of Tweed Shire Council

### Opinion

I have audited the accompanying financial statements of Tweed Shire 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.

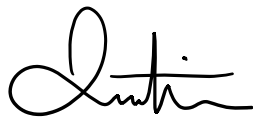
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, 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.



Quentin Wong  
Delegate of the Auditor-General for New South Wales

28 October 2024  
SYDNEY



Cr Chris Cherry  
 Mayor  
 Tweed Shire Council  
 PO Box 816  
 MURWILLUMBAH NSW 2484

Contact: Quentin Wong  
 Phone no: 02 9275 7454  
 Our ref: R008-2124742775-7969

28 October 2024

Dear Mayor

**Report on the Conduct of the Audit  
 for the year ended 30 June 2024  
 Tweed Shire Council**

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

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

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

**INCOME STATEMENT**

**Operating result**

	<b>2024</b>	<b>2023*</b>	<b>Variance</b>
	<b>\$m</b>	<b>\$m</b>	<b>%</b>
Rates and annual charges revenue	136.9	129.4	↑ 5.8
Grants and contributions revenue	143.9	115.3	↑ 24.8
Operating result from continuing operations	137.3	69.3	↑ 98.1
Net operating result before capital grants and contributions	17.2	20.3	↓ 15.3

Rates and annual charges revenue (\$136.9 million) increased by \$7.5 million (5.8 per cent) in 2023–24. The IPART approved rate peg was 4.0 per cent with an additional special rate variation of 2.4 per cent.

Grants and contributions revenue (\$143.9 million) increased by \$28.6 million (24.8 per cent) in 2023–24 primarily due to grants received from Transport for NSW relating to natural disaster funding.

Council’s operating result from continuing operations (\$137.3 million including depreciation, amortisation and impairment expense of \$61.1 million) was \$68.0 million higher than the 2022–23 result. The increase in operating result is largely attributed to the following:

- increase of \$28.6 million in grants and contributions revenue, as described above
- increase of \$10.6 million in interest and investments revenue, due to increases in the cash rate
- increase of \$7.5 million in rates and annual charges revenue, as described above
- decrease of \$21.1 million in materials and services expenditure, due to significant flood related maintenance in 2022–23 in response to natural disasters.

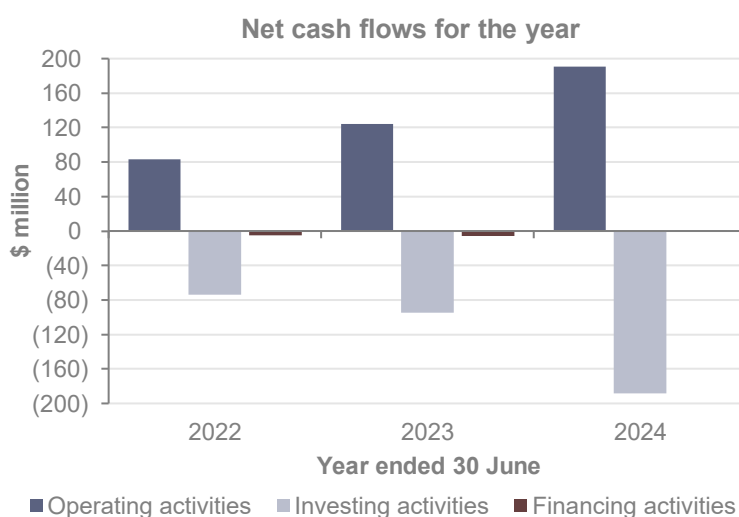
The net operating result before capital grants and contributions (\$17.2 million) was \$3.1 million lower than the 2022–23 result. This is partially due to a greater portion of revenue being grants and contributions provided for capital purposes.

## STATEMENT OF CASH FLOWS

Net cash provided by operating activities increased by \$67.7 million. This is largely due to an increase in grants and contributions received and decrease in payments for materials and services.

Net cash used in investing activities increased by \$93.4 million. This is largely due to increased payments of \$49.5 million for Infrastructure, Property, Plant & Equipment, and a net increase in financial investments of \$40.9 million.

Net cash provided by financing activities increased by \$6.0 million. This is due to increased proceeds from borrowings of \$6.0 million.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>526.7</b>	<b>471.4</b>	Externally restricted balances comprise mainly of specific purpose unexpended grants, developer contributions, water and sewer funds and domestic waste management. The externally restricted balance has increased by \$51.9 million primarily due to the increase in unexpended grants and sewerage services.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	380.2	328.3	Internal allocations are determined by council policies or decisions, which are subject to change. Internally allocated cash and investments have increased by \$3.8 million primarily due to an increase in asset management reserve - infrastructure.
• Internal allocations	145.2	141.4	

### Debt

At 30 June 2024, Council had:

- \$116.0 million in secured loans (\$115.4 million in 2022–23)
- \$1.0 million in approved bank overdraft facilities with nil drawn down
- \$0.3 million in credit card facilities with \$0.023 million utilised.

## PERFORMANCE

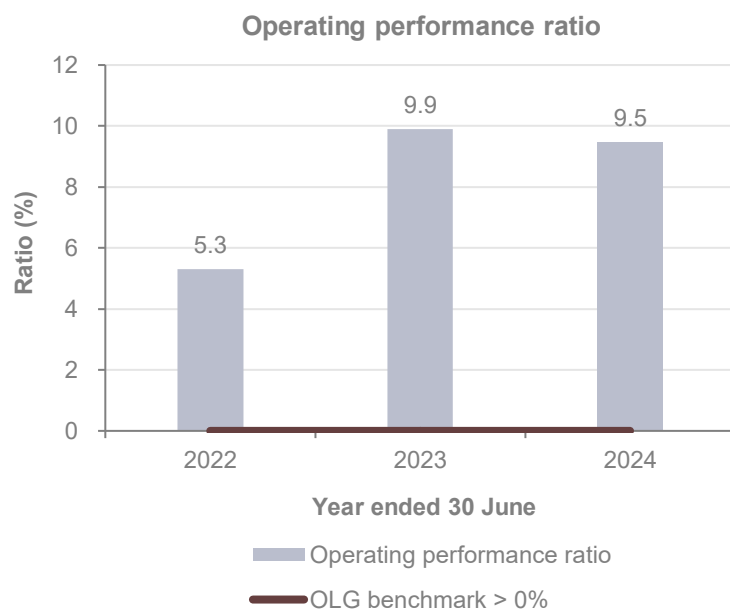
### Performance measures

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

#### Operating performance ratio

Council met the benchmark for the current reporting period.

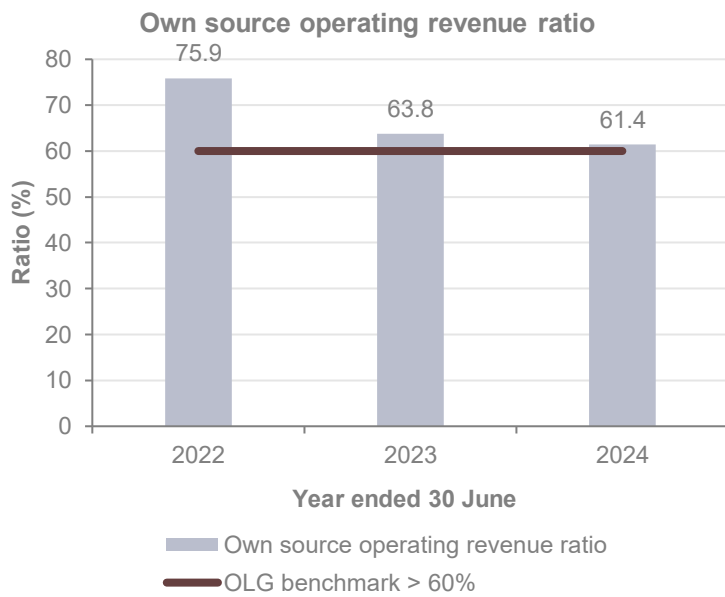
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



### Own source operating revenue ratio

Council met the benchmark for the current reporting period.

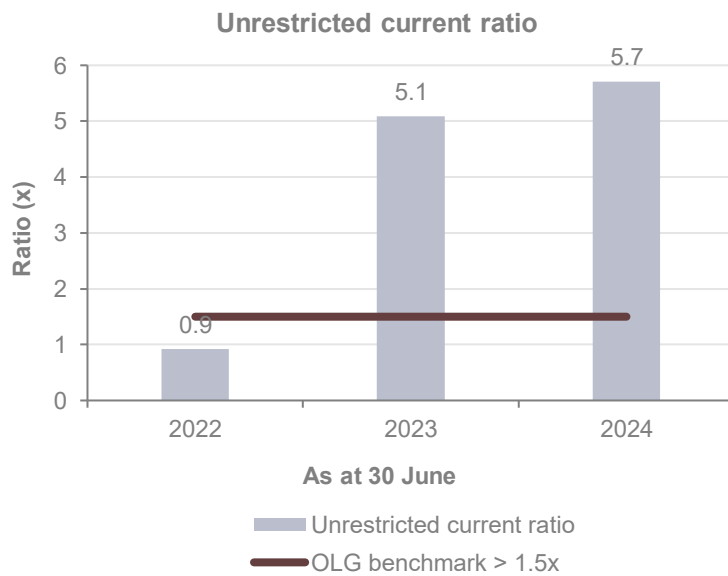
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



### Unrestricted current ratio

Council met the benchmark for the current reporting period.

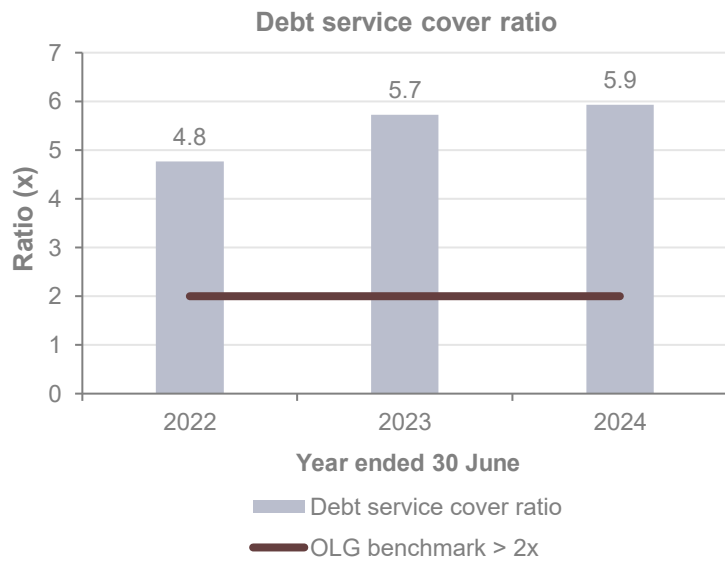
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Debt service cover ratio

Council met the benchmark for the current reporting period.

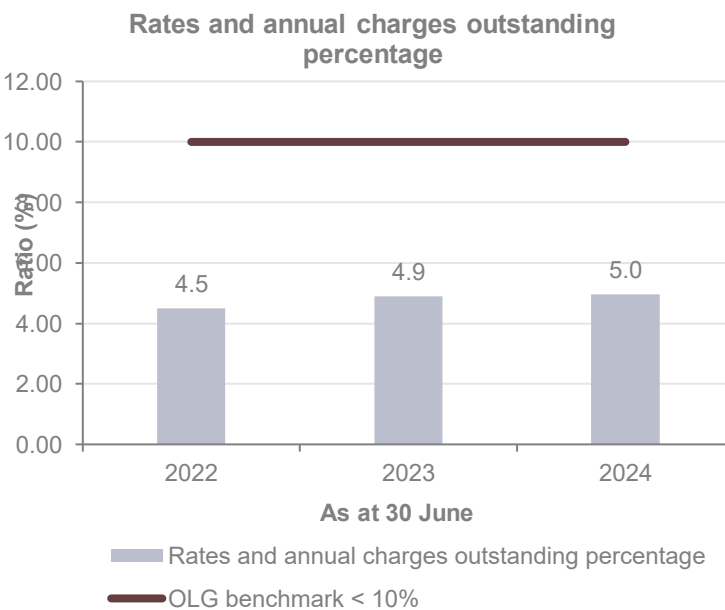
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



### Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

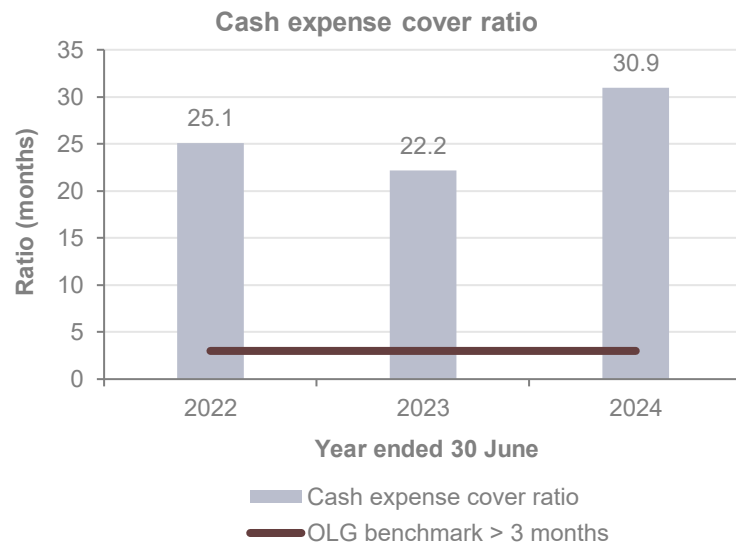
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



## Cash expense cover ratio

Council met the benchmark for the current reporting period.

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



## Infrastructure, property, plant and equipment renewals

Council renewed \$105.4 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads, buildings and repairing assets damaged by natural disasters. A further \$36.8 million was spent on new assets, compared to \$39.4 million in the prior year.

## OTHER MATTERS

### Legislative compliance

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

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

Quentin Wong  
Delegate of the Auditor-General for New South Wales

*Contact and connect*

**02 6670 2400**

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[tsc@tweed.nsw.gov.au](mailto:tsc@tweed.nsw.gov.au)

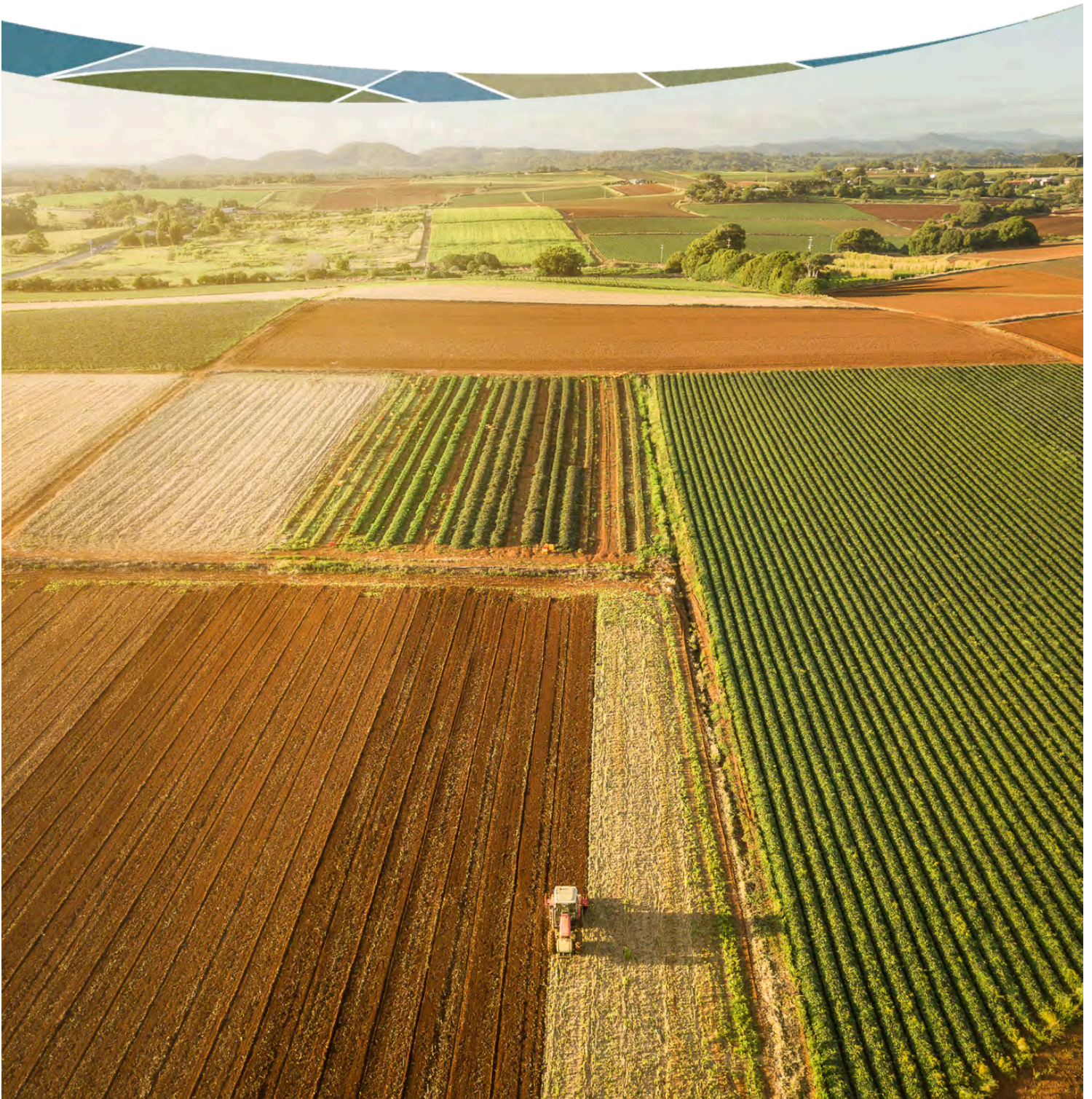
PO Box 816 Murwillumbah NSW 2484





# Special Purpose Financial Statements

Year ended 30 June 2024



# Tweed Shire Council

## Special Purpose Financial Statements

for the year ended 30 June 2024

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## Tweed Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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#### Statement by Councillors and Management made pursuant to 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 24 October 2024.



Chris Cherry  
Mayor  
24 October 2024



Meredith Dennis  
Deputy Mayor  
24 October 2024



Troy Green  
General Manager  
24 October 2024



Michael Chorlton  
Responsible Accounting Officer  
24 October 2024

## Tweed Shire Council

### Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
<b>Income from continuing operations</b>		
Access charges	7,376	7,167
User charges	28,326	25,177
Interest and investment income	3,585	1,759
Grants and contributions provided for operating purposes	29	697
Property rental income	1,025	166
Fair value increment on investments through profit and loss	14	6
<b>Total income from continuing operations</b>	<b>40,355</b>	<b>34,972</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	6,361	5,874
Borrowing costs	3,605	3,747
Materials and services	11,460	12,691
Depreciation, amortisation and impairment	12,517	11,465
Net loss from the disposal of assets	420	1,180
Calculated taxation equivalents	1,269	1,261
Debt guarantee fee (if applicable)	248	259
Occupancy expenses	1,280	1,495
<b>Total expenses from continuing operations</b>	<b>37,160</b>	<b>37,972</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>3,195</b>	<b>(3,000)</b>
Grants and contributions provided for capital purposes	3,470	3,128
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>6,665</b>	<b>128</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>6,665</b>	<b>128</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(799)	–
<b>Surplus (deficit) after tax</b>	<b>5,866</b>	<b>128</b>
<b>Plus accumulated surplus</b>	<b>225,380</b>	<b>223,845</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	1,269	1,261
– Debt guarantee fees	248	259
– Corporate taxation equivalent	799	–
<b>Less:</b>		
– Tax equivalent dividend paid	(114)	(113)
<b>Return on capital %</b>	<b>1.1%</b>	<b>0.1%</b>
<b>Subsidy from Council</b>	<b>19,758</b>	<b>22,805</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	5,866	128
Less: capital grants and contributions (excluding developer contributions)	(1,044)	(567)
<b>Surplus for dividend calculation purposes</b>	<b>4,822</b>	<b>–</b>
<b>Potential dividend calculated from surplus</b>	<b>2,411</b>	<b>–</b>

## Tweed Shire Council

### Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
<b>Income from continuing operations</b>		
Access charges	34,586	32,654
Liquid trade waste charges	3,695	3,293
Fees	776	801
Interest and investment income	7,150	3,450
Grants and contributions provided for operating purposes	226	224
Rental property income	92	127
Fair value increment on investments through profit and loss	125	6
<b>Total income from continuing operations</b>	<b>46,650</b>	<b>40,555</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	8,124	7,727
Materials and services	10,606	10,594
Depreciation, amortisation and impairment	15,819	14,754
Net loss from the disposal of assets	296	987
Calculated taxation equivalents	1,627	1,624
Occupancy expenses	2,104	2,487
<b>Total expenses from continuing operations</b>	<b>38,576</b>	<b>38,173</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>8,074</b>	<b>2,382</b>
Grants and contributions provided for capital purposes	4,473	4,143
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>12,547</b>	<b>6,525</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>12,547</b>	<b>6,525</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(2,019)	(596)
<b>Surplus (deficit) after tax</b>	<b>10,528</b>	<b>5,929</b>
<b>Plus accumulated surplus</b>	<b>285,823</b>	<b>277,782</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	1,627	1,624
– Corporate taxation equivalent	2,019	596
<b>Less:</b>		
– Tax equivalent dividend paid	(109)	(108)
<b>Return on capital %</b>	<b>1.3%</b>	<b>0.4%</b>
<b>Subsidy from Council</b>	<b>18,010</b>	<b>21,193</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	10,529	5,930
Less: capital grants and contributions (excluding developer contributions)	(2,612)	(1,917)
<b>Surplus for dividend calculation purposes</b>	<b>7,917</b>	<b>4,013</b>
<b>Potential dividend calculated from surplus</b>	<b>3,958</b>	<b>2,006</b>

## Tweed Shire Council

### Income Statement of holiday parks

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
Fees	12,893	12,241
Interest and investment income	1,012	528
Hire fees	655	294
<b>Total income from continuing operations</b>	<b>14,560</b>	<b>13,063</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	697	631
Materials and services	2,792	3,118
Depreciation, amortisation and impairment	1,554	541
Net loss from the disposal of assets	89	114
Calculated taxation equivalents	808	628
Caretaker remuneration	2,240	2,063
Occupancy expenses	3,536	3,308
<b>Total expenses from continuing operations</b>	<b>11,716</b>	<b>10,403</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>2,844</b>	<b>2,660</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>2,844</b>	<b>2,660</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>2,844</b>	<b>2,660</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(711)	(665)
<b>Surplus (deficit) after tax</b>	<b>2,133</b>	<b>1,995</b>
<b>Plus accumulated surplus</b>	<b>35,245</b>	<b>33,218</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	808	628
– Corporate taxation equivalent	711	665
<b>Less:</b>		
– Dividend paid	(2,190)	(1,259)
<b>Return on capital %</b>	<b>4.4%</b>	<b>4.1%</b>

## Tweed Shire Council

### Income Statement of commercial waste

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
Annual charges	3,897	3,689
User charges	7,727	8,240
Other income	11	5
<b>Total income from continuing operations</b>	<b>11,635</b>	<b>11,934</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	968	763
Borrowing costs	14	196
Materials and services	6,679	5,955
Depreciation, amortisation and impairment	473	205
Calculated taxation equivalents	49	54
Other expenses	594	596
<b>Total expenses from continuing operations</b>	<b>8,777</b>	<b>7,769</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>2,858</b>	<b>4,165</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>2,858</b>	<b>4,165</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>2,858</b>	<b>4,165</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(715)	(1,041)
<b>Surplus (deficit) after tax</b>	<b>2,143</b>	<b>3,124</b>
<b>Plus accumulated surplus</b>	<b>36,806</b>	<b>32,587</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	49	54
– Corporate taxation equivalent	715	1,041
<b>Return on capital %</b>	<b>37.9%</b>	<b>63.9%</b>

## Tweed Shire Council

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

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,658	343
Investments	68,000	66,000
Receivables	5,328	3,319
Other	30	20
<b>Total current assets</b>	<b>75,016</b>	<b>69,682</b>
<b>Non-current assets</b>		
Investments	8,020	10,006
Infrastructure, property, plant and equipment	617,633	588,779
Intangible assets	6	13
<b>Total non-current assets</b>	<b>625,659</b>	<b>598,798</b>
<b>Total assets</b>	<b>700,675</b>	<b>668,480</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	441	687
Borrowings	2,338	2,189
<b>Total current liabilities</b>	<b>2,779</b>	<b>2,876</b>
<b>Non-current liabilities</b>		
Borrowings	47,274	49,612
<b>Total non-current liabilities</b>	<b>47,274</b>	<b>49,612</b>
<b>Total liabilities</b>	<b>50,053</b>	<b>52,488</b>
<b>Net assets</b>	<b>650,622</b>	<b>615,992</b>
<b>EQUITY</b>		
Accumulated surplus	233,448	225,380
Revaluation reserves	417,174	390,612
<b>Total equity</b>	<b>650,622</b>	<b>615,992</b>



## Tweed Shire Council

### Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,271	–
Investments	121,000	99,500
Receivables	5,192	3,357
Other	39	29
<b>Total current assets</b>	<b>129,502</b>	<b>102,886</b>
<b>Non-current assets</b>		
Investments	22,585	29,505
Infrastructure, property, plant and equipment	606,603	589,365
Intangible assets	8	17
<b>Total non-current assets</b>	<b>629,196</b>	<b>618,887</b>
<b>Total assets</b>	<b>758,698</b>	<b>721,773</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	1,440
Payables	–	326
<b>Total current liabilities</b>	<b>–</b>	<b>1,766</b>
<b>Total liabilities</b>	<b>–</b>	<b>1,766</b>
<b>Net assets</b>	<b>758,698</b>	<b>720,007</b>
<b>EQUITY</b>		
Accumulated surplus	299,888	285,823
Revaluation reserves	458,810	434,184
<b>Total equity</b>	<b>758,698</b>	<b>720,007</b>

## Tweed Shire Council

### Statement of Financial Position of holiday parks

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	18,791	16,768
Investments	5,521	5,302
Receivables	199	153
Other	32	2
<b>Total current assets</b>	<b>24,543</b>	<b>22,225</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	65,003	65,377
<b>Total non-current assets</b>	<b>65,003</b>	<b>65,377</b>
<b>Total assets</b>	<b>89,546</b>	<b>87,602</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	7,962	7,730
<b>Total current liabilities</b>	<b>7,962</b>	<b>7,730</b>
<b>Total liabilities</b>	<b>7,962</b>	<b>7,730</b>
<b>Net assets</b>	<b>81,584</b>	<b>79,872</b>
<b>EQUITY</b>		
Accumulated surplus	36,707	35,247
Revaluation reserves	44,877	44,625
<b>Total equity</b>	<b>81,584</b>	<b>79,872</b>

## Tweed Shire Council

## Statement of Financial Position of commercial waste

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	930	778
Investments	38,294	35,386
<b>Total current assets</b>	<b>39,224</b>	<b>36,164</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	7,587	6,820
<b>Total non-current assets</b>	<b>7,587</b>	<b>6,820</b>
<b>Total assets</b>	<b>46,811</b>	<b>42,984</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	595	417
<b>Total current liabilities</b>	<b>595</b>	<b>417</b>
<b>Non-current liabilities</b>		
Provisions	2,967	3,192
<b>Total non-current liabilities</b>	<b>2,967</b>	<b>3,192</b>
<b>Total liabilities</b>	<b>3,562</b>	<b>3,609</b>
<b>Net assets</b>	<b>43,249</b>	<b>39,375</b>
<b>EQUITY</b>		
Accumulated surplus	39,713	36,806
Revaluation reserves	3,536	2,569
<b>Total equity</b>	<b>43,249</b>	<b>39,375</b>

## Note – Material accounting policy information

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

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

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

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

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1

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

- a. Tweed Water  
Supply of water
- b. Tweed Sewerage  
Sewerage Services
- c. Tweed Holiday Parks  
Holiday/Caravan parks
- d. Commercial Waste  
Non-domestic solid waste collection and disposal

#### Category 2

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

Nil

### Taxation equivalent charges

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

## Note – Material accounting policy information (continued)

### Notional rate applied (%)

Corporate income tax rate – 25% (LY 25%)

Land tax – the first \$1,075,000 of combined land values attracts 0%. For the combined land values in excess of \$1,075,000 up to \$6,571,000 the rate is \$100 + 1.6%. For the remaining combined land value that exceeds \$6,571,000 a premium marginal rate of 2.0% applies.

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

In accordance with DCCEEW's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

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

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

### Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

### Local government rates and charges

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

### Loan and debt guarantee fees

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

#### (i) Subsidies

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

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

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

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

The rate of return is calculated as follows:

## Note – Material accounting policy information (continued)

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### Operating result before capital income + interest expense

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#### Written down value of I,PP&E as at 30 June

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

#### (iii) Dividends

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

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

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



## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### Tweed Shire Council

To the Councillors of Tweed Shire Council

### Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Tweed Shire 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
- holiday parks
- commercial waste.

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 'Quentin Wong', with a stylized, cursive script.

Quentin Wong  
Delegate of the Auditor-General for New South Wales

28 October 2024  
SYDNEY

*Contact and connect*

**02 6670 2400**

[tweed.nsw.gov.au](http://tweed.nsw.gov.au)

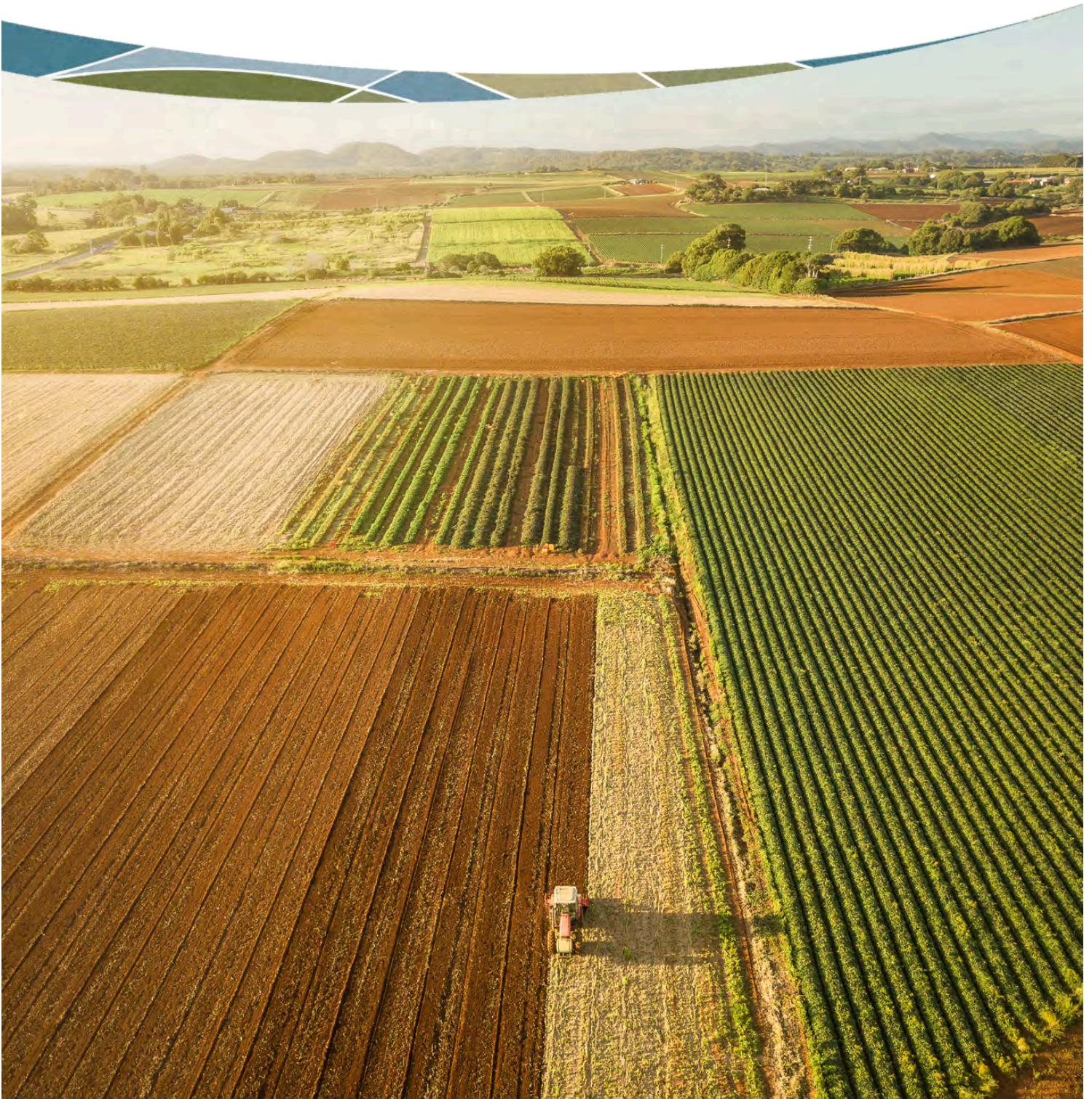
[tsc@tweed.nsw.gov.au](mailto:tsc@tweed.nsw.gov.au)

PO Box 816 Murwillumbah NSW 2484



# Special Schedules

Year ended 30 June 2024



# Tweed Shire Council

## Special Schedules

for the year ended 30 June 2024

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## Tweed Shire Council

### Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	69,926	74,664
Plus or minus adjustments <sup>2</sup>	b	280	441
<b>Notional general income</b>	c = a + b	<b>70,206</b>	<b>75,105</b>
<b>Permissible income calculation</b>			
Percentage increase	d	6.35%	4.60%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	4,458	3,455
<b>Sub-total</b>	g = (c + e + f)	<b>74,664</b>	<b>78,560</b>
Plus (or minus) last year's carry forward total	h	69	69
<b>Sub-total</b>	j = (h + i)	<b>69</b>	<b>69</b>
<b>Total permissible income</b>	k = g + j	<b>74,733</b>	<b>78,629</b>
Less notional general income yield	l	74,664	78,558
<b>Catch-up or (excess) result</b>	m = k - l	<b>69</b>	<b>71</b>
<b>Carry forward to next year <sup>4</sup></b>	p = m + n + o	<b>69</b>	<b>71</b>

#### Notes

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



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Tweed Shire Council

To the Councillors of Tweed Shire Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Tweed Shire 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.



Quentin Wong  
Delegate of the Auditor-General for New South Wales

28 October 2024  
SYDNEY

## Tweed Shire Council

## Report on Infrastructure Assets

as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
<b>Buildings</b>	All buildings	936	936	3,165	1,027	168,838	249,327	16.9%	31.1%	28.0%	21.2%	2.8%
	<b>Sub-total</b>	<b>936</b>	<b>936</b>	<b>3,165</b>	<b>1,027</b>	<b>168,838</b>	<b>249,327</b>	<b>16.9%</b>	<b>31.1%</b>	<b>28.0%</b>	<b>21.2%</b>	<b>2.8%</b>
<b>Other structures</b>	All other structures	16	16	–	–	303	728	51.0%	5.0%	5.0%	31.0%	8.0%
	<b>Sub-total</b>	<b>16</b>	<b>16</b>	<b>–</b>	<b>–</b>	<b>303</b>	<b>728</b>	<b>51.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>31.0%</b>	<b>8.0%</b>
<b>Roads</b>	Sealed roads	835	835	17,162	23,539	676,650	860,490	75.4%	19.4%	4.8%	0.4%	0.0%
	Unsealed roads	–	–	210	–	5,815	5,815	80.3%	16.8%	2.9%	0.0%	0.0%
	Bridges	–	–	5,207	3,825	218,322	260,339	94.4%	5.6%	0.0%	0.0%	0.0%
	Footpaths	84	84	1,282	1,830	36,643	64,110	20.9%	31.7%	46.9%	0.4%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Kerb and gutter	1,218	1,218	1,669	1,298	64,694	83,440	73.6%	13.2%	8.3%	4.3%	0.7%
	Street furniture	29	29	487	1,965	21,475	24,356	95.7%	2.8%	1.1%	0.3%	0.1%
	Car parks	112	112	270	370	10,747	13,512	80.6%	7.4%	8.8%	3.0%	0.3%
	Bulk earthworks	–	–	4,070	–	205,748	205,775	100.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>2,278</b>	<b>2,278</b>	<b>30,357</b>	<b>32,827</b>	<b>1,240,094</b>	<b>1,517,837</b>	<b>80.0%</b>	<b>14.2%</b>	<b>5.2%</b>	<b>0.5%</b>	<b>0.0%</b>



## Tweed Shire Council

## Report on Infrastructure Assets (continued)

as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Water supply network	Other	40,844	40,844	4,825	4,825	526,292	832,723	54.0%	26.0%	12.0%	5.0%	3.0%
	<b>Sub-total</b>	<b>40,844</b>	<b>40,844</b>	<b>4,825</b>	<b>4,825</b>	<b>526,292</b>	<b>832,723</b>	<b>54.0%</b>	<b>26.0%</b>	<b>12.0%</b>	<b>5.0%</b>	<b>3.0%</b>
Sewerage network	Other	48,191	48,191	7,141	5,158	509,334	889,910	30.0%	41.0%	21.0%	5.0%	3.0%
	<b>Sub-total</b>	<b>48,191</b>	<b>48,191</b>	<b>7,141</b>	<b>5,158</b>	<b>509,334</b>	<b>889,910</b>	<b>30.0%</b>	<b>41.0%</b>	<b>21.0%</b>	<b>5.0%</b>	<b>3.0%</b>
Stormwater drainage	Other	22,862	22,862	2,042	7,081	196,839	319,072	17.0%	23.0%	47.0%	2.0%	11.0%
	<b>Sub-total</b>	<b>22,862</b>	<b>22,862</b>	<b>2,042</b>	<b>7,081</b>	<b>196,839</b>	<b>319,072</b>	<b>17.0%</b>	<b>23.0%</b>	<b>47.0%</b>	<b>2.0%</b>	<b>11.0%</b>
Open space / recreational assets	Other	5,056	5,056	1,089	942	42,922	63,543	26.0%	36.0%	4.0%	15.0%	19.0%
	Swimming pools	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>5,056</b>	<b>5,056</b>	<b>1,089</b>	<b>942</b>	<b>42,922</b>	<b>63,543</b>	<b>26.0%</b>	<b>36.0%</b>	<b>4.0%</b>	<b>15.0%</b>	<b>19.0%</b>
Other infrastructure assets	Other	–	–	367	347	17,800	25,272	67.0%	5.0%	21.0%	2.0%	5.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>367</b>	<b>347</b>	<b>17,800</b>	<b>25,272</b>	<b>67.0%</b>	<b>5.0%</b>	<b>21.0%</b>	<b>2.0%</b>	<b>5.0%</b>
<b>Total – all assets</b>		<b>120,183</b>	<b>120,183</b>	<b>48,986</b>	<b>52,207</b>	<b>2,702,422</b>	<b>3,898,412</b>	<b>52.9%</b>	<b>24.9%</b>	<b>15.2%</b>	<b>4.2%</b>	<b>2.8%</b>

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

## Infrastructure asset condition assessment 'key'

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

## Tweed Shire Council

### Report on Infrastructure Assets

as at 30 June 2024

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

\$ '000	Amounts 2024	Indicator 2024	Indicator 2023	Benchmark
<b>Buildings and infrastructure renewals ratio</b>				
Asset renewals <sup>1</sup>	<b>151,463</b>	<b>264.50%</b>	110.15%	> 100.00%
Depreciation, amortisation and impairment	<b>57,263</b>			
<b>Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard	<b>120,183</b>	<b>4.25%</b>	4.33%	< 2.00%
Net carrying amount of infrastructure assets	<b>2,828,489</b>			
<b>Asset maintenance ratio</b>				
Actual asset maintenance	<b>52,207</b>	<b>106.58%</b>	199.72%	> 100.00%
Required asset maintenance	<b>48,986</b>			
<b>Cost to bring assets to agreed service level</b>				
Estimated cost to bring assets to an agreed service level set by Council	<b>120,183</b>	<b>3.08%</b>	3.12%	
Gross replacement cost	<b>3,898,412</b>			

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

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

# Tweed Shire 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	264.50%
Current year funding and resourcing has continued to focus on buildings and infrastructure impacted by the 2022 flood event.	

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

### Asset maintenance ratio



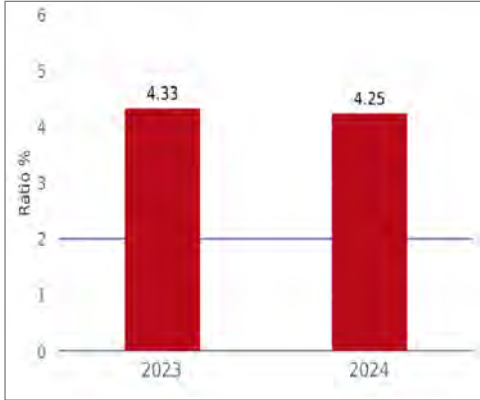
**Asset maintenance ratio**

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

Commentary on result	
23/24 ratio	106.58%
Council has achieved this ratio despite the current year required asset maintenance cost doubling that of last year (\$50.0m v \$24.8m).	

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

### Infrastructure backlog ratio



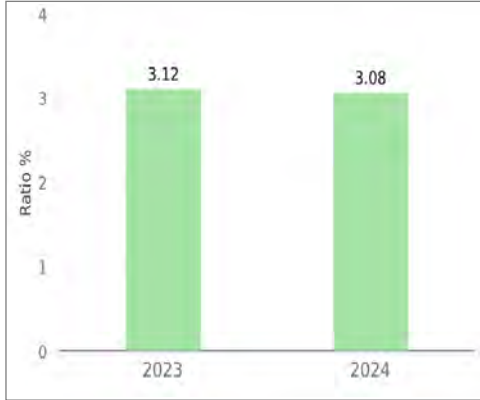
**Infrastructure backlog ratio**

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

Commentary on result	
23/24 ratio	4.25%
This ratio is based on the assessed condition of infrastructure which has been negatively impacted by the 2022 flood events.	

Benchmark: — < 2.00% ■ Ratio achieves benchmark  
 Source of benchmark: Code of Accounting Practice and Financial Reporting ■ Ratio is outside benchmark

### Cost to bring assets to agreed service level



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

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

Commentary on result	
23/24 ratio	3.08%
There has been a continued focus on maintenance works to damages resulting from the 2022 flood events.	

## Tweed Shire 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	<b>503.93%</b>	203.67%	<b>20.17%</b>	37.76%	<b>7.52%</b>	31.24%	> 100.00%
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	<b>1.74%</b>	2.03%	<b>7.76%</b>	7.29%	<b>9.46%</b>	8.85%	< 2.00%
<b>Asset maintenance ratio</b>							
Actual asset maintenance							
Required asset maintenance	<b>114.06%</b>	286.24%	<b>100.00%</b>	101.34%	<b>72.23%</b>	85.60%	> 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	<b>1.43%</b>	1.64%	<b>4.90%</b>	4.70%	<b>5.42%</b>	5.20%	

(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.

*Contact and connect*

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