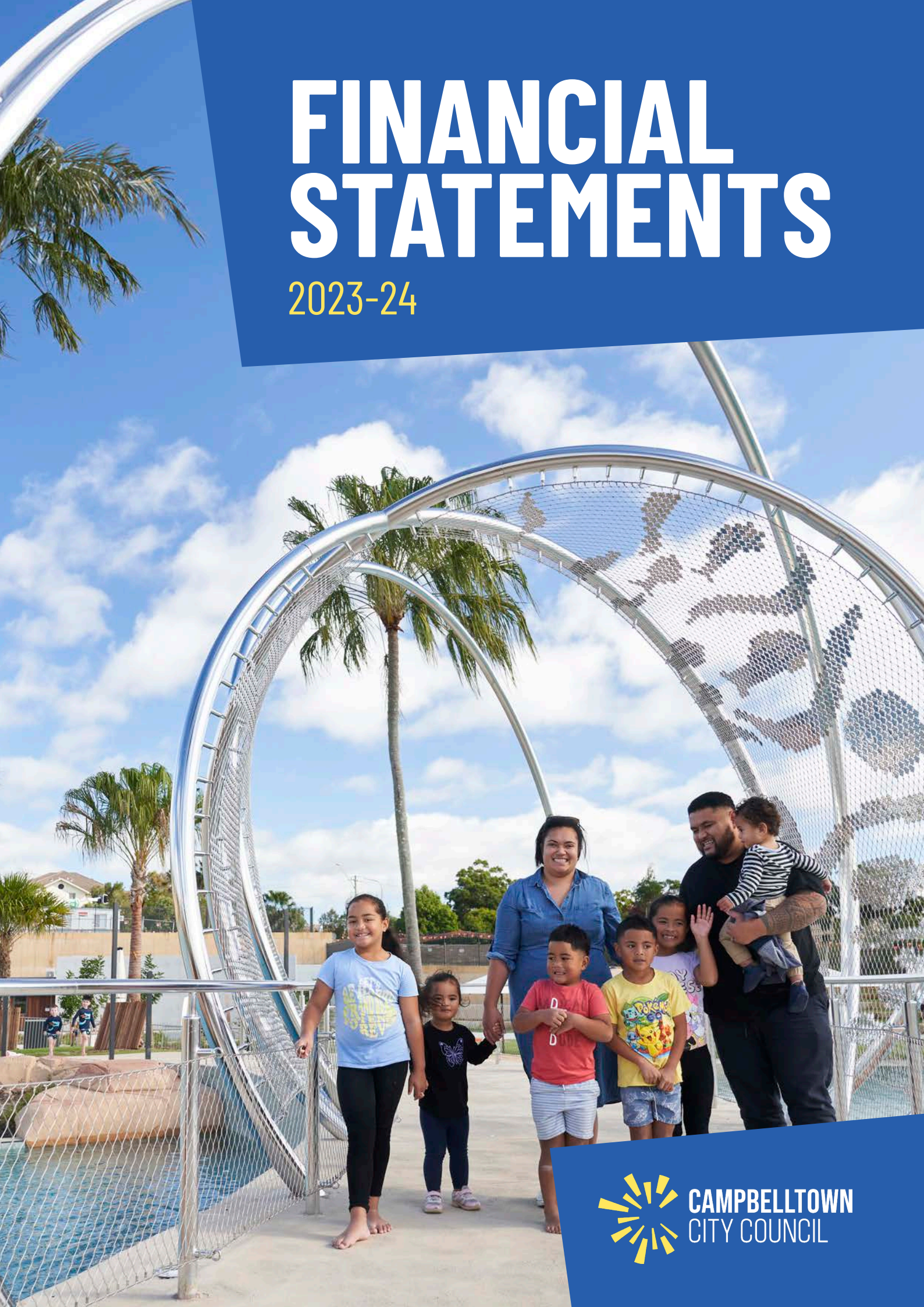


FINANCIAL STATEMENTS

2023-24



CAMPBELLTOWN
CITY COUNCIL

WELCOME

VISION

A city of opportunity for all.

Campbelltown is a unique place. Located on Sydney's southern fringe, we offer a unique lifestyle centred around our identity as a place where the city meets the bush.

We are the Metropolitan Centre for Macarthur, Australia's fastest growing region. To support the growth of our urban and peri-urban area, it is important that residents have access to transport, education, health care, justice and other higher order services.

The impending growth presents challenges and opportunities for Campbelltown, however we are committed to ensuring our city attracts the infrastructure and jobs to support this growth, and are actively positioning our city to take advantage of this opportunity.

In the past year we have seen significant investment in health, education and science industries with the opening of the new \$52 million Genesis Cancer Care facility on Council-owned land. This is a great example of using Council's land assets to support infrastructure investment and jobs growth in Campbelltown.

Work will soon begin on the next stage of this project to further expand the healthcare offerings available.

In June 2024, we opened the Campbelltown Billabong Parklands for the first time. This unique water recreation space is located in the heart of our city and will not only benefit the social well being of residents, but also will be an important attraction that will drive tourism to the region and deliver a significant economic benefit to businesses in our city centre.

We recently completed amendments to our Local Environmental Plan to reshape the commercial centres of Ingleburn and Campbelltown. These projects have helped to position our city centres for the future and ensure we can meet the growing needs of our current and future residents.


Building on these processes, we have commenced work on a new City Centre Planning proposal, which will be a key pillar in the ongoing efforts to revitalise the Queen Street Precinct and attract the private investment needed to improve the businesses and service offerings that our community desires.

Work is now well underway on a comprehensive program of social infrastructure through the Western Sydney Infrastructure Grants program. This program includes a variety of projects to upgrade major infrastructure, sporting and leisure facilities, the Campbelltown Arts Centre upgrade, open spaces and reserves and a series town centre beautification projects.

These projects demonstrate that our city has a bright future.

These financial statements of Campbelltown City Council and its controlled entities are presented in the Australian currency.

Lindy Deitz
Chief Executive Officer

A photograph of a young boy with brown hair and sunglasses, wearing a white long-sleeved t-shirt with a 'Blue' graphic, reaching out his hand towards a cloud of bubbles. In the foreground, a man with dark hair and a beard, wearing a grey cap and a black t-shirt, looks towards the camera. A woman with brown hair, wearing a colorful floral top, is partially visible on the left. The background is a blurred outdoor setting with greenery.

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2024

GENERAL PURPOSE FINANCIAL STATEMENTS

Statement by Councillors and Management [s.413(2c)]	7
Income Statement	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

A ABOUT COUNCIL AND THESE FINANCIAL STATEMENTS

A1-1 Basis of preparation	15
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B FINANCIAL PERFORMANCE

B1 Functions or activities	
B1-1 Functions or activities – income, expenses and assets	20
B1-2 Components of functions or activities	21
B2 Sources of Income	
B2-1 Rates and annual charges	22
B2-2 User charges and fees	23
B2-3 Other revenue	24
B2-4 Grants and contributions	25
B2-5 Interest and investment income	29
B2-6 Other income	30
B3 Costs of providing services	
B3-1 Employee benefits and on-costs	31
B3-2 Materials and services	32
B3-3 Borrowing costs	33
B3-4 Depreciation, amortisation and impairment of non-financial assets	34
B3-5 Other expenses	35
B4 Gains or losses	
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	36
B5 Performance against budget	
B5-1 Material budget variations	37

C FINANCIAL POSITION

C1 Assets we manage	
C1-1 Cash and cash equivalents	41
C1-2 Financial investments	42
C1-3 Restricted and allocated cash, cash equivalents and investments	44
C1-4 Receivables	46
C1-5 Inventories	48
C1-6 Non-current assets classified as held for sale	49
C1-7 Infrastructure, property, plant and equipment	50
C1-8 Investment properties	54

C2	Leasing activities	
C2-1	Council as lessee	55
C2-2	Council as lessor	57
C3	Liabilities of Council	
C3-1	Payables	59
C3-2	Contract liabilities	60
C3-3	Borrowings	61
C3-4	Employee benefit provisions	64
C3-5	Provisions	65

D RISKS AND ACCOUNTING UNCERTAINTIES

D1-1	Risks relating to financial instruments held	68
D2-1	Fair value measurement	71
D3-1	Contingencies	78

E PEOPLE AND RELATIONSHIPS

E1	Related party disclosures	
E1-1	Key management personnel (KMP)	81
E1-2	Councillor and mayoral fees	81
E1-3	Other related parties	81
E2	Other relationships	
E2-1	Audit fees	82

F OTHER MATTERS

F1-1	Statement of Cash Flows information	85
F2-1	Commitments	86
F3-1	Events occurring after reporting date	87
F4	Changes from prior year statements	
F4-1	Changes in accounting policy	88
F4-2	Correction of errors	88
F4-3	Changes in accounting estimates	88
F5	Statement of developer contributions	
F5-1	Summary of developer contributions	89
F5-2	Developer contributions by plan	90
F5-3	Contributions not under plans	91
F6	Statement of performance measures	
F6-1	Statement of performance measures	92

Auditor's report [s.417(2)]	95
Auditor's report [s.417(3)]	98

SPECIAL PURPOSE FINANCIAL STATEMENTS FOLLOW





General purpose financial statements for the year ended 30 June 2024

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

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

- The *Local Government Act 1993* (as amended) and the Regulations made thereunder.
- The Australian Accounting Standards and professional pronouncements.
- The Local Government Code of Accounting Practice and Financial Reporting.

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

- Present fairly the Council's operating result and financial position for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 13 August 2024

Signature has been removed

Dr G Greiss
Mayor

13 / 08 / 2024

Signature has been removed

Cr M Khalil
Councillor

13 / 08 / 2024

Signature has been removed

Mrs L Deitz
General Manager

13 / 08 / 2024

Signature has been removed

Mrs C Mears
Responsible Accounting Officer

13 / 08 / 2024

INCOME STATEMENT

for the year ended 30 June 2024

Original unaudited budget 2024 \$'000		Note	Actual 2024 \$'000	Actual 2023 \$'000
Income from continuing operations				
135,615	Rates and annual charges	B2-1	137,732	129,257
16,906	User charges and fees	B2-2	17,137	15,379
8,081	Other revenues	B2-3	8,955	11,286
33,001	Grants and contributions provided for operating purposes	B2-4	35,208	47,682
30,625	Grants and contributions provided for capital purposes	B2-4	34,441	28,939
5,107	Interest and investment income	B2-5	12,058	7,772
9,369	Other income	B2-6	10,033	8,981
238,704	Total income from continuing operations		255,564	249,296
Expenses from continuing operations				
91,670	Employee benefits and on-costs	B3-1	92,578	79,898
82,169	Materials and services	B3-2	82,536	82,938
75	Borrowing costs	B3-3	327	171
31,808	Depreciation, amortisation and impairment of non-financial assets	B3-4	34,424	31,330
3,311	Other expenses	B3-5	9,348	10,361
	Net loss from the disposal of assets	B4-1	1,231	1,330
209,033	Total expenses from continuing operations		220,444	206,028
29,671	Operating result from continuing operations		35,120	43,268
29,671	Net operating result for the year attributable to Council		35,120	43,268
(954)	Net operating result for the year before grants and contributions provided for capital purposes		679	14,329

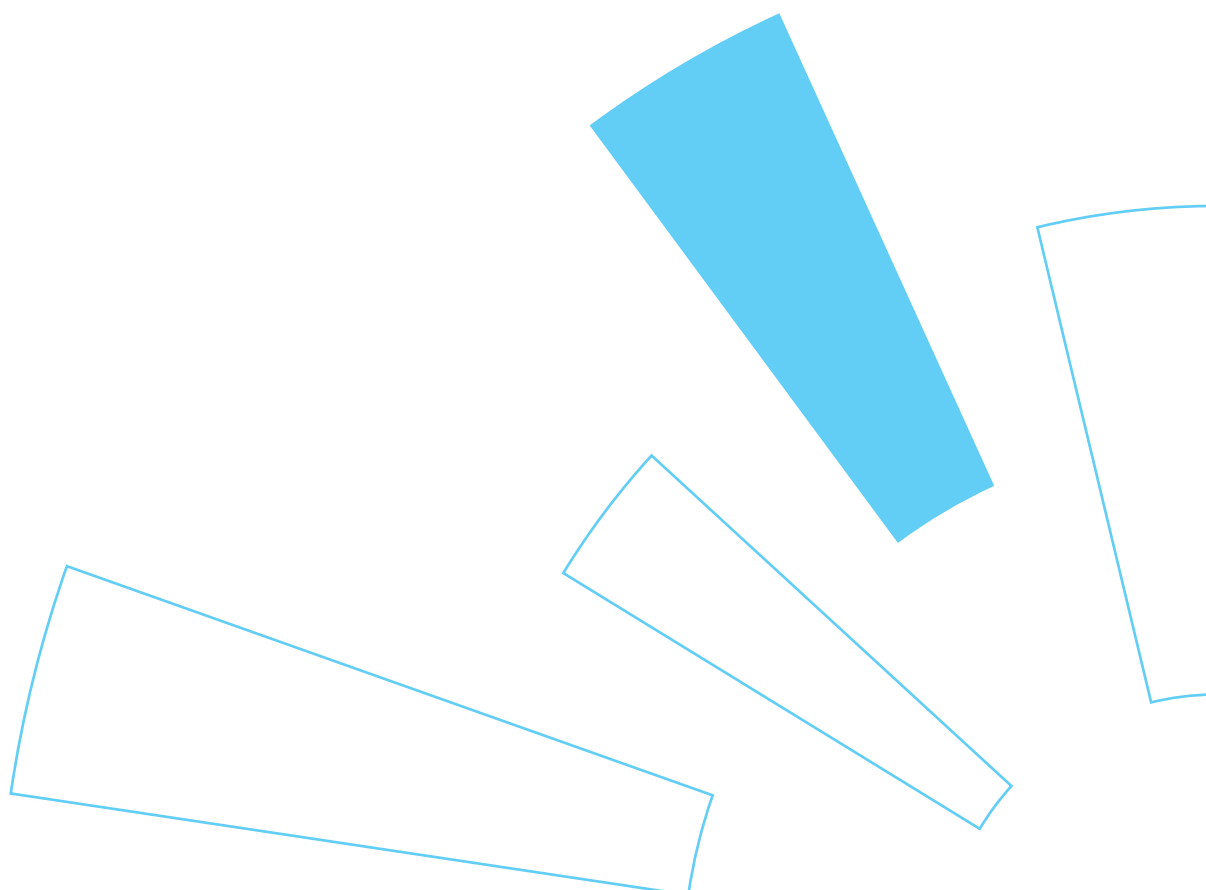
The above Income Statement should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2024

	Note	Actual 2024 \$'000	Actual 2023 \$'000
Net operating result for the year from Income Statement		35,120	43,268
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-7	169,681	130,976
Total other comprehensive income for the year		<u>169,681</u>	<u>130,976</u>
Total comprehensive income for the year attributable to Council		<u>204,801</u>	<u>174,244</u>

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



STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	Note	Actual 2024 \$'000	Actual 30 June 2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	26,076	10,433
Investments	C1-2	138,001	173,013
Receivables	C1-4	17,694	16,393
Inventories	C1-5	456	458
Other		271	749
Non-current assets classified as held for sale	C1-6	0	0
Total current assets		182,498	201,046
Non-current assets			
Investments	C1-2	90,232	60,500
Infrastructure, property, plant and equipment (IPPE)	C1-7	2,975,094	2,762,399
Investment property	C1-8	157,121	143,291
Right of use assets	C2-1	4,562	0
Total non-current assets		3,227,009	2,966,190
Total assets		3,409,507	3,167,236
LIABILITIES			
Current liabilities			
Payables	C3-1	20,127	18,096
Contract liabilities	C3-2	37,355	15,437
Lease liabilities	C2-1	539	0
Borrowings	C3-3	1,021	1,304
Employee benefit provisions	C3-4	22,001	20,239
Provisions	C3-5	1,485	1,681
Total current liabilities		82,528	56,757
Non-current liabilities			
Contract liabilities	C3-2	9,605	1,073
Lease liabilities	C2-1	4,431	0
Borrowings	C3-3	0	1,021
Employee benefit provisions	C3-4	939	868
Provisions	C3-5	3,126	3,440
Total non-current liabilities		18,101	6,402
Total liabilities		100,629	63,159
Net assets		3,308,878	3,104,077
EQUITY			
Accumulated surplus	C4-1	1,386,750	1,351,629
IPPE revaluation reserve	C4-1	1,922,128	1,752,447
Total equity		3,308,878	3,104,077

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024

	Note	Accumulated Surplus \$'000	IPPE Revaluation Reserve \$'000	Total Equity \$'000
2024				
Opening balance at 1 July		1,351,630	1,752,447	3,104,077
Net operating result for year		35,120	0	35,120
Other comprehensive income				
- Gain/(loss) on revaluation of infrastructure, property, plant and equipment		0	169,681	169,681
Total comprehensive income		35,120	169,681	204,801
Closing balance at 30 June		1,386,750	1,922,128	3,308,878
2023				
Opening balance at 1 July		1,308,362	1,621,471	2,929,833
Net operating result for year	F4-2	43,268	0	43,268
Other comprehensive income				
- Gain/(loss) on revaluation of infrastructure, property, plant and equipment		0	130,976	130,976
Total comprehensive income		43,212	130,976	174,244
Closing balance at 30 June		1,351,630	1,752,447	3,104,077

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

STATEMENT OF CASH FLOWS

for the year ended 30 June 2024

Original unaudited budget 2024 \$'000		Note	Actual 2024 \$'000	Actual 2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
135,615	Rates and annual charges		136,554	129,182
16,906	User charges and fees		17,713	15,909
5,107	Interest received		9,944	5,825
63,626	Grants and contributions		87,192	71,090
0	Bonds, deposits and retentions received		1,031	1,446
9,369	Rental receipts		9,764	9,033
22,938	Other		25,316	21,908
Payments:				
(91,670)	Payments to employees		(90,139)	(78,442)
(93,987)	Payments for materials and services		(98,218)	(91,853)
(75)	Borrowing costs		(85)	(188)
0	Bonds, deposits and retentions refunded		(1,036)	(636)
(6,350)	Other		(7,833)	(6,336)
61,479	Net cash flows from operating activities	F1-1	90,204	76,938
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts:				
11,322	Proceeds from sale of IPPE		1,598	4,558
0	Sale of real estate assets		2,193	10,128
0	Redemption of term deposits		138,707	90,521
Payments:				
0	Purchase of investments		(133,427)	(135,854)
0	Purchase of investment property		0	0
(66,400)	Payments for IPPE		(82,328)	(41,573)
(55,078)	Net cash flows from investing activities		(73,257)	(71,950)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments:				
(1,304)	Repayment of borrowings		(1,304)	(2,371)
(1,304)	Net cash flows from financing activities		(1,304)	(2,371)
5,097	Net change in cash and cash equivalents		15,643	2,617
	Cash and cash equivalents at beginning of year		10,433	7,816
	Cash and cash equivalents at end of year	C1-1	26,076	10,433

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



**NOTES TO THE
GENERAL PURPOSE
FINANCIAL STATEMENTS**
FOR THE YEAR ENDED
30 JUNE 2024

A - ABOUT COUNCIL AND THESE FINANCIAL STATEMENTS



These financial statements were authorised for issue by Council on 13 August 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the Office of Local Government directs Council to amend the financial statements.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* (as amended) and *Local Government (General) Regulation 2021* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting. Campbelltown City 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 financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying 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:

- a. Fair values of investment properties - refer to note C1-8
- b. Fair values of infrastructure, property, plant and equipment - refer to note C1-7
- c. Employee benefit provisions - refer to note C3-4.

Significant judgements in applying council's accounting policies

- a. Impairment of receivables - Council has made significant judgement about the impairment of its receivables - refer to note C1-4
- b. 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 to B2-4
- c. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease - refer to Note C2-1.

MONIES AND OTHER ASSETS RECEIVED BY COUNCIL

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993* (as amended), 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 forming part of this report.

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

- General purpose operations.

The following Committee, the transactions of which are considered immaterial either by amount or nature, has been excluded:

- Town Hall Theatre Management Committee.

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993* (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by Council in trust which must be applied only for the purpose of, or in accordance with, the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

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

Volunteer Services

Council has assessed Volunteer Services and determined such services would not be recognised in the Income Statement. Volunteer Services are infrequent in nature. Such services cannot be reliably measured and are not considered material in nature.

New accounting standards and interpretations issued but not yet effective

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

It is not anticipated that the adoption of these statements will not materially affect the financial statements of Council

NEW ACCOUNTING STANDARDS ADOPTED DURING THE YEAR

The accounting policies applied for the year ended 30 June 2024 are consistent with those of the previous financial year except as a result of new or revised Australian Accounting Standards. The following amendments and interpretations materially apply for the first time to Council from 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates. This AAS amends AASB 101 presentation of financial statements to require entities to disclose their material accounting policy information rather than their significant accounting policies.

The amendment has led to a reduction of accounting policy information being disclosed by Council.



B – FINANCIAL PERFORMANCE



B1-1 FUNCTIONS OR ACTIVITIES – INCOME, EXPENSES AND ASSETS

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

	INCOME		EXPENSES		OPERATING RESULTS		GRANTS AND CONTRIBUTIONS		CARRYING AMOUNT OF ASSETS	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
STRATEGIC PLAN OBJECTIVES										
Community and belonging	19,623	17,203	40,628	33,881	(21,005)	(16,678)	13,814	11,008	44,168	42,022
Places for people	34,857	43,551	88,146	80,340	(53,289)	(36,789)	18,970	32,730	1,076,077	961,768
Enriched natural environment	38,031	31,328	34,057	32,457	3,974	(1,129)	5,609	2,849	772,597	710,818
Economic prosperity	14,161	13,549	7,276	6,859	6,885	6,690	14,133	13,489	314,531	297,957
Strong leadership ⁽¹⁾	148,892	143,665	50,337	52,491	98,555	91,174	17,123	16,545	1,202,132	1,154,671
Total functions or activities ⁽²⁾	255,564	249,296	220,444	206,028	35,120	43,268	69,649	76,621	3,409,505	3,167,236

(1) Includes general purpose revenues

(2) As reported on the Income Statement and Statement of Financial Position

B1-2 COMPONENTS OF FUNCTIONS OR ACTIVITIES

The activities relating to the Council's Community Strategic Plan objectives reported in Note B1-1 are as follows:

COMMUNITY BELONGING

Provide initiatives that foster a proud, inclusive, and connected community for all

Provide a diverse range of cultural and creative activities and events, for all interests and people

Provide accessible services and support pathways for all ages, needs and abilities

Improve wellbeing and quality of life

Promote and support a safe community

Acknowledge and protect our local cultural heritage

Respect and support our local Aboriginal history, wisdom and peoples

ENRICHED NATURAL ENVIRONMENT

Protect, rehabilitate, and promote our natural areas, waterways and biodiversity

Ensure urban development is considerate of the natural environment

Efficiently manage and conserve our natural resources including energy and water

Improve and embed environmentally sustainable practices in our community

Improve waste management and recycling practices

Prepare for and lessen the impacts of climate change and extreme weather events

STRONG LEADERSHIP

Increase opportunities for the community to engage and collaborate with Council

Ensure the community is continuously informed about current and future issues affecting Campbelltown and key delivery partners

Provide proactive and collaborative leadership on issues that are important to Campbelltown now and into the future

Ensure that public funds and assets are managed strategically, transparently and efficiently

PLACES FOR PEOPLE

Provide public places and facilities that are accessible, safe, shaded and attractive

Provide public places and facilities that encourage leisure, recreation, and physical activity

Ensure transport networks are integrated, safe, and meet the needs of our community

Improve transport options and networks so that Campbelltown is an accessible and connected city for all

Utilise communication technologies to better connect people and foster an inclusive community

Ensure all people in Campbelltown have access to safe, secure, and affordable housing

ECONOMIC PROSPERITY

Provide high quality local job opportunities for all residents, across the spectrum of local to high skilled roles

Develop and retain our local workforce through a range of training and education opportunities

Support the growth, productivity and diversity of the local economy

Attract investment to the area

Provide support for local businesses

Activate a unique and lively city as a destination for business, social, event and leisure activities

Enhance the reputation and tell the stories of Campbelltown

B2 SOURCES OF INCOME

B2-1 RATES AND ANNUAL CHARGES

	Actual 2024 \$'000	Actual 2023 \$'000
Ordinary rates		
Residential	76,422	72,811
Farmland	503	497
Business	22,395	20,923
Mining	31	30
Less: Pensioner rebates	(1,426)	(1,426)
Rates levied to ratepayers	97,925	92,835
Pensioner rate subsidies received	783	784
Total ordinary rates	98,708	93,619
Special rates		
Infrastructure	7,548	7,174
Total special rates	7,548	7,174
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	29,954	26,997
Waste management services (not domestic)	666	614
Stormwater management services	1,497	1,477
Less: Pensioner rebates	(944)	(911)
Annual charges levied	31,173	28,177
Pensioner domestic waste management subsidies received	303	287
Total annual charges	31,476	28,464
Total rates and annual charges	137,732	129,257

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

ACCOUNTING POLICY FOR RATES AND CHARGES

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

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

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

B2-2 USER CHARGES AND FEES

	Actual 2024 \$'000	Actual 2023 \$'000
User charges		
Waste water disposal	241	263
Other	211	209
Total user charges	<u>452</u>	<u>472</u>
Fees		
Hire of Council facilities	6,378	5,842
Memberships	784	680
Child care fees	2,717	3,010
Private works - s67	113	125
s.611 gas mains	80	79
Planning and building - regulatory	2,598	2,151
Other - regulatory	184	192
S10.7 certificates (EPA Act)	453	395
S603 certificates	299	237
Inspection fees	560	566
Building services	1,002	531
Road/footpath reinstatement	1,096	656
Other	421	443
Total fees	<u>16,685</u>	<u>14,907</u>
Total user charges and fees	<u>17,137</u>	<u>15,379</u>
 User charges and fees recognised over time	 10,331	 10,004
User charges and fees recognised at a point in time	<u>6,806</u>	<u>5,375</u>
Total user charges and fees	<u>17,137</u>	<u>15,379</u>

ACCOUNTING POLICY FOR USER CHARGES AND FEES

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

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

Where an upfront fee is charged such as joining fees for the leisure centre, the fee is recognised on a straight-line basis over the expected life of the membership. Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

B2 SOURCES OF INCOME

B2-3 OTHER REVENUE

	Actual 2024 \$'000	Actual 2023 \$'000
Events and promotions	192	205
Fines	3,148	2,993
Recycling income (not domestic)	15	6
Legal fees recovery (rates)	874	563
Insurance claims recoveries	238	75
Commissions and agency fees	623	785
Sundry contributions to works	1,949	1,680
Minor equipment sold	58	101
Sale of animals	73	84
Sale of consumables	324	266
Rebates	566	966
Property related fees and land sales	45	79
Reduction in workers compensation claims liability	513	0
Development rights fee	0	3,135
Other	337	348
Total other revenue	8,955	11,286

Timing of revenue recognition for other revenue

Other revenue recognised over time	0	0
Other revenue recognised at a point in time	8,955	11,286
Total other revenue	8,955	11,286

ACCOUNTING POLICY FOR OTHER REVENUE

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

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

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

B2-4 GRANTS AND CONTRIBUTIONS

	Operating 2024 \$'000	Operating 2023 \$'000	Capital 2024 \$'000	Capital 2023 \$'000
General purpose grants and non-developer contributions (untied)				
Financial Assistance Grant				
- relating to current year	2,285	2,699	0	0
- prepayment received in advance for subsequent year	7,617	11,597	0	0
Amount recognised as income during current year	9,902	14,296	0	0
Specific purpose grants and non-developer contributions (tied)				
Cash contributions				
Transport	3,786	12,658	0	0
Roads to Recovery	1,135	1,078	0	0
Local Roads and Community Infrastructure	825	1,535	0	0
Infrastructure	0	0	8,233	10,066
Environmental programs	2,033	1,714	138	45
Community Care	10,150	8,753	0	0
Recreation and culture	1,331	1,882	1,103	50
Library	579	561	0	0
NSW Rural Fire Services	235	233	0	0
Town planning	350	375	0	0
Other grants	1,331	1,725	5,053	380
Transport for NSW contributions	726	710	0	0
Other council contributions	163	219	0	0
Car lease contributions	822	740	0	0
Interest rate subsidies	81	147	0	0
Other contributions	1,680	946	493	51
Non-cash contributions				
Subdivision dedications (other than by s7.4 and s7.11 - EP&A Act, s64 of the LGA)	0	0	13,374	12,443
Other - Rural Fire Service Plant and Equipment	0	0	0	0
Total special purpose grants and non-developer contributions (tied)	25,227	33,276	28,394	23,035
Total grants and non-developer contributions (tied)	35,129	47,572	28,394	23,035
Comprising: Commonwealth funding	21,076	25,017	4,531	1,433
State funding	9,186	20,058	9,986	9,109
Other funding	4,867	2,497	13,877	12,493
	35,129	47,572	28,394	23,035

B2 SOURCES OF INCOME

	Note	Operating 2024 \$'000	Operating 2023 \$'000	Capital 2024 \$'000	Capital 2023 \$'000
Developer contributions (s7.4 and s.7.11 - EP&A Act, s64 of the LGA)	F5				
Cash contributions					
S7.11 - contributions towards amenities/services		0	0	6,047	5,904
S7.12 - fixed development consent levies		79	110	0	0
Non-cash contributions					
Other developer contributions		0	0	0	0
Total developer contributions		<u>79</u>	<u>110</u>	<u>6,047</u>	<u>5,904</u>
Total grants and contributions		<u>35,208</u>	<u>47,682</u>	<u>34,441</u>	<u>28,939</u>
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		208	37	14,527	10,542
Grants and contributions recognised at a point in time		<u>35,000</u>	<u>47,645</u>	<u>19,914</u>	<u>18,397</u>
Total grants and contributions		<u>35,208</u>	<u>47,682</u>	<u>34,441</u>	<u>28,939</u>

Unspent grants and contributions

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

	Operating 2024 \$'000	Operating 2023 \$'000	Capital 2024 \$'000	Capital 2023 \$'000
Unspent funds at 1 July	(29,750)	(21,880)	(60,895)	(48,379)
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	(10,988)	(22,723)	(14,694)	(7,224)
Add: Funds received and not recognised as revenue in the current year	(289)	0	(35,536)	(16,316)
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	22,060	14,783	10,799	2,508
Less: Funds received in prior year but revenue recognised and funds spent in current year	10	70	5,521	8,515
Unspent funds at 30 June	<u>(18,957)</u>	<u>(29,750)</u>	<u>(94,805)</u>	<u>(60,896)</u>

ACCOUNTING POLICY FOR GRANTS AND CONTRIBUTIONS

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 installation of works. 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 of costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

B2 SOURCES OF INCOME

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 s7.4, 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

	Actual 2024 \$'000	Actual 2023 \$'000
Interest on financial assets measured at:		
- Overdue rates and annual charges (amortised cost)	528	300
- Cash and investments (amortised cost and FVTPL)	11,530	7,472
Total interest and investment revenue/(losses)	12,058	7,772

ACCOUNTING POLICY FOR INTEREST AND INVESTMENT REVENUE

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

B2-6 OTHER INCOME

	Note	Actual 2024 \$'000	Actual 2023 \$'000
Fair value increment on investment properties	C1-8 F4-2	0	0
Rental income	C2-2	10,033	8,981
Total other income		<u>10,033</u>	<u>8,981</u>



B3-1 EMPLOYEE BENEFITS AND ON COSTS

	Actual 2024 \$'000	Actual 2023 \$'000
Salaries and wages	70,379	60,827
Employee leave entitlements	11,920	10,318
Superannuation	8,719	7,320
Workers compensation insurance - claims and admin costs	1,816	1,650
Fringe benefits tax	165	161
Training costs (excluding salaries)	19	37
Other	17	34
Less: capitalised costs	(457)	(393)
Total employee costs	92,578	79,954

ACCOUNTING POLICY FOR EMPLOYEE BENEFITS AND ON-COSTS

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

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

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

B3 COSTS OF PROVIDING SERVICES

B3-2 MATERIALS AND SERVICES

	Note	Actual 2024 \$'000	Actual 2023 \$'000
Raw materials and consumables		6,046	5,726
Contractor costs		30,420	33,904
Consultants and professional fees		7,690	6,526
Remuneration of Auditors	E2-1	240	234
Legal fees		1,475	957
Advertising		857	544
Bank charges and fees		152	146
Child care expenses		2,982	2,398
Computer equipment and fees		5,339	4,255
Electricity and gas		1,635	1,558
Equipment maintenance and repairs		132	130
Equipment/furniture and fittings		463	435
Hired personnel		803	1,147
Insurance		1,942	3,256
Mayoral and Councillor fees	E1-2	540	530
Office expenses		112	151
Postage, printing and stationery		653	667
Self insurance expenses		639	716
Seminar/conference/civic functions		202	231
Street lighting		3,275	3,602
Telephone		1,000	1,038
Tipping fees/contributions		9,092	8,063
Training costs		429	365
Travelling		162	139
Valuer generals department		432	469
Water rates		1,271	875
Other		4,553	4,876
Total materials and services		82,536	82,938

ACCOUNTING POLICY FOR MATERIALS AND SERVICES

Expenses are recorded on an accrual basis as Council receives the goods or services.

B3-3 BORROWING COSTS

	Actual 2024 \$'000	Actual 2023 \$'000
Interest on loans	82	171
Interest on leases	245	0
Total borrowing costs	327	171

ACCOUNTING POLICY FOR BORROWING COSTS

Borrowing costs are expensed as incurred.



B3 COSTS OF PROVIDING SERVICES

B3-4 DEPRECIATION, AMORTISATION AND IMPAIRMENT OF NON-FINANCIAL ASSETS

	Note	Actual 2024 \$'000	Actual 2023 \$'000
Depreciation and amortisation			
Plant and equipment	C1-7	3,426	3,312
Office equipment	C1-7	212	206
Furniture and fittings	C1-7	38	33
Infrastructure	C1-7	20,442	18,832
Buildings	C1-7	5,004	4,653
Other structures	C1-7	4,377	3,982
Other assets	C1-7	335	312
Right of use assets	C2-1	590	0
Total depreciation and amortisation costs		34,424	31,330

ACCOUNTING POLICY FOR DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES OF NON-FINANCIAL ASSETS

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B3-5 OTHER EXPENSES

	Note	Actual 2024 \$'000	Actual 2023 \$'000
Fair value decrement on investment properties	C1-8		4,007
Contributions and donations to other organisations		3,266	722
Contributions and levies to other levels of government			
- planning levy		134	130
- waste levy		3,039	3,170
- emergency services levy (incl. FRNSW, SES, RFS)		2,892	2,297
Other		17	35
Total other expenses		9,348	10,361

ACCOUNTING POLICY FOR OTHER EXPENSES

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses. Impairment expenses are recognised when identified.



B4 GAINS OR LOSSES

B4-1 GAIN OR LOSS FROM THE DISPOSAL, REPLACEMENT AND DE-RECOGNITION OF ASSETS

	Note	Actual 2024 \$'000	Actual 2023 \$'000
Gain (or loss) on disposal of infrastructure, property, plant and equipment	C1-7		
Proceeds from disposal		1,593	4,554
Less: carrying amount of assets sold		(3,467)	(5,884)
Gain (or loss) on disposal		<u>(1,874)</u>	<u>(1,330)</u>
Gain (or loss) on disposal of investment property	C1-8		
Proceeds from disposal		0	0
Less: carrying value of assets sold		<u>0</u>	<u>0</u>
Gain (or loss) on disposal		<u>0</u>	<u>0</u>
Gain (or loss) on disposal of non-current assets held for sale	C1-6		
Proceeds from disposal		2,193	10,128
Less: carrying value of assets sold		<u>(1,550)</u>	<u>(10,128)</u>
Gain (or loss) on disposal		<u>643</u>	<u>0</u>
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal		0	0
Less: carrying value of assets sold		<u>0</u>	<u>0</u>
Gain (or loss) on disposal		<u>0</u>	<u>0</u>
Net gain (or loss) from disposal of assets		<u>(1,231)</u>	<u>(1,330)</u>

ACCOUNTING POLICY FOR DISPOSAL OF ASSETS

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is derecognised.

B5-1 MATERIAL BUDGET VARIATIONS

Council's original budget was adopted by Campbelltown City Council on 27 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.

REVENUES

INTEREST ON INVESTMENTS

Actual Interest received was greater than budgeted by \$6.9m (F)(136%).

Interest rates remained at a greater rate than budget projections. The budget was developed on a lower interest rate, which has contributed to this result. In addition, a greater amount of funds was held on investment than was anticipated, due to large capital projects not proceeding in the anticipated time frame. Additional interest income has also been received in Extra Charges.

GRANTS AND CONTRIBUTIONS RECEIVED (OPERATING AND CAPITAL)

Actual amounts of grants and contributions received were over budget by \$6.0m (F)(9.5%).

Variations in amounts received in grants and contributions are detailed below. These variances are mainly due to:

- Capital contributions \$13.1m (F), unbudgeted contributions and dedications from developers towards land, road and drainage construction at various development sites, as well as S7.11 Plan contributions.
- Child Care grants of \$2.6m (F), due to the increased patronage and additional government assistance provided to Child Care Centres.
- Financial assistance grant of \$0.4m (U), resulting from the Federal Government's policy of paying in advance of the year the grant applies to. This year approximately 100% of the grant was paid in advance.
- Various new projects or programs where funding was received 5.1m (F) including: Tree Planting, Environmental projects, Community Events, Cultural grants, Biobanking and Vegetation Management.
- There were several grants and contributions received that were not included in the original budget \$2.8m (F), mainly due to various government stimulus packages announced during the year.
- Budgeted funds that were only partially received \$11.8m (U), mainly due to works being delayed or budgeted cash flow differences. These include funding for: WSIG projects, Centre of Excellence, Farrow Road Car Park and flood recovery projects.
- Various other minor variations including, contributions from sporting clubs, and community bodies, employee contributions, pensioner subsidy, contributions from other Councils and construction works not budgeted.

B5 PERFORMANCE AGAINST BUDGET

OTHER REVENUES

Actual amounts of other income received were over budget by \$0.9m (F)(11%).

Variations in amounts received are detailed below:

- Compliance activity income was less than budgeted resulting in a decrease of \$360k (U).
- Cost recovery and recharge activity has resulted in increased income \$496k (F).
- Income from legal costs recovered was greater than budgeted \$328k (F).
- The reduction in Workers Compensation liability was not budgeted \$513k (F).
- Income from various sales including animals, kiosk, gifts/souvenirs, ticket sales was less than anticipated \$169k (U).
- Insurance claim income and rebates not budgeted \$238k (F).
- Other rebates including Fuel Tax, container deposits, \$180k (U).

EXPENSES

BORROWING COSTS

Actual value of borrowing costs was over budget by \$245k (U)(335%).

- Right of Use Asset interest cost for rental of temporary library site not budgeted \$245k (U).

LOSS ON DISPOSAL OF ASSETS

Council disposed of various items of property, infrastructure, plant and equipment assets during the year. The accounting treatment of the gain or loss on disposal was not included in the original budget. The net result of \$1.2m (U) is mainly due to the renewal of infrastructure assets and the sale of land.

OTHER EXPENSES

Various minor favourable and unfavourable variations occurred throughout the year in the other various expense categories \$6.1m (U)(182%).

- Increases in sponsorship of other authorities \$60k (U).
- Increases in the Emergency Services Levy contributions \$480k (U)
- Waste Levy charges transferred from Materials and Services \$3m (U)
- Increase in contributions to other authorities, the main amount being for the development of sporting fields at Macarthur Heights, not budgeted \$2.5m (U).

STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES

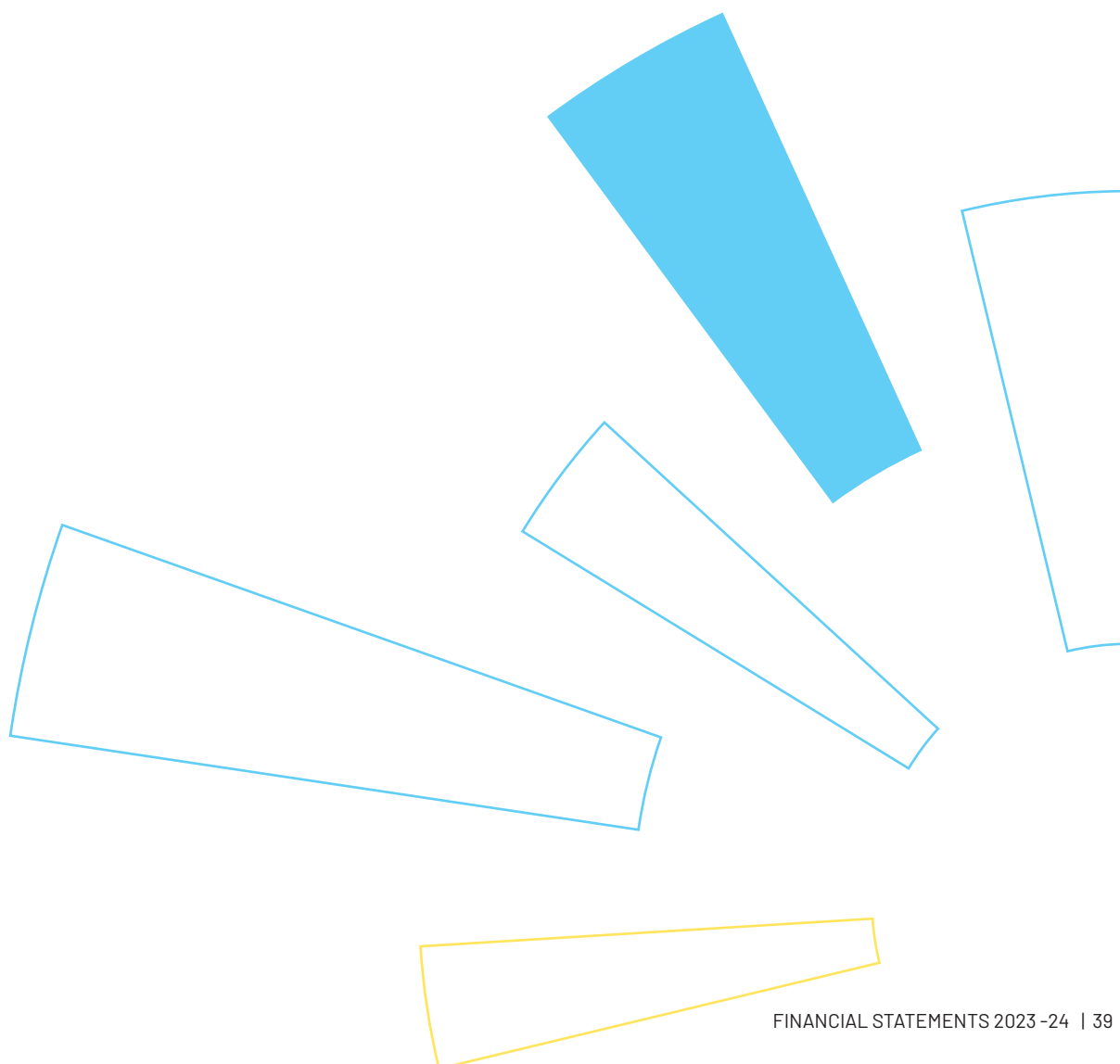
The net variance from operating activities was 46% (F) and consisted of:

- interest received of \$4.8m (F) as a result of unanticipated levels of increases to interest rates and a consistent investment portfolio value;
- grants and contributions receipts of \$23m (F) due to the receipt of 85% advance of financial assistance grant as well as other grant funds received for various projects that the timing was indeterminate during the adoption of the original budget,

CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows from investing activities were over budget by a net 33%(U) and also consisted of:

- Proceeds from the sale of IPPE and real estate assets of \$9m (U) for for operational land sales not realised
- Capital purchases of IPPE over budget by \$16m (U) predominately associated with significant increases in capital expenditure for infrastructure assets, particularly road assets. This additional capital expenditure is offset by the increase in grant funding cash flows.



C – FINANCIAL POSITION



C1-1 CASH AND CASH EQUIVALENTS

	Actual 2024 \$'000	Actual 2023 \$'000
Cash at bank and on hand	18,811	4,921
Deposits at call	7,265	5,512
Total cash assets	26,076	10,433

ACCOUNTING POLICY FOR CASH AND CASH EQUIVALENTS

For Statement of Cash Flow presentation purposes, cash and cash equivalents include cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

C1-2 FINANCIAL INVESTMENTS

	Actual 2024		Actual 2023	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Financial assets at fair value through profit and loss				
Managed funds	5,696	0	5,149	0
Floating rate notes	6,000	33,650	1,300	33,450
Debt securities at amortised cost				
Terms deposits	118,805	54,582	161,564	19,550
Fixed bonds	7,500	2,000	5,000	7,500
Total	138,001	90,232	173,013	60,500

ACCOUNTING POLICY FOR FINANCIAL INVESTMENTS

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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

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

Financial assets through profit or loss

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

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

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

C1-3 RESTRICTED AND ALLOCATED CASH, CASH EQUIVALENTS AND INVESTMENTS

	Actual 2024 \$'000	Actual 2023 \$'000
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	254,309	243,946
Less: Externally restricted cash, cash equivalents and investments	(143,760)	(117,361)
Cash, cash equivalents and investments not subject to external restrictions	110,549	126,585
External restrictions		
External restrictions included in cash, cash equivalents and investments comprise:		
Self insurance claims	4,954	5,144
<i>Developer Contributions</i>		
Developer contributions - S7.11	46,646	41,022
Developer contributions - Other	956	920
<i>Other</i>		
Specific purpose unexpended grants	62,027	42,681
Domestic waste management	23,911	20,233
General contributions	4,133	6,023
Stormwater management levy	1,133	1,338
Total external restrictions	143,760	117,361

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.

	Actual 2024 \$'000	Actual 2023 \$'000
(b) Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Employee leave entitlements	9,557	8,971
<i>Other</i>		
Committed works funded by loans	3,175	3,088
Property development	6,627	16,047
Replacement of fleet, plant and vehicles	8,233	8,050
Future infrastructure fund	38,152	50,762
Asset replacement	6,430	7,493
Self insurance	929	1,088
Committed works	20,217	16,556
Local Government elections	984	684
Insurances	5,477	5,457
Environmental	3,694	1,954
Community events	1,658	1,794
Other	206	401
Total internal allocations	105,339	122,345

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

	Actual 2024		Actual 2023	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Rates and annual charges	5,981	321	5,136	325
Interest and extra charges	1,825	44	1,380	43
User charges and fees	825	0	1,323	0
Accrued revenues	4,408	0	2,411	0
Government grants and subsidies	2,027	0	2,607	0
Private works	2	0	8	0
Sundry debtors	2,802	0	3,796	0
Total	17,870	365	16,661	368
Less: provision for impairment:				
rates and annual charges	(114)	(365)	(151)	(368)
user charges and fees	(19)	0	(19)	0
other	(43)	0	(97)	0
Net receivables	17,694	0	16,394	0

ACCOUNTING POLICY FOR RECEIVABLES

Recognition and measurement

Receivables are generally due for settlement within 30 days.

Impairment

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

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

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

When considering the ECL for rates debtors, Council considers that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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.

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

There were no receivables with a contractual amount written off during the reporting period.

C1-5 INVENTORIES

	Actual 2024		Actual 2023	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
At cost:				
Stores and materials	456	0	458	0
Total inventories	<u>456</u>	<u>0</u>	<u>458</u>	<u>0</u>

ACCOUNTING POLICY FOR INVENTORIES

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.

C1-6 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Actual 2024 \$'000	Actual 2023 \$'000
Land	0	0
Total non-current assets classified as held for sale	0	0

ACCOUNTING POLICY FOR NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

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

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



C1-7 INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

By aggregated asset class	Gross carrying amount \$'000	Accum. depn. and impairment \$'000	Net carrying amount \$'000	Renewals \$'000	New assets \$'000	Carrying value of disposals \$'000	Depn. \$'000	Transfers \$'000	Revaluation inc/(dec) \$'000	Gross carrying amount \$'000	Accum. depn. and impairment \$'000	Net carrying amount \$'000
	At 1 July 2023			Movements during year						At 30 June 2024		
Capital Works in Progress	6,261	0	6,261	0	7,447	0	0	(6,039)	0	7,669	0	7,669
Plant and equipment	23,163	(10,179)	12,984	3,097	3,262	(915)	(3,018)	0	0	26,362	(10,952)	15,410
Rural Fire Service	5,401	(3,986)	1,415	127	285	(77)	(408)	0	0	5,189	(3,846)	1,343
Office equipment	4,042	(3,476)	566	186	1,571	(38)	(212)	0	0	5,409	(3,335)	2,074
Furniture and fittings	672	(388)	284	1	54	0	(37)	0	0	728	(426)	302
Land												
- operational land	713,524	0	713,524	0	220	0	0	(1,545)	365	712,564	0	712,564
- community land	269,792	0	269,792	0	2,729	(1,040)	0	(5)	0	271,476	0	271,476
- crown land	13,140	0	13,140	0	0	0	0	0	0	13,140	0	13,140
- land under roads	218,106	0	218,106	0	132	0	0	0	0	218,239	0	218,239
Land improvements												
- Non depreciable	57,993	0	57,993	220	1,981	0	0	1,017	19,083	80,294	0	80,294
Buildings ⁽¹⁾	330,972	(81,771)	249,201	1,172	4,592	(172)	(5,004)	(77)	14,955	351,264	(86,600)	264,664
Other structures	82,423	(33,843)	48,580	2,080	10,735	(120)	(3,307)	0	13,592	127,021	(55,460)	71,561
Infrastructure												
- roads	714,630	(159,430)	555,200	23,516	4,804	(955)	(12,846)	99	88,466	862,387	(204,103)	658,284
- bridges	140,429	(50,876)	89,553	111	455	0	(1,726)	0	(1,445)	139,867	(52,917)	86,950
- footpaths	140,977	(61,211)	79,766	1,673	3,368	(68)	(2,063)	0	(17,306)	121,267	(55,897)	65,370
- storm water drainage	549,246	(128,222)	421,024	822	4,054	0	(3,807)	0	54,819	624,481	(147,572)	476,909
- swimming pools	8,841	(3,535)	5,306	0	1,553	0	(152)	4,501	(3,214)	11,929	(3,934)	7,995
- Open space/recreation	14,958	(6,921)	8,037	1,303	432	(83)	(918)	3	366	17,563	(8,424)	9,139
Other assets												
- library books	11,983	(11,145)	838	0	380	0	(336)	0	0	12,363	(11,481)	882
- other	10,829	0	10,829	0	0	0	0	0	0	10,829	0	10,829
TOTALS	3,317,382	(554,983)	2,762,399	34,308	48,054	(3,468)	(33,834)	(2,046)	169,681	3,620,041	(644,947)	2,975,094

(1) Excludes investment properties

By aggregated asset class	Gross carrying amount \$'000	Accum. depn. and impairment \$'000	Net carrying amount \$'000	Renewals \$'000	New assets \$'000	Carrying value of disposals \$'000	Depn. \$'000	Transfers \$'000	Revaluation inc/(dec) \$'000	Gross carrying amount \$'000	Accum. depn. and impairment \$'000	Net carrying amount \$'000
	At 1 July 2022			Movements during year						At 30 June 2023		
Capital Works in Progress	5,447	0	5,447	0	5,316	0	0	(4,502)	0	6,261	0	6,261
Plant and equipment	20,801	(10,349)	10,452	4,951	1,376	(950)	(2,845)	0	0	23,163	(10,179)	12,984
Rural Fire Service ⁽²⁾	5,372	(3,521)	1,851	0	32	0	(468)	0	0	5,401	(3,986)	1,415
Office equipment	3,886	(3,270)	616	0	156	0	(206)	0	0	4,042	(3,476)	566
Furniture and fittings	544	(355)	189	0	128	0	(33)	0	0	672	(388)	284
Land												
- operational land	771,515	0	771,515	0	370	0	0	(7,070)	(51,292)	713,524	0	713,524
- community land	228,119	0	228,119	0	935	(166)	0	0	40,904	269,792	0	269,792
- crown land	10,833	0	10,833	0	0	0	0	0	2,307	13,140	0	13,140
- land under roads	162,032	0	162,032	0	376	(188)	0	0	55,886	218,106	0	218,106
Land improvements												
- Non depreciable	47,446	0	47,446	228	0	0	0	1,859	8,460	57,993	0	57,993
Buildings ⁽¹⁾	335,378	(68,150)	267,228	2,560	390	(21)	(4,653)	1,255	(17,558)	330,972	(81,771)	249,201
Other structures	76,974	(30,282)	46,692	2,756	273	(439)	(3,028)	1047	1,279	82,423	(33,843)	48,580
Infrastructure												
- roads	658,544	(138,402)	520,142	16,576	6,121	(2,079)	(12,135)	6	26,569	714,630	(159,430)	555,200
- bridges	130,627	(45,896)	84,731	275	168	(312)	(1,526)	0	6,217	140,429	(50,876)	89,553
- footpaths	128,576	(54,253)	74,323	1,619	2,206	(489)	(1,875)	0	3,982	140,977	(61,211)	79,766
- storm water drainage	480,119	(112,576)	367,543	388	2,742	(1,153)	(3,295)	327	54,472	549,246	(128,222)	421,024
- swimming pools	8,410	(3,226)	5,184	0	0	0	(136)	0	258	8,841	(3,535)	5,306
- Open space/recreation	14,067	(5,169)	8,898	495	49	(87)	(818)	8	(508)	14,958	(6,921)	8,037
Other assets												
- library books	11,610	(10,834)	776	0	374	0	(312)	0	0	11,983	(11,145)	838
- other	10,750	0	10,750	0	79	0	0	0	0	10,829	0	10,829
TOTALS	3,111,050	(486,283)	2,624,767	29,848	21,091	(5,884)	(31,330)	(7,070)	130,976	3,317,382	(554,983)	2,762,399

(1) Excludes investment properties

(2) RFS Assets recognised as at 30 June 2022

ACCOUNTING POLICY FOR INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

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

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

Useful lives of IPPE

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

- Plant and equipment 4-20 years
- Office equipment 3-40 years
- Furniture and fittings 5-30 years
- Buildings 8-229 years
- Other structures 10-100 years
- Roads and footpaths 15-120 years
- Bridges 12-100 years
- Stormwater Drainage 5-175 years

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 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.

Land under roads

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

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

Crown reserves

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

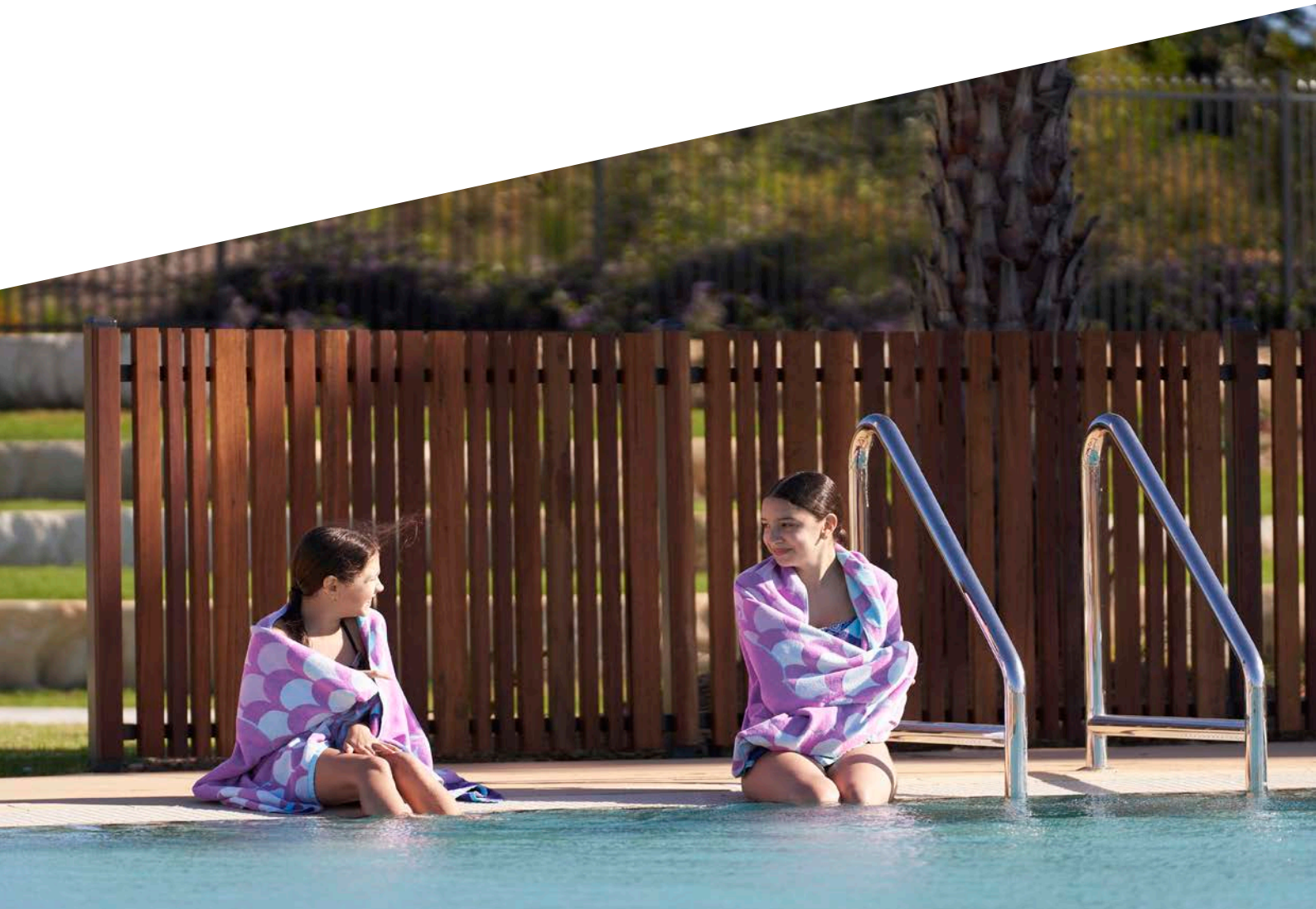
Improvements on Crown reserves are recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within NSW Council's Income Statement.

Rural Fire Service assets

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

Council has always and continues to recognise the RFS buildings on Council controlled land.

In accordance with Australian Accounting Standards, Council recognises rural fire-fighting equipment vested in the local government area on the Statement of Financial Position.



C1 ASSETS WE MANAGE

C1-8 INVESTMENT PROPERTIES

	Actual 2024 \$'000	Actual 2023 \$'000
Owned investment property		
At fair value		
Opening balance at 1 July	143,290	137,156
Acquisitions	13,260	2,930
Capitalised subsequent expenditure		
- Buildings	75	142
Transfers from operational property	0	7,070
Transfers from Work in Progress Account	496	0
Net gain (loss) from fair value adjustment	0	(4,007)
Closing balance at 30 June	157,121	143,291

ACCOUNTING POLICY FOR INVESTMENT PROPERTIES

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

C2-1 COUNCIL AS LESSEE

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

Terms and conditions of leases

Vehicles

Council makes variable payments for domestic waste collection trucks utilised in the Campbelltown LGA. No Right-of-use asset exists under this arrangement.

Office and IT Equipment

Leases for office and IT equipment are for low value assets. The leases are for between 2 to 4 years with no renewal option. The payments are fixed, however some of the leases include variable payments based on usage.

Council entered into a lease agreement on 01 July 2023 for the lease of a building asset where a right of use asset and lease liability has been recognised.

	Buildings \$'000	Total \$'000
(a) Right-of-use Assets		
2024		
Opening balance at 1 July	0	0
Additions	5,152	5,152
Lease Liability	0	0
Depreciation Charge	(590)	(590)
Impairment	0	0
Balance at 30 June 2024	4,562	4,562
2023		
Opening balance at 1 July	0	0
Additions	0	0
Lease Liability	0	0
Depreciation Charge	0	0
Impairment	0	0
Balance at 30 June 2023	0	0

C2 LEASING ACTIVITIES

(b) Leases Liabilities

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

	<1 Year \$'000	1-5 Years \$'000	>5 Years \$'000	Total \$'000	Total per Statement of Financial Position \$'000
2024	539	3,543	888	4,970	4,970
2023	0	0	0	0	0

Actual
2024
\$'000

Actual
2023
\$'000

(c) Income Statement

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

Interest on Lease Liabilities	245	0
Variable lease payments based on usage not included in the measurement of lease	11,482	10,733
Income from sub-leasing right-of-use assets	0	0
Depreciation of right-of-use assets	590	0
Expenses relating to short-term leases	0	0
Expenses relating leases of low-value assets	231	356
	<u>12,548</u>	<u>11,089</u>

(e) Leases at significantly below market value - Concessionary / peppercorn leases

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

- Child care premises
- Visitor information centre building
- Drains, bus terminals and commuter car parks

The leases are generally between 2 and 99 years and require payments of a maximum amount of \$100 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.

None of the leases in place are individually material from a Statement of Financial Position or performance perspective.

ACCOUNTING POLICY FOR LEASES WHERE COUNCIL IS LESSEE

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

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.

At the lease commencement, Council recognises a right of use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

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

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. cpi).

Where the lease liability is re-measured, the right of use asset is adjusted to reflect the re-measurement.

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 LESSOR

(a) Operating leases

Council leases out a number of properties; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property in the Statement of Financial Position as:

- Investment property – where the asset is held predominantly for rental or capital growth purposes (refer note C1-8)
- Property, plant and equipment – where the rental is incidental, or the asset is held to meet Council's service delivery objectives (refer note C1-7).

(i) Assets held as investment property

Investment property operating leases relate to numerous land and building assets leased to community groups.

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

	Actual 2024 \$'000	Actual 2023 \$'000
Lease income (excluding variable lease payments not dependent on an index or rate)	9,214	8,104
Direct operating expenses from property that generated rental income	709	513
Total income relating to operating leases for investment property assets	9,923	8,617

(ii) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of provision of services by community groups. The table below relates to operating leases on assets disclosed in note C1-7:

	Actual 2024 \$'000	Actual 2023 \$'000
Lease income (excluding variable lease payments not dependent on an index or rate)	799	877
Total income relating to operating leases for Council assets	799	877
Amount of IPPE leased out by Council under operating leases		
– Buildings	799	843
Total IPPE leased out by Council under operating leases	799	843

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

	Actual 2024 \$'000	Actual 2023 \$'000
< 1 year	10,231	9,235
1 - 2 years	9,165	8,881
2 - 3 years	7,871	7,908
3 - 4 years	6,927	6,605
4 - 5 years	6,926	5,700
> 5 years	47,036	40,731
Total undiscounted lease payments to be received	88,156	79,060

(b) Finance leases

Council holds no finance leases.

ACCOUNTING POLICY FOR LEASES WHERE COUNCIL IS LESSOR

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

	Actual 2024		Actual 2023	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Payables				
Goods and services	10,128	0	8,748	0
Accrued wages and salaries	2,033	0	1,486	0
Accrued expenses - other	2	0	4	0
Deposits and retentions	3,315	0	3,444	0
Other payables	725	0	619	0
Payments received in advance	3,924	0	3,795	0
Total payables	<u>20,127</u>	<u>0</u>	<u>18,096</u>	<u>0</u>
 (a) Current payables not expected to be settled within next 12 months	 6,550	 0	 6,579	 0

ACCOUNTING POLICY FOR PAYABLES

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

The amounts are unsecured and are usually paid within 30 days of recognition.

C3-2 CONTRACT LIABILITIES

		Actual 2024		Actual 2023	
		Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Funds to construct Council controlled assets	(i)	36,558	9,605	14,812	1,073
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	(ii)	208	0	148	0
Deposits received in advance of services provided		589	0	477	0
Total contract liabilities		37,355	9,605	15,437	1,073

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

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

	Actual 2024 \$'000	Actual 2023 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Funds to construct Council controlled assets	5,532	2,024
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	149	37
Deposits received in advance of services provided	477	436
Total	6,158	2,497

Significant changes in contract liabilities

The overall balance for Contract Liabilities has increased due to the receipt of grant funding in advance for the Western Sydney Infrastructure Grant (WSIG) program.

ACCOUNTING POLICY FOR CONTRACT LIABILITIES

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

C3 LIABILITIES OF COUNCIL

C3-3 BORROWINGS

	Actual 2024		Actual 2023	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Loans - secured	1,021	0	1,304	1,021
Total borrowings	1,021	0	1,304	1,021

(a) Changes in liabilities arising from financing activities

	2023 \$'000	Cash flows \$'000	Non- cash movements \$'000		2024 \$'000
			Acquisition	Other	
Loans - secured	2,325	(1,304)	0	0	1,021
Total liabilities from financing activities	2,325	(1,304)	0	0	1,021

	2022 \$'000	Cash flows \$'000	Non- cash movements \$'000		2023 \$'000
			Acquisition	Other	
Loans - secured	4,696	(2,371)	0	0	2,325
Total liabilities from financing activities	4,696	(2,371)	0	0	2,325

	Actual 2024 \$'000	Actual 2023 \$'000
(b) Financing arrangements		
Total facilities		
The amount of total financing available to Council at the reporting date is:		
- bank overdraft facility	500	500
- corporate credit cards	820	820
	<u>1,320</u>	<u>1,320</u>
Drawn facilities		
The amount of financing drawn down at the reporting date is:		
- corporate credit cards	122	110
	<u>122</u>	<u>110</u>
Undrawn facilities		
The amount of undrawn financing available to Council at the reporting date is:		
- bank overdraft facility	500	500
- corporate credit cards	698	710
	<u>1,198</u>	<u>1,210</u>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

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 over the rating income of Council.

Leased liabilities are secured by the underlying leased assets.

Bank overdrafts

The bank overdraft of Council is secured over the rating income of Council.

ACCOUNTING POLICY FOR BORROWINGS

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

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

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

C3 LIABILITIES OF COUNCIL

C3-4 EMPLOYEE BENEFIT PROVISIONS

	Actual 2024		Actual 2023	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Annual leave	6,608	0	5,726	0
Sick leave	2,037	0	2,206	0
Long service leave	13,356	939	12,307	868
Total employee benefit provisions	22,001	939	20,239	868
 Current employee benefit provisions not expected to be settled within the next 12 months	 9,125	 0	 8,468	 0

ACCOUNTING POLICY FOR EMPLOYEE BENEFIT PROVISIONS

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

	Actual 2024		Actual 2023	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Self insurance - workers compensation ⁽¹⁾	1,485	3,126	1,681	3,440
Total provisions	1,485	3,126	1,681	3,440

⁽¹⁾ Provision is made in respect of the estimated self insurance claims for workers compensation as at balance date.

Movement in provisions:

Self Insurance	\$'000
At beginning of year	5,121
Claims liability re-measurement	(510)
Total at end of year	4,611

Nature and purpose of provisions**Self-insurance - workers compensation**

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

ACCOUNTING POLICY FOR PROVISIONS

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 provision due to the passage of time is recognised as a borrowing cost.

Self insurance

Council has decided to self-insure for Workers Compensation. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims and these are detailed in note C1-3.



D - RISKS AND ACCOUNTING UNCERTAINTIES



D1-1 RISKS RELATING TO FINANCIAL INSTRUMENTS HELD

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

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk. Financial risk management is carried out by the Financial Services section under policies approved by the Councillors.

The fair value of receivables, loans, investments and financial liabilities approximates the carrying amount.

The risks associated with the financial instruments held are:

1. **Interest rate risk** - the risk that movements in interest rates could affect returns.
2. **Liquidity risk** - the risk that Council will not be able to pay its debts as and when they fall due.
3. **Credit risk** - the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

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

(a) Market risk - interest rate and price risk

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 reporting date.

	Actual 2024 \$'000	Actual 2023 \$'000
Impact of a 1% movement in price of investments		
- Equity/Income Statement	453	399
Impact of a 1% movement in interest rates on cash and investments		
- Equity/Income Statement	2,090	2,040

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery policies. Council also encourages ratepayers to pay 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.

D1-1 RISKS RELATING TO FINANCIAL INSTRUMENTS HELD (CONT)

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

The level of outstanding receivables is reported to Council monthly, and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

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

There are no material receivables that have been subject 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.

	Overdue rates and annual charges			
	Not yet due \$'000	<5 years \$'000	≥5 years \$'000	Total \$'000
2024	4,015	2,095	192	6,302
2023	4,097	1,195	170	5,461

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 have been grouped based on shared credit risk characteristics and the days past due.

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

	Overdue debts					
	Not yet due \$'000	<30 days \$'000	30-60 days \$'000	60-90 days \$'000	>90 days \$'000	Total \$'000
2024						
Gross Carrying Amount	20,385	181	152	91	279	21,088
Expected loss rate (%)	0.3%	1.6%	3.6%	6.6%	10.6%	
ECL provision ⁽¹⁾	61	3	5	6	30	105
2023						
Gross Carrying Amount	10,959	145	42	69	353	11,568
Expected loss rate (%)	0.3%	1.6%	3.6%	6.6%	10.6%	
ECL provision ⁽¹⁾	33	2	2	5	37	79

⁽¹⁾ No ECL allowance is provided for other sundry receivables totalling \$8.5m as expected credit losses are unlikely.

D1-1 RISKS RELATING TO FINANCIAL INSTRUMENTS HELD (CONT)

(c) Liquidity risk

Payables, lease liabilities and borrowings are subject to liquidity risk; that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon in extenuating circumstances.

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

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

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

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

	Weighted average interest rate %	Due within 1 year \$'000	Due between 1 and 5 years \$'000	Due after 5 years \$'000	Total contractual cash flows \$'000	Carrying values \$'000
2024						
Payables		20,127	0	0	20,127	20,127
Borrowings	4.27	1,021	0	0	1,021	0
		21,148	0	0	21,148	20,127
2023						
Payables	-	18,096	0	0	18,096	18,096
Borrowings	5.09	1,388	1,054	0	2,442	2,325
		19,484	1,054	0	20,538	20,421

Council measures the following assets and liabilities at fair value on a recurring basis:

- infrastructure, property, plant and equipment
- investment property
- financial assets

Fair value hierarchy

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

Level	Description
1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access as at the measurement date
2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
3	Unobservable inputs for the asset or liability

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

D2-1 FAIR VALUE MEASUREMENT (CONT)

		Level 2 Significant Observable Inputs (\$'000)		Level 3 Significant Unobservable Inputs (\$'000)		Total (\$'000)	
Recurring fair value measurements	Note	2024	2023	2024	2023	2024	2023
Financial assets							
Investments							
at fair value through profit and loss	C1-2	45,346	39,899	0	0	45,346	39,899
Investment Properties	C1-8						
Land		75,046	69,872	0	0	75,046	69,872
Buildings		82,077	73,419	0	0	82,077	73,419
Infrastructure, Property, Plant and Equipment	C1-7						
Land							
Operational		712,564	713,524	0	0	712,564	713,524
Community		0	0	217,476	269,792	271,476	269,792
Crown		0	0	13,140	13,140	13,140	13,140
Land Under Roads		0	0	218,239	218,106	218,239	218,106
Land Improvements		0	0	80,294	57,993	80,294	57,993
Buildings		0	0	264,664	249,201	264,664	249,201
Other Structures		0	0	71,561	48,580	71,561	48,580
Infrastructure							
Roads		0	0	658,284	555,200	658,284	555,200
Footpaths		0	0	65,370	79,766	65,370	79,766
Bridges		0	0	86,950	89,553	86,950	89,553
Stormwater		0	0	476,909	421,024	476,909	421,024
Swimming Pools		0	0	7,995	5,306	7,995	5,306
Open Space/Recreational		0	0	9,139	8,037	9,139	8,037
Library Books		0	0	882	838	882	838
Other Assets		0	0	10,829	10,829	10,829	10,829
Total IPPE		915,033	896,714	2,235,732	2,027,365	3,150,765	2,924,079

VALUATION TECHNIQUES

(I) LEVEL TWO MEASUREMENTS

LAND

OPERATIONAL

Level two valuation inputs were used to value land held in freehold title (investment and non-investment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size and zoning. The most significant inputs into this valuation approach are price per square metre. A full valuation occurred at 30 June 2024 and was determined by PP&E Valuations Pty Ltd. Subsequent fair value assessment was performed in-house at 30 June 2024 using index rates supplied by the former external valuer, with no material movement recognised.

INVESTMENT PROPERTIES

LAND AND BUILDINGS

Investment property comprises land and/or buildings that are principally held for long-term rental yields, capital gains, or both, and are not occupied by Council. Council engages external, independent and qualified valuers to determine the fair value of its investment properties. A full revaluation of Council's investment properties was at 30 June 2023 and was determined by PP&E Valuations Pty Ltd. The value of investment property was determined using market approach and based on level two valuation inputs. Subsequent fair value assessment was performed in-house at 30 June 2024 using index rates supplied by the former external valuer, with no material movement recognised.

INVESTMENTS

Financial assets are exposed to financial risks such as price risk, credit risk, liquidity risk and interest rate risk surrounding the unpredictability of financial markets. The valuation technique for these assets is based on a market approach observing that the carrying value is a reasonable approximation of the fair value.

(II) LEVEL THREE MEASUREMENTS

LAND

COMMUNITY

Valuations of Campbelltown City Council's community land were based on the unimproved capital value (UCV) provided by the Valuer-General in the most recent valuation dated 30 June 2023. As these rates were not considered to be observable market evidence they have been classified as level three inputs. Council performed an assessment on the fair value of the asset class at 30 June 2023. Subsequent fair value assessment was performed in-house at 30 June 2024, with no material movement recognised.

LAND UNDER ROADS

Valuation of Campbelltown City Council's land under roads was completed in-house by staff with appropriate qualifications, skills and experience, at 30 June 2023 and was based on the unimproved capital value (UCV) provided by the Valuer-General. The 'Englobo' methodology was adopted with a rate per square metre determined through a comparison of surrounding urban and rural land sales. Council performed an assessment on the fair value of the asset class and recognised at 30 June 2023. Subsequent fair value assessment was performed in-house at 30 June 2024, with no material movement recognised.

D2-1 FAIR VALUE MEASUREMENT (CONT)

BUILDINGS

Specialised buildings were valued using the cost approach using professionally qualified registered valuers. The last full revaluation of Council's buildings was at 30 June 2023 and was determined by PP&E Valuations Pty Ltd. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors.

While the unit rates based on square metres could be supported from market evidence (level two) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level three valuation inputs. Subsequent fair value assessment was performed in-house at 30 June 2024 using index rates supplied by the former external valuer. A material movement was noted and recognised.

OTHER STRUCTURES

This asset class comprises BBQs, park furniture, shade structures, fencing and gates, walls, handrails, flood lighting, play equipment, retaining walls, shed structures, concrete cricket wickets, artificial grass areas, concrete skating areas, running track surfacing, rubber track areas etc.

Play equipment assets were valued by using cost approach. In this approach, we estimated the replacement cost for each asset by componentising the asset into significant components with different useful lives and taking into account a range of factors. Most of the unit rates based on square metres were derived from current Council tenders, Rawlinson's handbook and rates from other similar organisations. Other inputs such as estimates of residual values, useful lives, pattern of consumption and asset condition were also derived from extensive professional judgement, IPWEA guidelines and best available industry practices etc. As such these assets were classified as having been valued using level three valuation inputs. External consultant PlayInspect was engaged to determine the condition, useful life and unit rate at the play equipment component level.

The remaining other structure and land improvements assets were valued using the 'Cost Approach' in-house by staff with appropriate qualifications, skills and experience, dated 30 June 2024. Using the 'Cost Approach', Council estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with the Institute of Public Works Engineers Australia's International Public Spaces Management Manual (IIMM).

While the unit rates based on linear metres of fencing, price for certain types of BBQ etc. could be supported from market evidence (level two) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. As such these assets were classified as having been valued using level three valuation inputs. Council performed an assessment of the fair value of the asset class at 30 June 2024

INFRASTRUCTURE

ROADS

This asset class comprises the road carriageway, bus shelters, carparks, kerb and gutter, retaining walls, road furniture and traffic management devices. The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter. The 'Cost Approach' using level three inputs was used to value the road carriageways and other road infrastructure. Valuations for the road carriageways, comprising surface, pavement and formation was done by utilising the detailed pavement information residing in Council's Modelling System – Assetic Predictor and Council's Corporate Asset Management System, Conquest. All other road infrastructure was valued by using information contained within Council's Corporate Asset Management System, Conquest. Valuation was conducted in-house by Council Asset Management staff with appropriate qualifications, skills and experience, dated 30 June 2024.

The cost approach was utilised and while the unit rates based on square metres, linear metres or similar could be supported from market evidence (level two) other inputs (such as estimated pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is

some uncertainty regarding the actual design, specifications and dimensions of some assets. As such these assets were classified as having been valued using level three valuation inputs.

BRIDGES

Bridges were valued using the 'Cost Approach'. The approach estimated the replacement cost for each bridge by componentising the bridges into significant parts with different useful lives and taking into account a range of factors. The components included the Bridge Superstructure, Bridge Abutments, Bridge Substructures, and Bridge rails/handrails etc. While all bridges were physically inspected and the unit rates based on square metres could be supported from market evidence (level two) other inputs (such as estimates of residual value and pattern of consumption) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level three valuation inputs. Valuation was conducted in-house by Council Asset Management staff with appropriate qualifications, skills and experience, dated 30 June 2024.

FOOTPATHS

Footpaths were valued by using the 'Cost Approach'. Footpaths were segmented to match the adjacent road segment and no further componentisation was undertaken. Footpaths were originally mapped and condition assessed using a combination of video condition assessment and physical inspection. Condition information is updated as changes in the network are observed through regular inspections. As such these assets were classified as having been valued using level three valuation inputs. Valuation was conducted in-house by Council Asset Management staff with appropriate qualifications, skills and experience, dated 30 June 2024.

STORMWATER

Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with the Institute of Public Works Engineers Australia's International Infrastructure Management Manual (IIMM).

While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (level two) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. As such these assets were classified as having been valued using level three valuation inputs. Physical visual inspection is carried out on all stormwater assets except pipes. For stormwater pipes, the Close Circuit Television (CCTV) Inspection approach is utilised for the condition assessment of randomly selected samples. Valuation was conducted in-house by Council Asset Management staff with appropriate qualifications, skills and experience, dated 30 June 2024.

SWIMMING POOLS

The 'Cost Approach' was utilised to value the swimming pools. While the unit rates based on square metres, linear metres or similar could be supported from market evidence (level two) other inputs (such as estimated pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. The components included the shell, surface finishing, and miscellaneous. Valuation was conducted in-house by Council Asset Management staff with appropriate qualifications, skills and experience, dated 30 June 2024.

D2-1 FAIR VALUE MEASUREMENT (CONT)

OTHER ASSETS

Valuation of Council's other assets were undertaken at 30 June 2022 by Brenda Colahan Fine Art using the 'Cost Approach'. Values were determined using extensive professional judgement and were based on visual inspection, high quality digital imaging, condition of the collection and market analysis to determine the fair value. As such, these assets were classified as having been valued using level three valuation inputs. Subsequent fair value assessment was performed in-house at 30 June 2024, with confirmation from the previous external valuer of no material movements.

UNOBSERVABLE INPUTS

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

Class	Valuation Technique(s)	Unobservable Inputs
IPPE		
Community Land	Land values obtained from the NSW Valuer General	Price per square metre
Crown Land	Land values obtained from the NSW Valuer General	Price per square metre
Land Under Roads	Values obtained from the NSW Valuer General and discounted	Extent and impact of use and market cost of land per square metre
Land Improvements - Non Depreciable	Cost Approach	Residual value and useful life.
Buildings	Cost Approach	Current replacement cost, asset condition, remaining lives, residual value and useful lives
Other Structures, Open Space and Swimming Pools	Cost Approach	Pattern of consumption, residual value, asset condition, applied points and useful life
Roads, Footpaths and Bridges	Cost Approach	Pattern of consumption, residual value, asset condition, applied points and useful life
Stormwater	Cost Approach	Pattern of consumption, residual value, asset condition, applied points and useful life
Library Books	Cost Approach	Residual value, asset condition and useful life
Other Assets	Cost Approach	The level of appreciation of the asset, current replacement/replication cost of equivalent asset and asset condition

RECONCILIATION OF MOVEMENTS

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

	Actual 2024 \$'000	Actual 2023 \$'000
Balance at 1 July	2,027,365	1,834,697
Total gains or losses for the period		
Recognised in other comprehensive income – Revaluation Surplus	169,314	182,247
Other movements		
Purchases	66,110	38,611
Sales	(2,438)	(4,934)
Depreciation	(30,159)	(27,777)
Transfers into level 3	5,543	4,494
Transfers out of level 3	(5)	27
Balance as at 30 June	<u>2,235,730</u>	<u>2,027,365</u>

HIGHEST AND BEST USE

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

CONTINGENT LIABILITIES

The following do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

Legal expenses

Council has a number of legal matters currently outstanding that, due to the lack of a reliable estimate of the amount due as at the reporting date, has not recognised any liability.

Workers Compensation

Council is a licensed self insurer under the Workers Compensation Act in NSW. An actuarial assessment is performed annually that provides an estimate for future claims liabilities. For the reporting period ended 30 June 2024 this estimate has been assessed as \$5m. A bank guarantee is held as security to offset this liability.

DEFINED BENEFIT PLAN

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB 119 *Employee Benefits* for the following reasons:

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

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

Description of the funding arrangements

Pooled Employers are required to pay standard 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 employee contributions for non-180 point members, nil for 180 point members*

Division C – 2.5% salaries

Division D – 1.64 times employee contributions

*For 180-point members, employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9% 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 \$20m per annum from 1 July 2023 to 30 June 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of the 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 Council.

The amount of employer contributions to the defined benefit section of the Scheme and recognised as an expense for the year ending 30 June 2024 was \$360k. The last formal valuation of the Scheme was performed by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$120k. Council's expected contribution to the plan for the next annual reporting period is \$221k.

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

Employer Reserves only *	\$millions	Asset coverage
Assets	2,237.5	
Past services liabilities	2,141.9	104.5%
Vested benefits	2,159.8	103.6%

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$221k as at 30 June 2024.

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

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

Investment return	6.0% per annum
Salary inflation	3.5% per annum
Increase in CPI	3.5% per annum for FY23/24 and 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. 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 fund end of year review will be completed by December 2024.

E - PEOPLE AND RELATIONSHIPS



E1-1 KEY MANAGEMENT PERSONNEL (KMP)

Key management personnel of Campbelltown City Council are those persons having the authority and responsibility for planning, directing and controlling the activities of Council, directly or indirectly. The key management personnel of Campbelltown City Council are Councillors, the Chief Executive Officer, and all Senior Staff as determined by the *Local Government Act 1993* (as amended).

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

	Actual 2024 \$'000	Actual 2023 \$'000
Compensation		
Short term benefits (salaries, councillors fees)	2,704	2,813
Other long term benefits	139	30
Total	<u>2,843</u>	<u>2,843</u>

Other transactions with KMP and their related entities

Council has determined that transactions at arm's length basis between KMP and Council as part of KMP using Council services such as access to library or Council swimming centres will not be disclosed.

Nature of transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2024	\$'000	\$'000		\$'000	\$'000
Rental income ⁽ⁱ⁾	(151)	(14)	30 Days	0	0

(i) Council entered into a lease agreement as lessor with a company part- owned by a KMP of Council. Rental income is billed on a monthly basis and payable to Council within 30 days per Council's standard terms. The lease agreement was awarded through an independent process with probity insight. The lease is for an initial period of 5 years expiring November 2025 with a further option of 5 years.

E1-2 COUNCILLOR AND MAYORAL FEES

The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services in the Income Statement are:

	Actual 2024 \$'000	Actual 2023 \$'000
Mayoral fee	73	71
Councillors' fees	414	403
Councillors superannuation	53	56
Councillors' (including Mayor) expenses	96	107
Total	<u>636</u>	<u>637</u>

E1-3 OTHER RELATED PARTIES

Council has no other related parties.

E2-1 AUDIT FEES

	Actual 2024 \$'000	Actual 2023 \$'000
Audit and other assurance services - Auditor of Council - NSW Auditor-General:		
Audit and review of financial statements	205	145
Total fees paid to the Auditor General	205	145



F - OTHER MATTERS



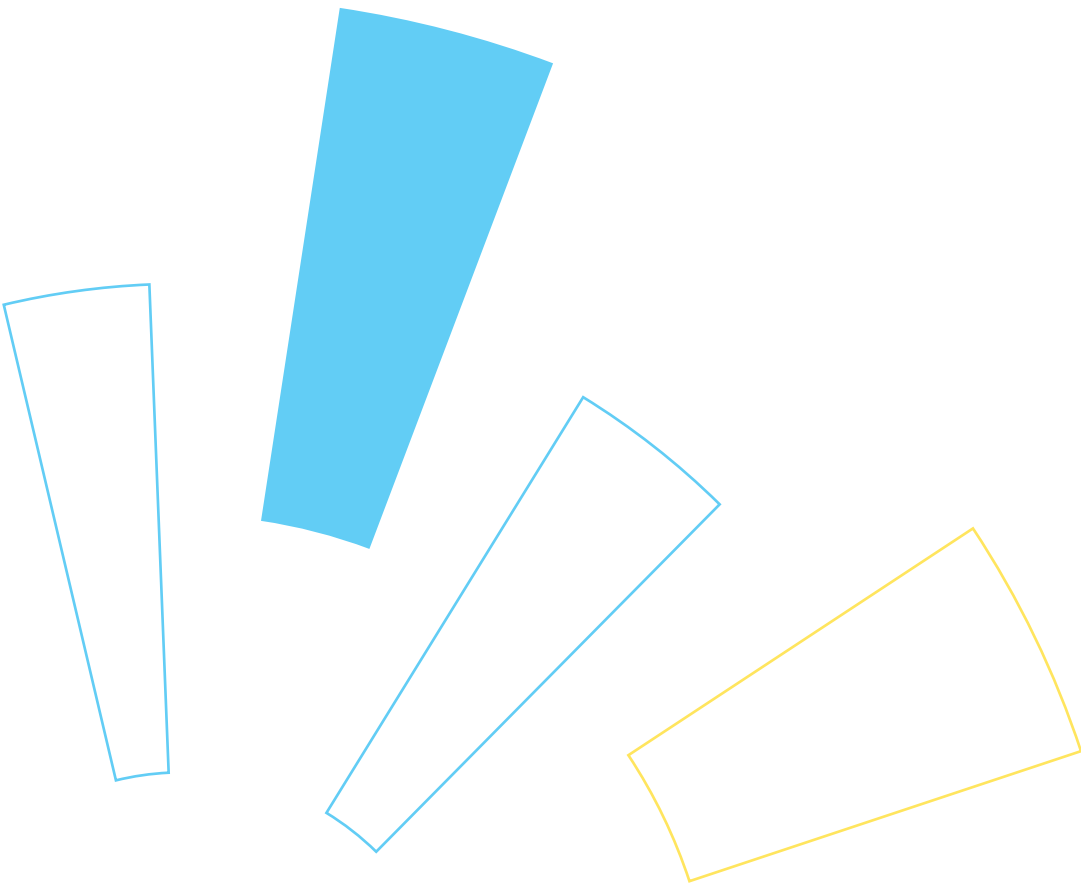
F1-1 STATEMENT OF CASH FLOWS INFORMATION

	Actual 2024 \$'000	Actual 2023 \$'000
(a) Reconciliation of net operating result to cash provided from operating activities		
Operating result	35,120	43,268
Add/(less) non-cash items:		
Depreciation, amortisation and impairment	34,424	31,330
Loss/(gain) on disposal of assets	1,231	1,330
Non-cash contributions and dedications	(13,374)	(12,443)
Fair value (gains) / losses on investment property	0	4,007
Changes in assets and liabilities:		
Movement in operating assets and liabilities		
Increase / (decrease) in provision for doubtful debts	(94)	53
Increase / (decrease) in provision for employee leave entitlements	1,833	445
Increase / (decrease) in other provisions	(510)	875
(Increase) / decrease in receivables	(1,206)	(4,426)
(Increase) / decrease in inventories	2	(39)
(Increase) / decrease in other current assets	478	18
Increase / (decrease) in payables	2,033	4,654
Increase / (decrease) in accrued interest payable	(2)	(17)
Increase / (decrease) in contract liabilities	30,450	7,883
Increase / (decrease) in ROU Assets	(181)	0
Net cash flows from operating activities	<u>90,204</u>	<u>76,938</u>
(b) Non-cash financing and investing activities		
Dedications and developer in-kind contributions	<u>13,374</u>	<u>12,443</u>
	<u>13,374</u>	<u>12,443</u>

F2-1 COMMITMENTS

	Actual 2024 \$'000	Actual 2023 \$'000
Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	140,534	16,610
Plant and equipment	765	1,439
Infrastructure:		
- Roads, bridges and footpaths	19,523	29,770
- Other structures	31,944	23,050
	<u>192,766</u>	<u>70,869</u>

These capital commitments are for the construction of new building assets, upgrade and renewal of road and park infrastructure and for various refurbishment works at recreation facilities and reserves and for signage upgrades.



F3-1 EVENTS OCCURRING AFTER REPORTING DATE

Council is not aware of any material or significant events after balance date that are not disclosed.



F4 CHANGES FROM PRIOR YEAR STATEMENTS

F4-1 CHANGES IN ACCOUNTING POLICY

Changes in accounting policy due to adoption of new Accounting Standards

No changes in accounting policy were made during the year.

Changes in accounting policy - voluntary change

No voluntary changes in accounting policy that may materially impact the Statement of Financial Position have been made during the year.

F4-2 CORRECTION OF ERRORS

The prior year financial statement information has not changed and as such were not misstated.

F4-3 CHANGES IN ACCOUNTING ESTIMATES

No changes in accounting estimates that may materially impact the Statement of Financial Position have been made during the year.

F5-1 SUMMARY OF DEVELOPER CONTRIBUTIONS

Purpose	Opening balance at 1 July 2023 \$'000	Contributions received ⁽¹⁾			Interest and investment income earned \$'000	Amounts expended \$'000	Internal borrowings \$'000	Held as restricted asset at 30 June 2024 ⁽²⁾ \$'000	Cumulative balance of internal borrowings (to)/from \$'000
		Cash \$'000	Non-cash Land \$'000	Non-cash Other \$'000					
Community facilities - under plans	41,023	6,126	0	0	1,687	2,190	0	46,646	0
S7.11 under plans	41,023	6,126	0	0	1,687	2,190	0	46,646	0
Parking - not under plans	920	0	0	0	36	0	0	956	0
S7.12 levies	0	0	0	0	0	0	0	0	0
Total contributions	41,943	6,126	0	0	1,723	2,190	0	47,602	0

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 infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Notes:

⁽¹⁾ Reconcilable with Note B2

⁽²⁾ Reconcilable with Note C1-3 (restricted assets excludes 'amounts expended in advance' and 'non cash contributions')

F5-2 DEVELOPER CONTRIBUTIONS BY PLAN

Glenfield Road Urban Release Area Plan

Purpose	Opening balance at 1 July 2023 \$'000	Contributions received ⁽¹⁾			Interest and investment income earned \$'000	Amounts expended \$'000	Internal borrowings \$'000	Held as restricted asset at 30 June 2024 ⁽²⁾ \$'000	Cumulative balance of internal borrowings (to)/from \$'000
		Cash \$'000	Non-cash Land \$'000	Non-cash Other \$'000					
Community facilities	8,897	0	0	0	0	8,897	0	0	0
Total contributions	8,897	0	0	0	0	8,897	0	0	0

Menangle Park Contribution Plan

Purpose	Opening balance at 1 July 2023 \$'000	Contributions received ⁽¹⁾			Interest and investment income earned \$'000	Amounts expended \$'000	Internal borrowings \$'000	Held as restricted asset at 30 June 2024 ⁽²⁾ \$'000	Cumulative balance of internal borrowings (to)/from \$'000
		Cash \$'000	Non-cash Land \$'000	Non-cash Other \$'000					
Community facilities	6,732	53	0	0	267	0	0	7,052	0
Total contributions	6,732	53	0	0	267	0	0	7,052	0

Campbelltown Local infrastructure Contribution Plan

Purpose	Opening balance at 1 July 2023 \$'000	Contributions received ⁽¹⁾			Interest and investment income earned \$'000	Amounts expended \$'000	Internal borrowings \$'000	Held as restricted asset at 30 June 2024 ⁽²⁾ \$'000	Cumulative balance of internal borrowings (to)/from \$'000
		Cash \$'000	Non-cash Land \$'000	Non-cash Other \$'000					
Community facilities	25,394	6,073	0	0	1,420	(6,707)	0	39,594	0
Total contributions	25,394	6,073	0	0	1,420	(6,707)	0	39,594	0

Notes:

⁽¹⁾ Reconcilable with Note B2

⁽²⁾ Reconcilable with Note C1-3 (restricted assets excludes 'amounts expended in advance' and 'non cash contributions')

F5-3 CONTRIBUTIONS NOT UNDER PLANS

CONTRIBUTIONS NOT UNDER PLANS

Purpose	Opening balance at 1 July 2023 \$'000	Contributions received ⁽¹⁾			Interest and investment income earned \$'000	Amounts expended \$'000	Internal borrowings \$'000	Held as restricted asset at 30 June 2024 ⁽²⁾ \$'000	Cumulative balance of internal borrowings (to)/from \$'000
		Cash \$'000	Non-cash Land \$'000	Non-cash Other \$'000					
Parking	920	0	0	0	36	0	0	956	0
Total contributions	920	0	0	0	36	0	0	956	0

Notes:

⁽¹⁾ Reconcilable with Note B2

⁽²⁾ Reconcilable with Note C1-3 (restricted assets excludes 'amounts expended in advance' and 'non cash contributions')

F6 STATEMENT OF PERFORMANCE MEASURES

F6-1 STATEMENT OF PERFORMANCE MEASURES

	2024 \$'000	2024 Indicator	2023 Indicator	Benchmark
1. Operating performance				
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses ⁽²⁾	1,910			
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	221,123	0.86%	8.92%	>0
2. Own source operating revenue				
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	185,915			
Total continuing operating revenue ⁽¹⁾ inclusive of all grants and contributions ⁽⁵⁾	255,564	72.75%	69.27%	>60%
3. Unrestricted current ratio				
Current assets less all external restrictions	44,495			
Current liabilities less specific purpose liabilities ⁽³⁾⁽⁴⁾	28,013	1.59x	2.68x	>1.5x
4. Debt service cover ratio				
Operating result ⁽¹⁾ before capital, excl interest and depreciation	36,661			
Principal repayments (from the Statement of Cash Flows) plus borrowing costs (from the Income Statement)	1,631	22.48	20.13	>2x
5. Rates and annual charges outstanding percentage				
Rates and annual charges outstanding ⁽⁶⁾	7,692			
Rates and annual charges collectible	144,625	5.32%	4.70%	<5%
6. Cash expense cover ratio				
Current years cash and cash equivalents plus term deposits	220,659			
Payments from cash flows of operating and financing activities	198,615	13.33 months	14.10 months	>3 months

Notes:

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

⁽³⁾ Refer to Note C-3

⁽⁴⁾ \$9m ELE transferred out – AASB 119 prescribes all leave that is vested to be disclosed as a current liability, however all leave not expected to be settled within the next 12 months is transferred out to determine the unrestricted current ratio.

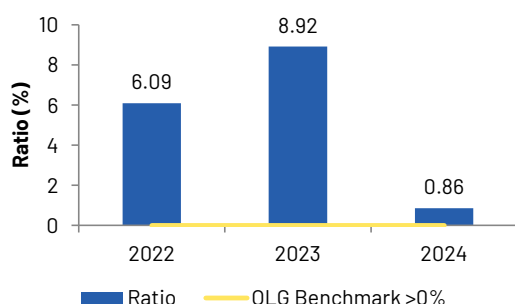
⁽⁵⁾ This ratio is distorted by non-cash revenues received through the dedication \$13m of non-current assets.

⁽⁶⁾ Includes \$1m in outstanding rates and annual charges relating to pensioners. Council has a policy of not pursuing legal action for residents who are eligible for the pension rebate.

END OF AUDITED FINANCIAL STATEMENTS

F6 STATEMENT OF PERFORMANCE MEASURES

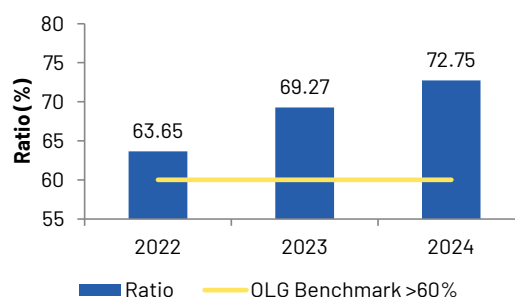
Operating Performance



1. Operating Performance

Measures Council's achievement in containing operating expenditure within operating revenue

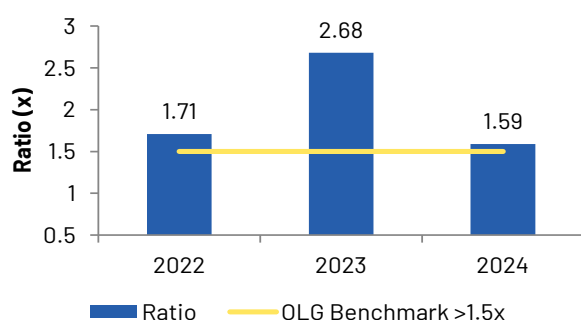
Own Source Operating Revenue



2. Own Source Operating Revenue

Measures fiscal flexibility and the funding sources such as grants and contributions

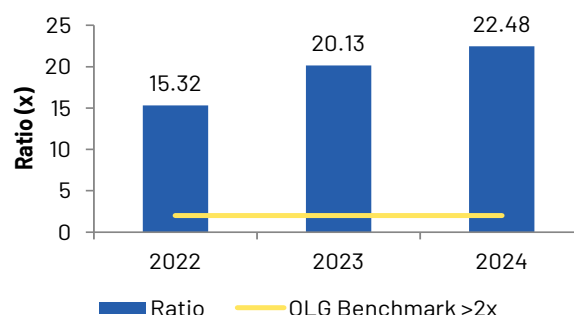
Unrestricted Current Ratio



3. Unrestricted Current Ratio

Assesses Council's ability to meet short term obligations as they fall due outside of restricted funding sources

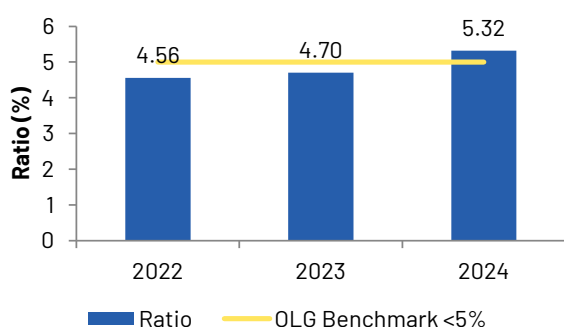
Debt Service Cover Ratio



4. Debt Service Cover Ratio

Measures the availability of operating cash to service debt and lease repayments

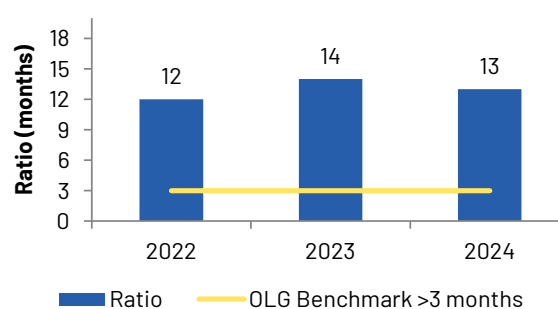
Rates and Charges Outstanding



5. Rates and Annual Charges Outstanding

To assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts

Cash Expense Cover Ratio



6. Cash Expense Cover Ratio

Indicates the number of months Council can continue paying immediate expenses without additional cashflow



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Campbelltown City Council

To the Councillors of Campbelltown City Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

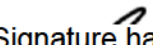
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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. 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.

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Cassie Malone
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2024
SYDNEY



Cr Darcy Lound
Mayor
Campbelltown City Council
PO BOX 57
CAMPBELLTOWN NSW 2560

Contact: Cassie Malone
Phone no: 02 9275 7388
Our ref: R008-2124742775-7590

28 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	137.7	129.3	6.5
Grants and contributions revenue	69.6	76.6	9.1
Operating result from continuing operations	35.1	43.3	18.9
Net operating result before capital grants and contributions	0.7	14.3	95.1

Rates and annual charges revenue (\$137.7 million) increased by \$8.4 million (6.5 per cent) in 2023–24 due to the rate peg increase and increases to domestic waste management charges.

Grants and contributions revenue (\$69.6 million) decreased by \$7.0 million (9.1 per cent) in 2023–24 mainly due to:

- decrease of \$8.9 million of grants recognised received for transport and infrastructure
- receiving 85 per cent of the financial assistance grants for 2024-25 in advance (100 per cent in 2022-23)
- offset by an increase of \$5.6 million of grants recognised received for community care and other grants.

Council's operating result from continuing operations (\$35.1 million including depreciation, amortisation and impairment expense of \$34.4 million) was \$8.2 million lower than the 2022–23 result. This was mainly due to:

- increase of \$12.7 million in employee benefits and on-costs expense
- increase of \$3.1 million in depreciation, amortisation and impairment expense
- offset by an increase of \$8.4 million to rates and annual charges revenue.

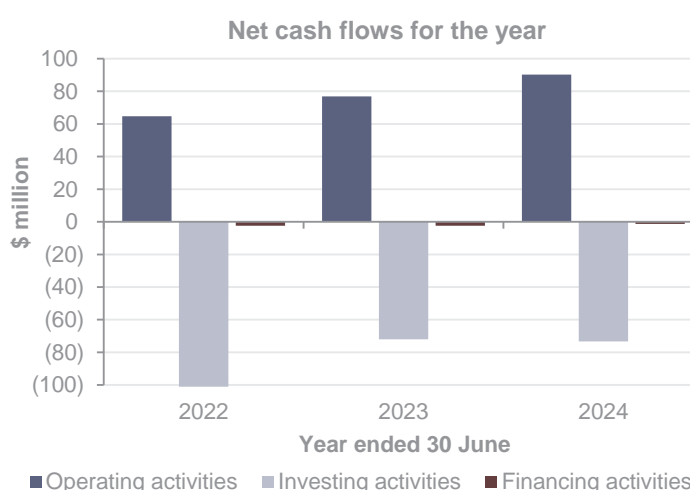
The net operating result before capital grants and contributions (\$0.7 million) was \$13.6 million lower than the 2022–23 result.

STATEMENT OF CASH FLOWS

Council's total cash and cash equivalents balance at 30 June 2024 was \$26.1 million (2022-23: \$10.4 million).

Net cash flows for the 2023-24 year were \$15.6 million (2022-23: \$2.6 million). This increase was mainly driven by an increase in cash flows from operating activities, namely receipts of rates and annual charges and grants and contributions.

Net cash flows from investing and financing activities were consistent with last year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	254.3	243.9	Externally restricted balances comprise mainly of developer contributions, unexpended grants and domestic waste management funds.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	143.8	117.4	
• Internal allocations	105.3	122.3	

Debt

At 30 June 2024, Council had:

- \$1.0 million in secured loans (\$1.3 million in 2022-23)
- \$0.5 million in approved overdraft facility, with nil drawn down (\$0.5 million in 2022-23)
- \$0.8 million in credit card facilities with \$0.1 million used (\$0.8 million in 2022-23)

PERFORMANCE

Performance measures

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

Operating performance ratio

Council met the benchmark for the current reporting period.

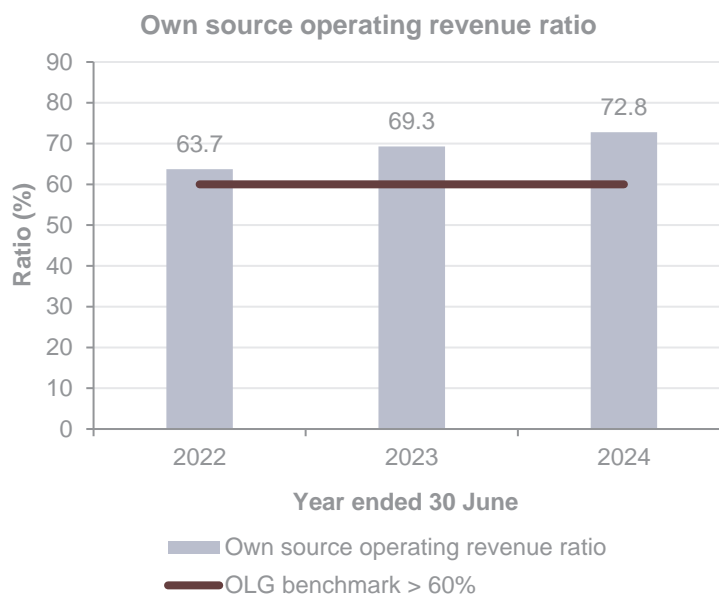
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

Council met the benchmark for the current reporting period.

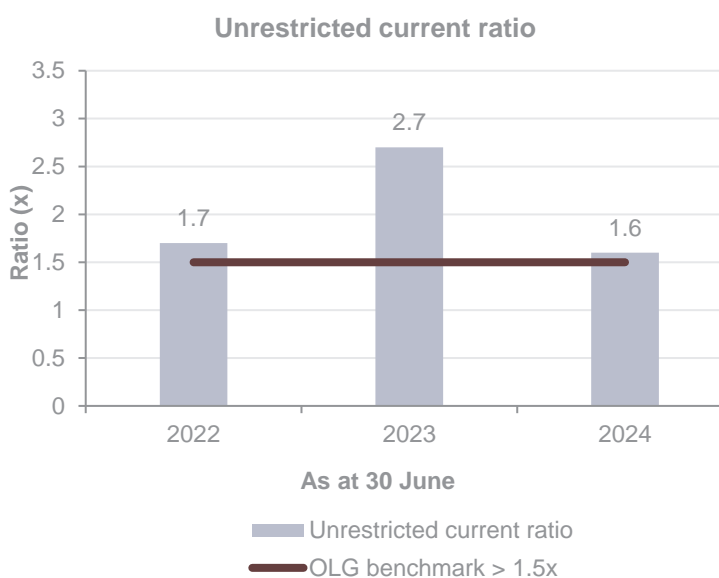
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council met the benchmark for the current reporting period.

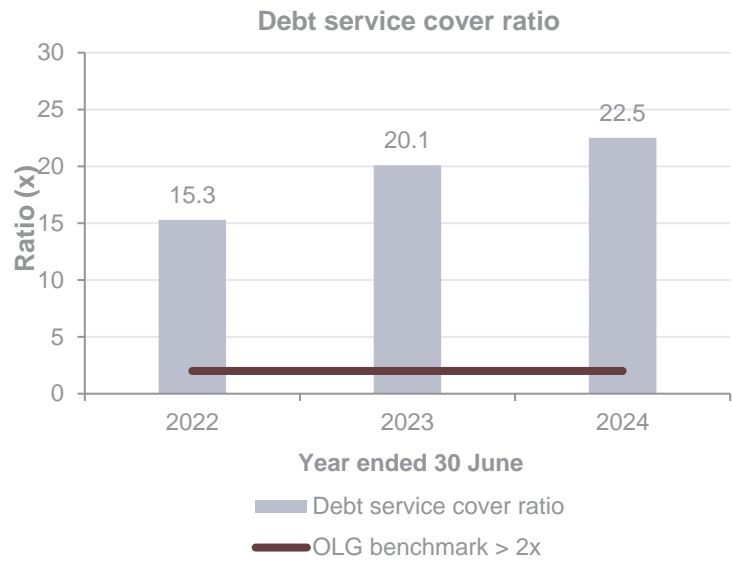
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council met the benchmark for the current reporting period.

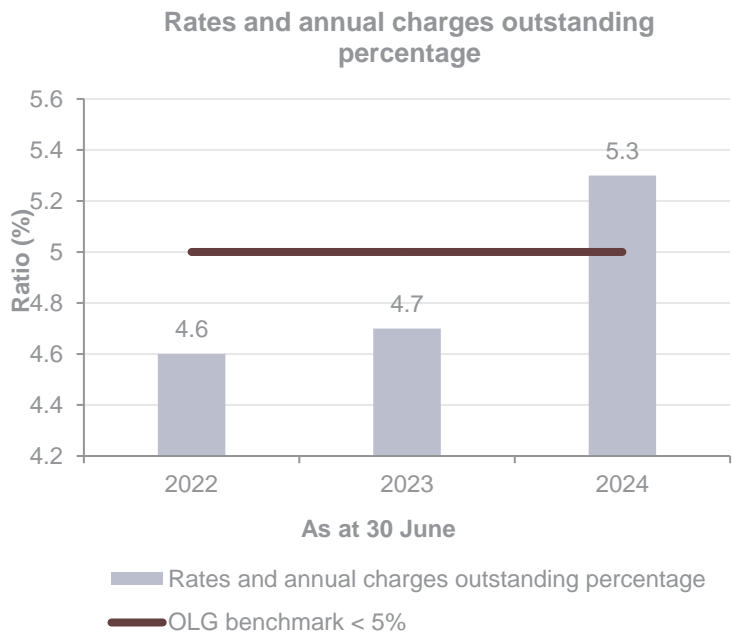
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

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

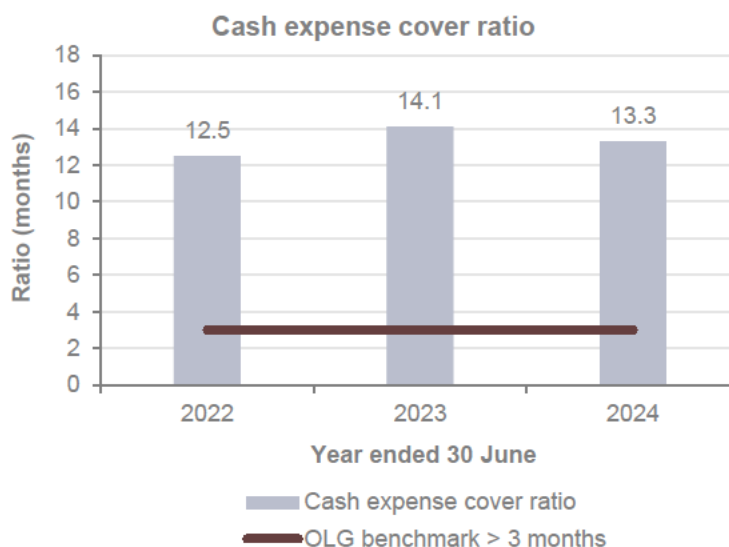
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.



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 \$34.3 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads. A further \$48.0 million was spent on new assets.

OTHER MATTERS

Legislative compliance

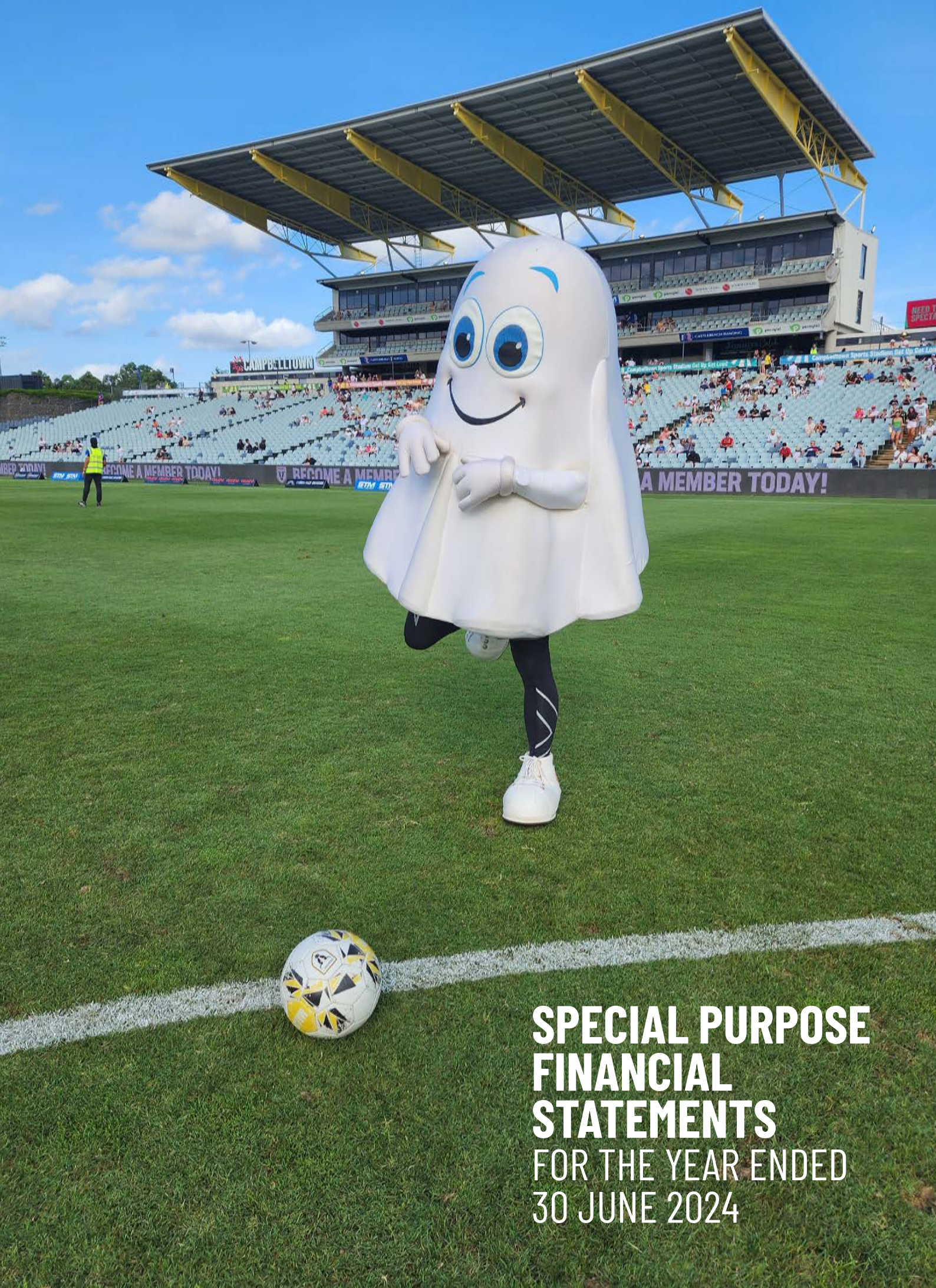
My audit procedures did not identify any instances of material non-compliance with the financial reporting requirements in Chapter 13, Part 3, Division 2 of the LG Act and the associated regulation or a material deficiency in the Council's accounting records or financial statements. The Council's:

- 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.

Signature has been removed

Cassie Malone
Director, Financial Audit

Delegate of the Auditor-General for New South Wales



**SPECIAL PURPOSE
FINANCIAL
STATEMENTS**
FOR THE YEAR ENDED
30 JUNE 2024

SPECIAL PURPOSE FINANCIAL STATEMENTS

Statement by Councillors and Management	106
Income Statement of business activities	107
Statement of Financial Position of business activities	108

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

Note - Significant accounting policies	109
Auditor's Report	112

SPECIAL SCHEDULES (AUDITED)

Permissible income for general rates	115
Auditor's Report	116

SPECIAL SCHEDULES (UNAUDITED)

Report on infrastructure assets	119
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Special purpose financial statements for the year ended 30 June 2024

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

- a) To the best of our knowledge and belief the attached Special Purpose Financial Statements have been prepared in accordance with:
- The *Local Government Act 1993* (NSW) (as amended) and the regulations thereunder
 - The Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
 - The Local Government Code of Accounting Practice and Financial Reporting
- b) These statements:
- Present fairly the operating result and financial position for the year
 - Accord with Council's accounting and other records
- c) We are not aware of any matter that would render the reports false or misleading in any way.

Signed in accordance with a clause 215(1)(b) of the *Local Government (General) Regulation 2021*

Signature has been removed

Signature has been removed

Dr G Greiss
Mayor

13 / 08 / 2024

Cr M Khalil
Councillor

13 / 08 / 2024

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Mrs L Deitz
General Manager

13 / 08 / 2024

Mrs C Mears
Responsible Accounting Officer

13 / 08 / 2024

INCOME STATEMENT OF BUSINESS ACTIVITIES

for the year ended 30 June 2024

	Child Care Centres (Cat.1)		Recreation Centres (Cat.1)		Commercial Activities (Cat.2)	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Income from continuing operations						
User charges and fees	1,606	1,916	5,469	4,967	9,063	8,665
Interest	0	0	0	0	360	298
Grants and contributions provided for non capital purposes	5,893	5,135	0	1	0	0
Other income	2	0	325	266	745	683
Total income from continuing operations	7,501	7,051	5,794	5,234	10,168	9,646
Expenses from continuing operations						
Employee benefits and on-costs	7,230	6,502	5,256	4,259	1,427	1,378
Materials and services	725	595	2,499	2,131	1,172	975
Interest charges	204	159	244	136	105	35
Depreciation, amortisation and impairment	171	164	1,098	977	53	42
Calculated tax equivalents	512	424	1,202	496	2,398	1,227
Other expenses	2,422	2,239	899	672	460	293
Total expenses from continuing operations	11,284	10,083	11,198	8,671	5,615	3,950
Surplus/(Deficit) from operations before tax	(3,783)	(3,032)	(5,404)	(3,437)	4,553	5,696
Less corporate taxation equivalent (25%)	0	0	0	0	1,138	1,424
Surplus/(deficit) after tax	(3,783)	(3,032)	(5,404)	(3,437)	3,415	4,272
Dividend payment after tax	0	0	0	0	211	174
Change in net assets after dividend	(3,783)	(3,032)	(5,404)	(3,437)	3,204	4,098
Opening retained profits/(losses)	(15,700)	(14,688)	(51,467)	(49,111)	37,749	30,704
Discontinued service	0	0	0	0	0	0
Adjustments for amounts unpaid						
- Taxation equivalent payments	512	424	1,202	496	2,398	1,227
- Corporate taxation equivalents	0	0	0	0	1,138	1,424
- Dividend payments	0	0	0	0	211	174
- Corporate overheads	1,767	1,596	806	585	244	122
Closing retained profits/(losses)	(17,204)	(15,700)	(54,863)	(51,467)	44,944	37,749
Return on capital (%)	-20.70%	-16.77%	-4.59%	-6.32%	2.15%	4.13%
Subsidy from Council	3,783	3,032	5,404	3,437	Nil	Nil

STATEMENT OF FINANCIAL POSITION OF BUSINESS ACTIVITIES

as at 30 June 2024

	Child Care Centres (Cat.1)		Recreation Centres (Cat.1)		Commercial Activities (Cat.2)	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
ASSETS						
Current assets						
Receivables	19	19	11	13	175	1,505
Total current assets	19	19	11	13	175	1,505
Non-current assets						
Infrastructure, property, plant and equipment	18,332	18,078	117,733	54,363	211,316	137,911
Total non-current assets	18,332	18,078	117,733	54,363	211,316	137,911
Total assets	18,351	18,097	117,744	54,376	211,491	139,416
LIABILITIES						
Current liabilities						
Payables	159	172	280	292	76	68
Total current liabilities	159	172	280	292	76	68
Non-current liabilities						
Borrowings	0	0	0	0	0	0
Total non-current liabilities	0	0	0	0	0	0
Total liabilities	159	172	280	292	76	68
Net assets	18,192	17,925	117,464	54,084	211,415	139,348
EQUITY						
Accumulated surplus/(loss)	(17,204)	(15,700)	(54,863)	(51,467)	44,944	37,749
Council equity interest	35,396	33,625	172,327	105,551	166,471	101,599
Total equity	18,192	17,925	117,464	54,084	211,415	139,348

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, Council is a non-reporting not for profit entity.

The figures presented in these SPFS 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 SPFS 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 also prepared on an accruals basis. They are based on historical 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 receivables 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' to 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 on the 'Application of National Competition Policy to Local Government'. The *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality* issued by the then Department of Local Government in July 1997 has also been adopted.

The Pricing & 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, return on investments (rate of return) and dividends paid.

Declared business activities

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

Category 1

Name	Brief description of activity
Child Care Centres	Provision of child care. Council runs eight education and care centres.
Recreation Centres	Provision of indoor heated pools and outdoor pools with three centres providing "dry" areas for other forms of exercise.

Category 2

Name	Brief description of activity
Commercial Activities	These range from shopping centres, ground leases, a neighbourhood store to a cinema complex.

NOTE: SIGNIFICANT ACCOUNTING POLICIES (CONT)

Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollar.

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

	Notional rate applied %
Corporate Tax Rate	25%
Land Tax	1.60%
Stamp Duty	Paid where applicable
Payroll Tax	5.45%
Other Taxes or Charges	Where charged, has been paid. Where not charged, has been calculated.

Income tax

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

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

Accordingly, there is no need for disclosure of internal charges in the GPFS. The rate applied of 25% is the equivalent company tax rate prevalent as 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.

(ii) 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 Statement of Business Activities.

(iii) Return on investments (rate of return)

The 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.

(iv) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities. Consequently, any dividend payment is purely notional. Dividend payments to Council are also restricted to those activities which do not levy special rates or charges (domestic waste management).

End of audited Special Purpose Financial Statements.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Campbelltown City Council

To the Councillors of Campbelltown City Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Campbelltown City 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:

- child care centres
- recreational centres
- commercial activities.

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.

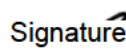
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

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. 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.

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Cassie Malone
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2024
SYDNEY

SPECIAL SCHEDULE: PERMISSIBLE INCOME FOR GENERAL RATES

	2023-24 Calculation \$'000	2024-25 Calculation \$'000
Notional general income calculation (1)		
Last year notional income yield	101,786	106,679
Plus/minus adjustments(2)	692	1,460
Notional general income	102,478	108,139
Permissible income calculation		
Percentage increase (%)	4.10%	5.30%
Less expiring special variations amount	0	0
Plus percentage increase amount(3)	4202	5,731
Sub total	106,680	113,870
Plus or minus last year's carry forward total	0	0
Less valuation objections claimed in previous year	(2)	0
Sub total	(2)	0
Total permissible income	106,679	113,781
Less notional income yield	106,679	113,937
Catch up or (excess) result	0	-67
Plus income lost due to valuation objections claimed(4)	0	67
Less unused catch up greater than 10 years(5)	0	0
Carried forward to next year(6)	0	0

- (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 includes amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increases or decreases in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 10 years. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Act. OLG will extract these amounts from permissible income from general rates in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Campbelltown City Council

To the Councillors of Campbelltown City Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

Signature has been removed



Cassie Malone
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2024
SYDNEY

SPECIAL SCHEDULE: REPORT ON INFRASTRUCTURE ASSETS

Asset class	Asset category (as determined by Council)	Estimated cost to bring to agreed level of service set by Council	2023-24 required maintenance	2023-24 actual maintenance	Net carrying amount	Gross replacement cost	Asset condition as a % of gross replacement cost					
		\$'000	\$'000	\$'000	\$'000	\$'000	0	1	2	3	4	5
Public Buildings	Buildings	2,852	5,057	4,607	279,619	366,219	3	18	43	30	21	1
	Sub Total	2,852	5,057	4,607	279,619	366,219						
Public Spaces	Recreational/open space	715	578	287	9,139	17,563	10	15	43	30	2	1
	Other structures	390	499	1,582	71,561	127,021	129	24	38	24	1	0
	Swimming pools	334	263	146	7,995	11,929	20	19	39	21	0	0
	Sub Total	1,439	1,340	2,015	88,694	156,513						
Public Roads	Road surfacing	4,596	1,790	2,386	113,985	163,673	0	54	33	11	2	0
	Road pavements	5,658	2,203	196	255,991	321,588	0	40	45	12	2	0
	Road formation	NA	NA	NA	46,918	46,918	NA	NA	NA	NA	NA	NA
	Bridges and culverts	827	277	356	86,949	139,867	6	36	38	21	0	0
	Footpaths and cycle ways	1,799	509	1,177	65,371	121,267	5	10	42	41	1	0
	Kerb and gutter and traffic islands	971	193	238	199,074	267,712	9	58	27	5	1	0
	Traffic management devices	0	38	0	4,784	6,538	18	57	23	3	0	0
	Road furniture	61	183	262	19,899	29,233	1	39	50	10	0	0
	Car park surfacing	130	30	0	5,581	9,568	13	30	47	10	1	0
	Car park pavements	81	26	59	7,893	12,557	9	36	34	20	1	0
	Car park formation	NA	NA	NA	4,036	4,036	NA	NA	NA	NA	NA	NA
	Other infrastructures	NA	NA	NA	125	227	NA	NA	NA	NA	NA	NA
	Sub Total	14,123	5,536	4,674	810,604	1,123,183						
Drainage Works	Detention basins/flood mitigation	207	50	0	10,852	16,974	1	21	75	1	2	0
	Stormwater conduits	0	359	0	272,676	355,339	22	55	22	1	0	0
	Stormwater pits and headwalls	52	176	1,276	82,118	125,612	9	24	48	19	0	0
	Open channels	85	63	0	36,450	48,968	0	35	44	20	0	0
	Water quality devices	125	9	0	4,716	7,491	20	59	18	1	2	1
	Earthwork/embankments	NA	NA	NA	70,098	90,098	NA	NA	NA	NA	NA	NA
	Sub Total	469	657	1,276	476,909	624,481						
Totals Classes	Total Assets	18,883	12,303	12,572	1,655,827	2,270,397						

Infrastructure asset condition assessment

Level	Condition	Description	Level	Condition	Description
0	Excellent	No work required (new asset)	3	Satisfactory	Maintenance work required
1	Excellent/very good	No work required (normal maintenance)	4	Poor	Renewal required
2	Good	Only minor maintenance work required	5	Very Poor	Urgent renewal / upgrading required

SPECIAL SCHEDULE: REPORT ON INFRASTRUCTURE ASSETS (CONT)

Infrastructure Asset Performance Indicators

	Amounts \$'000	2024	2023	Benchmark
Building and infrastructure renewals ratio				
Asset renewals	30,677			
Depreciation, amortisation and impairment	29,823	103%	90%	>100%

To assess the rate at which these assets are being renewed against the rate they are depreciating

Infrastructure backlog ratio

Estimated cost to bring assets to a satisfactory standard	18,883			
Net carrying amount of infrastructure assets	1,659,059	1.14%	1.05%	<2%

Shows what proportion the infrastructure backlog is against the total value of Council's infrastructure

Asset maintenance ratio

Actual asset maintenance	12,572			
Required asset maintenance	12,303	102%	130%	>100%

Compares actual versus required annual asset maintenance

Cost to bring assets to agreed service level

Estimated cost to bring to agreed service level set by Council	18,883			
Gross replacement cost	2,270,397	0.01:1	0.01:1	

Indicates the proportion of the gross replacement cost of Council assets that have reached the intervention level set by Council based on the condition of the asset



