

# Woollahra Municipal Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

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# Woollahra Municipal Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

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# Woollahra Municipal Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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### Overview

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

536 New South Head Road  
Double Bay NSW 2028

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

# Woollahra Municipal Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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

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

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

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

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

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

**Signed in accordance with a resolution of Council made on 9 September 2024.**



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Richard Shields  
**Mayor**  
10 September 2024



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Toni Zeltzer  
**Councillor**  
10 September 2024



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Craig Swift-McNair  
**General Manager**  
10 September 2024



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Paul Ryan  
**Responsible Accounting Officer**  
10 September 2024

## Woollahra Municipal Council

### Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Income</b>				
66,124	Rates and annual charges	B2-1	<b>66,136</b>	59,700
13,201	User charges and fees	B2-2	<b>15,565</b>	14,343
11,471	Other revenues	B2-3	<b>16,230</b>	10,864
4,796	Grants and contributions provided for operating purposes	B2-4	<b>5,676</b>	7,561
10,552	Grants and contributions provided for capital purposes	B2-4	<b>16,212</b>	8,605
1,929	Interest and investment income		<b>5,626</b>	3,247
17,370	Other income	B2-5	<b>17,608</b>	17,110
1,150	Fair value increment/ (decrement) on investment properties	C1-6	<b>(6,683)</b>	9,376
<u>126,593</u>	<b>Total income</b>		<u><b>136,370</b></u>	<u>130,806</u>
<b>Expenses</b>				
49,252	Employee benefits and on-costs	B3-1	<b>47,706</b>	45,055
43,823	Materials and services	B3-2	<b>50,408</b>	42,891
1,809	Borrowing costs		<b>1,806</b>	1,933
14,834	Depreciation, amortisation and impairment of non-financial assets	B3-3	<b>15,348</b>	14,752
4,792	Other expenses		<b>4,807</b>	3,747
451	Net loss from the disposal of assets		<b>2,538</b>	922
<u>114,961</u>	<b>Total expenses</b>		<u><b>122,613</b></u>	<u>109,300</u>
<u>11,632</u>	<b>Operating result</b>		<u><b>13,757</b></u>	<u>21,506</u>
<u>11,632</u>	<b>Net operating result for the year attributable to Council</b>		<u><b>13,757</b></u>	<u>21,506</u>
<u>1,080</u>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<u><b>(2,455)</b></u>	<u>12,901</u>

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

## Woollahra Municipal Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Net operating result for the year – from Income Statement</b>		<b>13,757</b>	21,506
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<b>20,875</b>	73,219
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>20,875</b>	73,219
<b>Total other comprehensive income for the year</b>		<b>20,875</b>	73,219
<b>Total comprehensive income for the year attributable to Council</b>		<b>34,632</b>	94,725

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

## Woollahra Municipal Council

### Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	19,695	14,943
Investments	C1-2	90,755	92,727
Receivables	C1-4	7,996	7,235
Inventories		307	337
Contract assets and contract cost assets		843	1,795
Other		624	511
<b>Total current assets</b>		<b>120,220</b>	<b>117,548</b>
<b>Non-current assets</b>			
Receivables	C1-4	136	152
Infrastructure, property, plant and equipment (IPPE)	C1-5	1,085,274	1,056,285
Investment property	C1-6	184,750	191,420
Right of use assets		59	175
Other		175	279
<b>Total non-current assets</b>		<b>1,270,394</b>	<b>1,248,311</b>
<b>Total assets</b>		<b>1,390,614</b>	<b>1,365,859</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	60,326	56,075
Contract liabilities	C3-2	2,198	10,877
Lease liabilities		19	132
Borrowings	C3-3	3,476	3,794
Employee benefit provisions	C3-4	12,408	12,385
Provisions		-	1,459
<b>Total current liabilities</b>		<b>78,427</b>	<b>84,722</b>
<b>Non-current liabilities</b>			
Lease liabilities		-	19
Borrowings	C3-3	53,044	56,521
Employee benefit provisions	C3-4	497	583
<b>Total non-current liabilities</b>		<b>53,541</b>	<b>57,123</b>
<b>Total liabilities</b>		<b>131,968</b>	<b>141,845</b>
<b>Net assets</b>		<b>1,258,646</b>	<b>1,224,014</b>
<b>EQUITY</b>			
Accumulated surplus		596,345	582,588
IPPE revaluation reserve	C4-1	662,301	641,426
<b>Council equity interest</b>		<b>1,258,646</b>	<b>1,224,014</b>
<b>Total equity</b>		<b>1,258,646</b>	<b>1,224,014</b>

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

## Woollahra Municipal Council

### Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		582,588	641,426	1,224,014	561,082	568,207	1,129,289
Net operating result for the year		13,757	–	13,757	21,506	–	21,506
<b>Net operating result for the period</b>		<b>13,757</b>	<b>–</b>	<b>13,757</b>	<b>21,506</b>	<b>–</b>	<b>21,506</b>
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	20,875	20,875	–	73,219	73,219
<b>Other comprehensive income</b>		<b>–</b>	<b>20,875</b>	<b>20,875</b>	<b>–</b>	<b>73,219</b>	<b>73,219</b>
<b>Total comprehensive income</b>		<b>13,757</b>	<b>20,875</b>	<b>34,632</b>	<b>21,506</b>	<b>73,219</b>	<b>94,725</b>
<b>Closing balance at 30 June</b>		<b>596,345</b>	<b>662,301</b>	<b>1,258,646</b>	<b>582,588</b>	<b>641,426</b>	<b>1,224,014</b>

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



## Woollahra Municipal Council

### Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
66,092	Rates and annual charges		<b>66,554</b>	59,434
13,232	User charges and fees		<b>15,049</b>	15,082
1,948	Interest received		<b>4,684</b>	1,882
4,160	Grants and contributions		<b>11,480</b>	17,519
–	Bonds, deposits and retentions received		<b>12,313</b>	10,485
29,151	Other Revenue including Rental Income		<b>33,033</b>	27,910
<i>Payments:</i>				
(48,297)	Payments to employees		<b>(47,801)</b>	(47,237)
(42,818)	Payments for materials and services		<b>(51,853)</b>	(39,598)
(1,822)	Borrowing costs		<b>(1,817)</b>	(1,950)
–	Bonds, deposits and retentions refunded		<b>(7,527)</b>	(5,211)
(4,656)	Other		<b>(5,292)</b>	(2,148)
16,990	<b>Net cash flows from operating activities</b>	G1-1	<b>28,823</b>	36,168
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Sale of investments		<b>2,000</b>	–
1,409	Proceeds from sale of IPPE		<b>1,614</b>	1,552
<i>Payments:</i>				
(19,829)	Payments for IPPE		<b>(23,745)</b>	(17,195)
–	Purchase of investments		<b>–</b>	(15,000)
–	Purchase of investment property		<b>(13)</b>	(834)
(18,420)	<b>Net cash flows from investing activities</b>		<b>(20,144)</b>	(31,477)
<b>Cash flows from financing activities</b>				
<i>Payments:</i>				
(3,932)	Repayment of borrowings		<b>(3,795)</b>	(3,664)
–	Principal component of lease payments		<b>(132)</b>	(101)
(3,932)	<b>Net cash flows from financing activities</b>		<b>(3,927)</b>	(3,765)
(5,362)	<b>Net change in cash and cash equivalents</b>		<b>4,752</b>	926
74,110	Cash and cash equivalents at beginning of year		<b>14,943</b>	14,017
68,748	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>19,695</b>	14,943
–	plus: Investments on hand at end of year	C1-2	<b>90,755</b>	92,727
68,748	<b>Total cash, cash equivalents and investments</b>		<b>110,450</b>	107,670

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

# Woollahra Municipal Council

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# Woollahra Municipal Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 10 September 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain 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 the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

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

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

- i. fair values of investment property – refer Note C1-8
- ii. fair values of infrastructure, property, plant and equipment – refer Note C1-7
- iii. employee benefit provisions – refer Note C3-4.

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

(i) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

(ii) Valuation of Investment Properties: The valuation is performed by an independent valuer in accordance with AASB 140 *Investment Property* and AASB 13 *Fair Value Measurement*.

(iii) The fair value assessment of Infrastructure, Property, Plant and Equipment (IPPE) contains both independent valuations and management fair value assessments. As such these judgments can have a significant impact on the fair value of IPP&E.

The income approach method is used in the valuation. This method takes into consideration the income that a property might be expected to generate if leased at a stabilised occupancy level and applying to that income a capitalisation rate reflecting the market standards and the investors' interest in a property of that kind.

## A1-1 Basis of preparation (continued)

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

#### **The Consolidated Fund**

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

#### **The Trust Fund**

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

Trust monies and property subject to Council's control have been included in these reports. A separate statement of monies held in the Trust Fund is available for inspection at Council's offices by any person free of charge.

#### **Volunteer services**

Council does not have a material dependence on volunteer services. Volunteers are utilised in Library Services, Bushland Regeneration works, Cultural Events and Sustainability. These services are not recognised due to their non material nature and a significant proportion would not go ahead should there not be volunteers to undertake their roles.

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

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

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

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

#### **New accounting standards adopted during the year**

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

None of these standards had a significant impact on reported position or performance

## B Financial Performance

### B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Functions or activities</b>										
A connected and harmonious community	6	3	432	411	(426)	(408)	2	2	14,124	10,183
A supported community	1,915	1,734	3,562	2,474	(1,647)	(740)	1,573	1,444	4,008	3,885
A creative and vibrant community	909	1,080	8,093	7,894	(7,184)	(6,814)	587	562	13,127	13,063
Well planned neighbourhoods	3,996	4,010	9,943	8,286	(5,947)	(4,276)	149	212	482	2,024
Liveable places	16,305	11,310	35,093	31,612	(18,788)	(20,302)	7,233	4,756	773,942	770,355
Getting around	16,683	13,735	4,850	4,597	11,833	9,138	1,396	1,495	123,925	95,433
Protecting our environment	379	426	3,028	2,556	(2,649)	(2,130)	18	74	75,475	82,834
Sustainable use of resources	19,107	18,461	13,343	12,451	5,764	6,010	–	43	3,775	3,595
Community focused economic development	7,082	20,990	10,750	7,030	(3,668)	13,960	1,198	622	180,154	186,678
Working together	17	11	1,722	1,579	(1,705)	(1,568)	–	–	59	26
Well managed Council	69,971	59,046	31,797	30,410	38,174	28,636	9,732	6,956	86,467	86,201
General purpose	–	–	–	–	–	–	–	–	115,076	111,582
<b>Total functions and activities</b>	<b>136,370</b>	<b>130,806</b>	<b>122,613</b>	<b>109,300</b>	<b>13,757</b>	<b>21,506</b>	<b>21,888</b>	<b>16,166</b>	<b>1,390,614</b>	<b>1,365,859</b>

## B1-2 Components of functions or activities

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

### Theme: Community well-being

#### Goal 1: A connected and harmonious community

Woollahra will be a community where people care for each other, have a sense of belonging and can contribute meaningfully to their local community and neighbourhood through participation in community life.

#### Goal 2: A supported community

Woollahra will be a place where people have access to a range of effective and diverse social services and programs that meet the changing needs of our community.

#### Goal 3: A creative and vibrant community

Woollahra will be a place where people of all ages and backgrounds have access to lifelong learning opportunities, cultural and community activities.

### Theme: Quality places and spaces

#### Goal 4: Well planned neighbourhoods

Woollahra will have well planned, high quality and sustainable building development that respects and enhances our environment and heritage. It will complement and retain the local character of our suburbs, villages and neighbourhoods and provide access to a range of housing options.

#### Goal 5: Liveable places

Woollahra will be a community with accessible, integrated and well maintained public spaces and open spaces. We will have clean and well maintained infrastructure and community facilities. It will be a safe and attractive place with high quality public and private facilities and amenities.

#### Goal 6: Getting around

Woollahra will be a place where it is easy to get around, easy to access our foreshore, our recreation facilities, our green open space and our public and private institutions. We will also have easy access to the city and its wide range of services and facilities, and be able to access public transport, walking cycling routes within our area.

### Theme: A healthy environment

#### Goal 7: Protecting our environment

Woollahra will be a place where the natural environment will be protected and conserved from adverse impacts, to preserve our vegetation and wildlife habits.

#### Goal 8: Sustainable use of resources

Woollahra will reduce energy and water use, reduce emissions and develop adaption actions that will reduce the impacts of climate change. We will minimise waste generation and encourage resource recycling.

### Theme: Local prosperity

#### Goal 9: Community focused economic development

Woollahra will maintain the diversity of our local economic base and encourage new businesses into the area that will enhance and positively impact on community life.

### Theme: Community leadership and participation

#### Goal 10: Working together

Woollahra will be a place where residents are well informed and able to contribute to their community. Council will listen and respond to requests and concerns through open communication and engagement.

#### Goal 11: Well managed Council

Woollahra Council will be open and accountable to all stakeholders, encourage participation in decision making and make decisions that are in the public interest. Through effective long term planning, we will develop and implement strategies and ensure ongoing resources to fulfil long term community goals.

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	37,470	32,942
Business	6,007	5,282
Less: Pensioner rebates	(125)	(124)
<b>Rates levied to ratepayers</b>	<b>43,352</b>	<b>38,100</b>
Pensioner rate subsidies received	66	69
<b>Total ordinary rates</b>	<b>43,418</b>	<b>38,169</b>
<b>Special rates</b>		
Environmental and infrastructure levy	5,226	4,595
Less: Pensioner rebates	(121)	(110)
<b>Rates levied to ratepayers</b>	<b>5,105</b>	<b>4,485</b>
<b>Total special rates</b>	<b>5,105</b>	<b>4,485</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	17,110	16,542
Stormwater management services	494	492
Section 611 charges	42	45
Less: Pensioner rebates	(70)	(75)
<b>Annual charges levied</b>	<b>17,576</b>	<b>17,004</b>
Pensioner annual charges subsidies received:		
– Domestic waste management	37	42
<b>Total annual charges</b>	<b>17,613</b>	<b>17,046</b>
<b>Total rates and annual charges</b>	<b>66,136</b>	<b>59,700</b>

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

#### Material accounting policy information

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

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

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



## B2-2 User charges and fees

\$ '000	2024	2023
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>		
Waste management services (non-domestic)	1,894	1,780
<b>Total specific user charges</b>	<b>1,894</b>	<b>1,780</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>		
Advertising fees	415	486
Certificate fees	727	578
Development application fees	988	1,054
Hoarding fees	708	1,319
Inspection fees	162	121
Principal certifying authority fees	14	25
Registration fees and permits	1,248	1,113
Section 96 amendment application fees	506	381
Subdivision application fees	3	–
<b>Total fees and charges – statutory/regulatory</b>	<b>4,771</b>	<b>5,077</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>		
Restoration charges	1,092	868
Casual park hire	419	391
Credit card usage charge	119	110
Construction zone charges	2,296	1,632
Footpath crossing administration fees	80	68
Fire safety statement lodgement fee	161	153
Filming fees	111	123
File retrieval charges	80	86
Pre DA lodgement advice service fees	21	21
Other	724	761
Parking permits – residential	463	440
Parking meters	2,572	2,215
Preschool fees	306	274
Rezoning requests	259	4
Tree pruning income	159	303
Tree preservation order applications	38	37
<b>Total fees and charges – other</b>	<b>8,900</b>	<b>7,486</b>
<b>Total other user charges and fees</b>	<b>13,671</b>	<b>12,563</b>
<b>Total user charges and fees</b>	<b>15,565</b>	<b>14,343</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised over time	5,551	4,487
User charges and fees recognised at a point in time	10,014	9,856
<b>Total user charges and fees</b>	<b>15,565</b>	<b>14,343</b>

### Material accounting policy information

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

The performance obligation relates to the specific services which are provided to the customers. There is no material obligation for Council in relation to refunds or returns.

## B2-3 Other revenues

\$ '000	2024	2023
Fines – parking	7,071	6,336
Fines – other	516	412
Advertising Income	5,091	–
Recycling income (non-domestic)	207	223
Other	475	1,202
Private use contributions	349	345
Recovered costs and reimbursements	2,521	2,346
<b>Total other revenue</b>	<b>16,230</b>	<b>10,864</b>

### Timing of revenue recognition for other revenue

Other revenue recognised over time	5,091	–
Other revenue recognised at a point in time	11,139	10,864
<b>Total other revenue</b>	<b>16,230</b>	<b>10,864</b>

### Material accounting policy information for other revenue

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

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

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

## B2-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>General purpose (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	10	319	–	–
Financial assistance – local roads component	4	130	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	1,184	1,445	–	–
Financial assistance – local roads component	449	528	–	–
<b>Amount recognised as income during current year</b>	<b>1,647</b>	<b>2,422</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Community care	5	4	–	–
Community centres	–	–	2,531	–
Library – per capita	152	167	–	–
Local Infrastructure Renewal Scheme subsidy	8	82	–	–
Local Roads Community Infrastructure Phase	66	45	668	–
Drainage	–	–	–	185
Environmental works	–	48	–	14
Library – special grant	59	45	–	–
Open space	21	93	935	1,278
Preschool	1,569	1,441	–	–
Street lighting	403	395	–	–
Transport for NSW contributions (regional roads, block grant)	156	149	70	357
Roads to Recovery	–	480	–	–
Transport (other)	1,001	1,084	3,639	2,751
Other specific grants	171	708	–	–
Other contributions	–	–	93	–
Contribution to works	45	47	–	–
Paddington library	373	351	–	–
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>4,029</b>	<b>5,139</b>	<b>7,936</b>	<b>4,585</b>
<b>Non-cash contributions</b>				
Community Centres	–	–	3,574	–
Other	–	–	198	–
<b>Total other contributions – non-cash</b>	<b>–</b>	<b>–</b>	<b>3,772</b>	<b>–</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>4,029</b>	<b>5,139</b>	<b>11,708</b>	<b>4,585</b>
<b>Total grants and non-developer contributions</b>	<b>5,676</b>	<b>7,561</b>	<b>11,708</b>	<b>4,585</b>
<b>Comprising:</b>				
– Commonwealth funding	1,712	2,947	668	1,199
– State funding	3,542	4,216	10,857	3,386
– Other funding	422	398	183	–
	<b>5,676</b>	<b>7,561</b>	<b>11,708</b>	<b>4,585</b>

## B2-4 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Developer contributions:</b>						
<b>(s7.12 - EP&amp;A Act, s64 of the LGA):</b>						
<b>Cash contributions</b>						
S 7.12 – fixed development consent levies	G4		–	–	4,504	4,020
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>4,504</b>	<b>4,020</b>
<b>Total developer contributions</b>			<b>–</b>	<b>–</b>	<b>4,504</b>	<b>4,020</b>
<b>Total contributions</b>			<b>–</b>	<b>–</b>	<b>4,504</b>	<b>4,020</b>
<b>Total grants and contributions</b>			<b>5,676</b>	<b>7,561</b>	<b>16,212</b>	<b>8,605</b>
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time			1,304	797	7,937	4,586
Grants and contributions recognised at a point in time			4,372	6,764	8,275	4,019
<b>Total grants and contributions</b>			<b>5,676</b>	<b>7,561</b>	<b>16,212</b>	<b>8,605</b>

### Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	17	17	–	–
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	<b>(17)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Unspent funds at 30 June</b>	<b>–</b>	<b>17</b>	<b>–</b>	<b>–</b>
<b>Contributions</b>				
Unspent funds at 1 July	–	–	8,639	8,281
<b>Add:</b> contributions received and not recognised as revenue in the current year	<b>–</b>	<b>–</b>	<b>4,882</b>	<b>4,294</b>
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	<b>–</b>	<b>–</b>	<b>(5,094)</b>	<b>(3,936)</b>
<b>Unspent contributions at 30 June</b>	<b>–</b>	<b>–</b>	<b>8,427</b>	<b>8,639</b>

### Material accounting policy information

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

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

The performance obligations vary according to the agreement including work performed and milestone events. 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 works through the year).

## B2-4 Grants and contributions (continued)

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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.

### **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**

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

While NSW 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.

## B2-5 Other income

\$ '000	2024	2023
<b>Rental income</b>		
<b>Investment properties</b>		
Lease income (excluding variable lease payments not dependent on an index or rate)	11,812	11,428
<b>Total Investment properties</b>	<b>11,812</b>	<b>11,428</b>
<b>Other lease income</b>		
Other	5,769	5,587
<b>Total other lease income</b>	<b>5,769</b>	<b>5,587</b>
<b>Total rental income</b>	<b>17,581</b>	<b>17,015</b>
<b>Fair value increment on investments</b>		
Fair value increment on investments through profit and loss	27	95
<b>Total Fair value increment on investments</b>	<b>27</b>	<b>95</b>
<b>Total other income</b>	<b>17,608</b>	<b>17,110</b>

## B3 Costs of providing services

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

\$ '000	2024	2023
Salaries and wages	36,061	32,856
Employee leave entitlements (ELE)	6,296	6,216
Superannuation	4,733	4,138
Workers' compensation insurance	1,083	2,246
Fringe benefit tax (FBT)	318	290
Other	39	(13)
<b>Total employee costs</b>	<b>48,530</b>	<b>45,733</b>
Less: capitalised costs	(824)	(678)
<b>Total employee costs expensed</b>	<b>47,706</b>	<b>45,055</b>

## B3-2 Materials and services

\$ '000	Notes	2024	2023
Advertising		301	465
Audit Fees	F2-1	91	87
Bank charges		531	459
Consultancy		2,336	1,860
Councillor and Mayoral fees and associated expenses	F1-2	462	449
Election expenses		164	157
Electricity and heating		575	474
Infringement notice contract costs (SEINS)		1,116	1,097
Insurance premiums		1,896	2,445
Maintenance and security contracts		6,284	5,268
Other expenses		844	642
Other – Woollahra Local Planning Panel		139	153
Postage		123	119
Raw materials and consumables		11,598	7,289
Recoverable expenses		253	477
Recycling		3,013	2,872
Registration		172	181
Service Contractors		7,510	6,743
Street lighting		1,132	1,103
Telephone and communications		99	93
Temporary staff		1,787	1,916
Training		414	394
Waste disposal costs		5,778	5,295
Water, council rates and land tax		824	675
<b>Legal expenses:</b>			
– Legal expenses: planning and development		2,106	1,581
– Legal expenses: other		860	597
<b>Total materials and services</b>		<b>50,408</b>	<b>42,891</b>
<b>Total materials and services</b>		<b>50,408</b>	<b>42,891</b>

### B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment		1,446	1,381
Office equipment		449	409
Furniture and fittings		133	134
<b>Infrastructure:</b>			
	C1-5		
– Buildings – non-specialised		1,562	1,482
– Buildings – specialised		1,024	970
– Roads		5,473	5,155
– Bridges		48	44
– Footpaths		1,687	1,569
– Stormwater drainage		781	841
– Other open space/recreational assets		1,277	1,317
– Harbourside Structures		160	149
– Seawalls		444	424
– Retaining Walls		297	315
<b>Other assets:</b>			
– Library books		451	472
<b>Total depreciation and amortisation costs</b>		<b>15,232</b>	<b>14,662</b>
<b>Impairment / revaluation decrement of Right of use assets</b>			
<b>Right of use assets</b>		<b>116</b>	<b>90</b>
<b>Total gross Right of use assets impairment / revaluation decrement costs</b>		<b>116</b>	<b>90</b>
<b>Total Right of use assets impairment / revaluation decrement costs charged to Income Statement</b>		<b>116</b>	<b>90</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>15,348</b>	<b>14,752</b>

#### Material accounting policy information

##### Depreciation and amortisation

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

##### 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 no longer required to be tested for impairment under AASB 136. This is because 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.

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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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.



## B4 Performance against budget

### B4-1 Material budget variations

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

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Revenues</b>				
<b>User charges and fees</b>	13,201	15,565	2,364	18% <b>F</b>
The following sources of income exceeded their original budgets: Work Zone Charges \$917k, Footpath Restoration Charges \$371k, Parking Meter Charges \$325k, Hoarding Application Fees \$290k, Crane Permits \$257k, Road Restoration Charges \$225k.				
The total of these variances is \$2,385k.				
<b>Other revenues</b>	11,471	16,230	4,759	41% <b>F</b>
The following sources of income exceeded their original budgets: Advertising income \$4,091k and Recovered costs income \$741k.				
The total of these variances is \$4,832k.				
<b>Operating grants and contributions</b>	4,796	5,676	880	18% <b>F</b>
Operating grants of note that exceeded their original budget are: Road grants \$947k and Department of Community Services Preschool grant \$220k.				
These were offset by the following operating grants of note that were less than the original budget: Financial Assistance grant \$150k (85% prepaid compared to 100% prepaid last year) and Library Special grants \$56k.				
<b>Capital grants and contributions</b>	10,552	16,212	5,660	54% <b>F</b>
Capital grants and contributions of note that exceeded their original budget are: Section 7.12 development levies \$1,804k and Other Contributions \$3,865k. These Other Contributions predominantly relate to the Vaucluse Bowling Club building and open space assets at Samuel Park which is adjacent to the Vaucluse Bowling Club.				
<b>Interest and investment revenue</b>	1,929	5,626	3,697	192% <b>F</b>
Interest and investment revenue exceeded the original budget due to higher than budgeted interest rates.				
<b>Fair value increment on investment property</b>	1,150	(6,683)	(7,833)	(681)% <b>U</b>

This is a non-cash item and does not impact on Council's operating performance ratio. The fair value change in investment properties was an unfavourable variance to budget of \$7,833k. The majority of this decrement relates to Kiaora Place. The budget had assumed a fair value increment of \$1,150k for Kiaora Place. The annual

## B4-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
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external valuation indicated a fair value decrement of \$6,630k. This is due to the change in capitalisation rate from 5% to 5.25% from a softening of the selling market for shopping centres.

### Expenses

<b>Materials and services</b>	<b>43,823</b>	<b>50,408</b>	<b>(6,585)</b>	<b>(15)%</b> <b>U</b>
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The unfavourable variance in Materials and Services is due to the following items of note exceeding the original budget: Temporary staff \$1,227k to fill staff vacancies, Legal expenses \$1,215k which is predominantly in Planning & Development, and \$3,084k of unbudgeted project expenditure that is unable to be capitalised to the fixed asset register.

<b>Net losses from disposal of assets</b>	<b>451</b>	<b>2,538</b>	<b>(2,087)</b>	<b>(463)%</b> <b>U</b>
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The unfavourable variance is due to higher than anticipated infrastructure asset retirements of \$2,295k, Plant & Equipment losses on disposal being \$328k higher than budget as a result of the timing of selling and replacing vehicles. This was partially offset by Road Sales income of \$567k.

### Statement of cash flows

<b>Cash flows from operating activities</b>	<b>16,990</b>	<b>28,823</b>	<b>11,833</b>	<b>70%</b> <b>F</b>
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The variances in revenues and expenses outlined above, together with movements in payables and receivables, give rise to variances in Council's cash flow forecasts. It should also be noted that it is difficult to forecast the movement in Bonds, Deposits & Retentions so Council does not include any movement in its Budget.

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2024	2023
<b>Cash assets</b>		
Cash on hand and at bank	3,410	831
Cash equivalent assets		
– Deposits at call	16,285	14,112
<b>Total cash and cash equivalents</b>	<b>19,695</b>	<b>14,943</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	19,695	14,943
<b>Balance as per the Statement of Cash Flows</b>	<b>19,695</b>	<b>14,943</b>

#### C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Financial assets at fair value through the profit and loss</b>				
Long term deposits	90,000	–	92,000	–
Mortgage backed securities	755	–	727	–
<b>Total</b>	<b>90,755</b>	<b>–</b>	<b>92,727</b>	<b>–</b>
<b>Total financial investments</b>	<b>90,755</b>	<b>–</b>	<b>92,727</b>	<b>–</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>110,450</b>	<b>–</b>	<b>107,670</b>	<b>–</b>

#### Material accounting policy information

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

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

#### Financial assets

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

#### Classification

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

- amortised cost
- fair value through profit or 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, cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as

## C1-2 Financial investments (continued)

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 income statement.

### Financial assets through profit or loss

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

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

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>110,450</b>	107,670
Less: Externally restricted cash, cash equivalents and investments	<u>(14,474)</u>	<u>(22,588)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>95,976</b>	<b>85,082</b>
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	<u>322</u>	<u>8,047</u>
<b>External restrictions – included in liabilities</b>	<b>322</b>	<b>8,047</b>
<b>External restrictions</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	<b>8,427</b>	8,638
Specific purpose unexpended grants (recognised as revenue) – general fund	–	17
Stormwater management	<b>202</b>	434
Domestic waste management	<b>5,523</b>	5,452
<b>Total external restrictions</b>	<b>14,474</b>	<b>22,588</b>

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

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

\$ '000	2024	2023
<b>(b) Internal allocations</b>		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>95,976</b>	<b>85,082</b>
Less: Internally restricted cash, cash equivalents and investments	<u>(88,569)</u>	<u>(73,070)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>7,407</b>	<b>12,012</b>
<b>Internal allocations</b>		
At 30 June, Council has internally allocated funds to the following:		
Employees leave entitlement	7,170	2,278
Carry over works	4,800	3,943
Deposits, retentions and bonds	46,346	41,561
Open space and community facilities reserve	363	655
Election reserve	322	–
Environmental and infrastructure renewal levy	3,929	3,859
Information technology reserve	1,048	1,028
Special Rate Variation	2,662	–
Insurance reserve	1,119	561
Urban Forest Strategy	3,000	–
Kiaora place reserve	4,792	4,480
Open space projects reserve	289	314
Preschool reserve	666	602
Property development projects reserve	22	23
Property reserve	9,833	11,044
Oxford street placemaking reserve	206	206
Public art gallery reserve	326	252
Financial Assistance Grant Prepayment	1,633	1,973
Old Section 94	27	92
Other	16	199
<b>Total internal allocations</b>	<b>88,569</b>	<b>73,070</b>

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

## C1-4 Receivables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Rates and annual charges	2,459	121	2,785	152
Interest and extra charges	300	15	308	–
User charges and fees	485	–	978	–
Accrued revenues				
– Interest on investments	2,427	–	1,492	–
Government grants and subsidies	8	–	145	–
Leases and licences	711	–	628	–
Net GST receivable	730	–	1,031	–
Restorations and other roadworks	352	–	35	–
Other debtors	802	–	123	–
<b>Total</b>	<b>8,274</b>	<b>136</b>	<b>7,525</b>	<b>152</b>
<b>Less: provision for impairment</b>				
User charges and fees	(278)	–	(290)	–
<b>Total provision for impairment – receivables</b>	<b>(278)</b>	<b>–</b>	<b>(290)</b>	<b>–</b>
<b>Total net receivables</b>	<b>7,996</b>	<b>136</b>	<b>7,235</b>	<b>152</b>

\$ '000	2024	2023
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 9)	290	660
+ new provisions recognised during the year	43	(333)
– amounts already provided for and written off this year	(55)	(37)
<b>Balance at the end of the year</b>	<b>278</b>	<b>290</b>

### Material accounting policy information

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

#### Impairment

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

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

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

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

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

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

None of the receivables that have been written off are subject to enforcement activity.

## C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments/(decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	10,885	–	10,885	1,395	2,783	–	–	(6,139)	(2,516)	–	6,408	–	6,408
Plant and equipment	14,728	(6,781)	7,947	3,495	–	(1,142)	(1,446)	–	–	–	15,120	(6,266)	8,854
Office equipment	9,723	(6,521)	3,202	–	157	–	(449)	–	–	–	9,880	(6,970)	2,910
Furniture and fittings	2,335	(1,874)	461	–	–	–	(133)	–	–	–	2,335	(2,007)	328
<b>Land:</b>													
– Operational land	136,609	–	136,609	–	–	–	–	–	–	26,078	162,687	–	162,687
– Community land	178,460	–	178,460	–	3,100	–	–	–	–	–	181,560	–	181,560
<b>Infrastructure:</b>													
– Buildings – non-specialised	90,330	(46,422)	43,908	778	38	–	(1,562)	64	–	7,756	100,885	(49,903)	50,982
– Buildings – specialised	50,265	(19,924)	30,341	245	2,723	–	(1,024)	1,698	–	1,223	56,992	(21,786)	35,206
– Roads	563,026	(144,985)	418,041	4,326	1,296	(1,474)	(5,473)	1,808	–	(26,887)	524,876	(133,239)	391,637
– Bridges	4,831	(957)	3,874	–	–	–	(48)	–	–	44	4,755	(885)	3,870
– Footpaths	116,222	(59,521)	56,701	2,250	702	(664)	(1,687)	950	–	16,579	124,052	(49,221)	74,831
– Stormwater drainage	116,833	(34,225)	82,608	638	1,746	(178)	(781)	767	–	(9,634)	105,617	(30,451)	75,166
– Other open space/recreational assets	43,315	(17,463)	25,852	422	2,562	(608)	(1,277)	555	(434)	(786)	51,958	(25,672)	26,286
– Harbourside Structures	8,728	(2,104)	6,624	324	–	–	(160)	104	–	(1,010)	8,183	(2,301)	5,882
– Seawalls	48,201	(15,352)	32,849	134	–	–	(444)	43	–	4,395	49,331	(12,354)	36,977
– Retaining Walls	29,866	(13,937)	15,929	36	431	–	(297)	150	434	3,117	33,566	(13,766)	19,800
<b>Other assets:</b>													
– Library books	6,218	(5,539)	679	–	416	(86)	(451)	–	–	–	6,349	(5,791)	558
– Council Art Gallery & Art Collection	1,315	–	1,315	–	17	–	–	–	–	–	1,332	–	1,332
<b>Total infrastructure, property, plant and equipment</b>	<b>1,431,890</b>	<b>(375,605)</b>	<b>1,056,285</b>	<b>14,043</b>	<b>15,971</b>	<b>(4,152)</b>	<b>(15,232)</b>	<b>–</b>	<b>(2,516)</b>	<b>20,875</b>	<b>1,445,886</b>	<b>(360,612)</b>	<b>1,085,274</b>

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

## C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period						At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>2</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>												
Capital work in progress	6,107	–	6,107	3,925	3,133	(139)	–	(2,141)	–	10,885	–	10,885
Plant and equipment	14,752	(6,183)	8,569	1,025	–	(266)	(1,381)	–	–	14,728	(6,781)	7,947
Office equipment	9,191	(6,112)	3,079	–	532	–	(409)	–	–	9,723	(6,521)	3,202
Furniture and fittings	2,335	(1,740)	595	–	–	–	(134)	–	–	2,335	(1,874)	461
<b>Land:</b>												
– Operational land	136,609	–	136,609	–	–	–	–	–	–	136,609	–	136,609
– Community land	156,918	–	156,918	–	–	–	–	–	21,542	178,460	–	178,460
<b>Infrastructure:</b>												
– Buildings – non-specialised	85,771	(42,729)	43,042	229	28	–	(1,482)	–	2,091	90,330	(46,422)	43,908
– Buildings – specialised	47,624	(18,005)	29,619	126	121	–	(970)	–	1,445	50,265	(19,924)	30,341
– Roads	517,325	(129,797)	387,528	1,587	1,635	(830)	(5,155)	602	32,674	563,026	(144,985)	418,041
– Bridges	4,452	(838)	3,614	–	–	–	(44)	–	304	4,831	(957)	3,874
– Footpaths	105,117	(53,912)	51,205	1,093	769	(269)	(1,569)	1,030	4,442	116,222	(59,521)	56,701
– Stormwater drainage	108,332	(31,183)	77,149	326	520	(125)	(841)	175	5,404	116,833	(34,225)	82,608
– Other open space/recreational assets	40,343	(16,023)	24,320	1,001	824	(753)	(1,317)	86	1,691	43,315	(17,463)	25,852
– Harbourside Structures	8,157	(1,818)	6,339	–	–	–	(149)	–	434	8,728	(2,104)	6,624
– Seawalls	44,890	(13,924)	30,966	–	75	–	(424)	83	2,149	48,201	(15,352)	32,849
– Retaining Walls	27,592	(12,739)	14,853	252	95	(14)	(315)	15	1,043	29,866	(13,937)	15,929
<b>Other assets:</b>												
– Library books	6,117	(5,300)	817	–	412	(78)	(472)	–	–	6,218	(5,539)	679
– Council Art Gallery & Art Collection	895	–	895	–	270	–	–	150	–	1,315	–	1,315
<b>Total infrastructure, property, plant and equipment</b>	<b>1,322,527</b>	<b>(340,303)</b>	<b>982,224</b>	<b>9,564</b>	<b>8,414</b>	<b>(2,474)</b>	<b>(14,662)</b>	<b>–</b>	<b>73,219</b>	<b>1,431,890</b>	<b>(375,605)</b>	<b>1,056,285</b>

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



## C1-5 Infrastructure, property, plant and equipment (continued)

### Material accounting policy information

#### Revaluation Model

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

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

#### Recognition of Infrastructure, Property, Plant and Equipment

Initial recognition of Infrastructure, property, plant and equipment (IPPE).

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

When IPPE is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

#### Useful lives of IPPE / Depreciation

Land and the Art Collection 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:

<b>Plant and equipment</b>	Years	<b>Buildings</b>	Years
Office equipment	3 to 10	Buildings	25 to 100
Office furniture	10 to 20		
Vehicles	5 to 10	<b>Stormwater assets</b>	
Heavy plant/road making equipment	5 to 10	Drains	80 to 150
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Road pavements	25 to 80	Other open space/recreational assets	5 to 100
Kerb, gutter and paths	25 to 80		
Footpaths	25 to 80	<b>Other Assets</b>	
Bridges	100	Library Resources	3 to 8
Harbourside Structures	33 to 100		
Seawalls	100 to 120		
Retaining Walls	33 to 100		

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

#### Land under roads

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

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

#### Crown reserves

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

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

## C1-6 Investment properties

### Owned investment property

\$ '000	2024	2023
<b>At fair value</b>		
Opening balance at 1 July	191,420	181,210
Capitalised subsequent expenditure	13	834
Net gain/(loss) from fair value adjustments	(6,683)	9,376
<b>Closing balance at 30 June</b>	<b>184,750</b>	<b>191,420</b>

### Material accounting policy information

Council holds three Investment Properties, Kiaora Place shopping centre, Double Bay, and two car parks, namely Grafton Street Car Park, Bondi Junction and Cosmopolitan Car Park, Knox Street, Double Bay. These Investment properties are held for long-term rental yields.

## C2 Leasing activities

### C2-1 Council as a lessor

#### Operating leases

Council leases out a number of properties to tenants under long-term operating leases with rentals payable monthly; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-8).

Council also leases out a number of premises to Community Groups or members of the public on an ad hoc basis.

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

\$ '000	2024	2023
<b>(i) Assets held as investment property</b>		
The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below		
Lease income (excluding variable lease payments not dependent on an index or rate)	11,812	11,428
<b>Total income relating to operating leases for investment property assets</b>	<b>11,812</b>	<b>11,428</b>
<b>Operating lease expenses</b>		
Direct operating expenses that generated rental income	10,083	8,820
Direct operating expenses that did not generate rental income	1,352	1,370
<b>Total expenses relating to operating leases</b>	<b>11,435</b>	<b>10,190</b>
<b>Repairs and maintenance: investment property</b>		
<b>(ii) Assets held as property, plant and equipment</b>		
Lease income (excluding variable lease payments not dependent on an index or rate)	5,769	5,587
<b>Total income relating to operating leases for Council assets</b>	<b>5,769</b>	<b>5,587</b>

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

\$ '000	2024	2023
<b>(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:</b>		
Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:		
< 1 year	8,928	8,441
1–2 years	7,290	7,706
2–3 years	6,500	6,210
3–4 years	6,218	5,541
4–5 years	5,493	5,400
> 5 years	64,610	69,486
<b>Total undiscounted lease payments to be received</b>	<b>99,039</b>	<b>102,784</b>

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Payables</b>				
Prepaid rates	812	–	751	–
Goods and services – operating expenditure	4,964	–	6,438	–
Goods and services – capital expenditure	1,145	–	1,164	–
Accrued expenses:				
– Borrowings	354	–	365	–
– Salaries and wages	894	–	926	–
Security bonds, deposits and retentions	50,522	–	45,736	–
Other	1,635	–	695	–
<b>Total payables</b>	<b>60,326</b>	<b>–</b>	<b>56,075</b>	<b>–</b>
<b>Total payables</b>	<b>60,326</b>	<b>–</b>	<b>56,075</b>	<b>–</b>

#### Current payables not anticipated to be settled within the next twelve months

\$ '000	2024	2023
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	45,664	41,272
<b>Total payables</b>	<b>45,664</b>	<b>41,272</b>

#### Material accounting policy information

##### Payables

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

## C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	322	-	6,713	-
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	-	-	1,334	-
<b>Total grants received in advance</b>		<b>322</b>	<b>-</b>	<b>8,047</b>	<b>-</b>
<b>Income received in advance:</b>					
Payments received in advance		1,876	-	2,830	-
<b>Total income received in advance</b>		<b>1,876</b>	<b>-</b>	<b>2,830</b>	<b>-</b>
<b>Total contract liabilities</b>		<b>2,198</b>	<b>-</b>	<b>10,877</b>	<b>-</b>

### Notes

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

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

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

\$ '000	2024	2023
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	6,592	2,514
Operating grants (received prior to performance obligation being satisfied)	1,175	1,086
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>7,767</b>	<b>3,600</b>

## C3-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	3,476	53,044	3,794	56,521
<b>Total borrowings</b>	<b>3,476</b>	<b>53,044</b>	<b>3,794</b>	<b>56,521</b>

(1) Loans are secured over the general rating income of Council.  
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

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

\$ '000	2023		Non-cash movements	2024
	Opening Balance	Cash flows	Other non-cash movement	Closing balance
Loans – secured	60,315	(3,795)	–	56,520
Lease liability (Note C2-1b)	151	(132)	–	19
<b>Total liabilities from financing activities</b>	<b>60,466</b>	<b>(3,927)</b>	<b>–</b>	<b>56,539</b>

### (b) Financing arrangements <sup>1</sup>

\$ '000	2024	2023
<b>Total facilities</b>		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities <sup>2</sup>	400	400
Credit cards/purchase cards	16	16
<b>Total financing arrangements</b>	<b>416</b>	<b>416</b>
<b>Drawn facilities</b>		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	2	5
<b>Total drawn financing arrangements</b>	<b>2</b>	<b>5</b>
<b>Undrawn facilities</b>		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	400	400
– Credit cards/purchase cards	14	11
<b>Total undrawn financing arrangements</b>	<b>414</b>	<b>411</b>

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

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

### C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	4,405	–	4,413	–
Sick leave	218	–	231	–
Long service leave	7,785	497	7,741	583
<b>Total employee benefit provisions</b>	<b>12,408</b>	<b>497</b>	<b>12,385</b>	<b>583</b>

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	7,560	7,782
	<b>7,560</b>	<b>7,782</b>

#### Material accounting policy information

##### Long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## C4 Reserves

### C4-1 Nature and purpose of reserves

#### IPPE Revaluation reserve

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

## D Council structure

### D1 Interests in other entities

#### D1-1 Interests in joint arrangements

#### (ii) Joint operations

Principal activity	Place of business	Interest in ownership		Interest in voting	
		2024	2023	2024	2023
<b>(a) Council is involved in the following joint operations (JO's)</b>					
<b>Name of joint operation:</b>					
Alexandria Integrated Facility (AIF) Collaboration with Waverley Council	- Running of the shared AIF Depot	AIF	41%	41%	50%

#### Council assets employed in the joint operations

\$ '000	2024	2023
<b>Council's share of assets jointly owned with other partners</b>		
Property, plant and equipment	20,402	16,994
<b>Total net assets employed – Council and jointly owned</b>	<b>20,402</b>	<b>16,994</b>

#### Share of joint operations expenditure commitments

##### Operating expenditure commitments

Payable not later than 1 year	272	260
<b>Total operating expenditure commitments</b>	<b>272</b>	<b>260</b>

#### Material accounting policy information

##### Joint operations:

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

## E Risks and accounting uncertainties

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

Council's activities expose it to a variety of financial risks including (1) price risk, (2) liquidity risk, (3) market risk - interest rate risk and (4) credit risk. The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

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

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

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

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

Council has an investment policy which complies with the Local Government Act 1993 and Ministerial Investment Order 625. This policy is regularly reviewed by Council and its staff 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.

The risks associated with the investments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Liquidity risk** - the risk that Council will not be able to pay its debts as and when they fall due.
- **Market risk - Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature. Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

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

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	1,111	1,008
Impact of a 10% movement in price of investments		
– Equity / Income Statement	75	73

#### (b) Credit risk

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

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

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



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

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 quarterly. Council makes suitable provision for doubtful receivables as required.

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

A profile of Council's receivables credit risk at balance date follows:

### Credit risk profile

#### Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
<b>2024</b>				
Gross carrying amount	–	2,334	246	2,580
<b>2023</b>				
Gross carrying amount	–	2,750	187	2,937

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

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2024</b>						
Gross carrying amount	5,763	342	350	74	144	6,673
Expected loss rate (%)	0.00%	0.00%	17.00%	100.00%	100.00%	4.16%
ECL Provision (\$'000)	–	–	(60)	(74)	(144)	(278)
<b>2023</b>						
Gross carrying amount	6,325	557	114	29	367	7,392
Expected loss rate (%)	0.00%	26.93%	100.00%	100.00%	100.00%	8.93%
ECL Provision (\$'000)	–	(150)	(114)	(29)	(367)	(660)

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

### (c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
<b>2024</b>							
Payables	0.00%	50,522	9,804	–	–	60,326	60,326
Borrowings	3.20%	–	3,476	16,387	36,657	56,520	56,520
<b>Total financial liabilities</b>		<b>50,522</b>	<b>13,280</b>	<b>16,387</b>	<b>36,657</b>	<b>116,846</b>	<b>116,846</b>
<b>2023</b>							
Payables	0.00%	45,736	10,340	–	–	56,076	56,075
Borrowings	3.20%	–	3,794	16,373	40,148	60,315	60,315
<b>Total financial liabilities</b>		<b>45,736</b>	<b>14,134</b>	<b>16,373</b>	<b>40,148</b>	<b>116,391</b>	<b>116,390</b>

### Fair value measurement

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

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

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

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

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

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

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

## E2-1 Fair value measurement (continued)

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
<b>Recurring fair value measurements</b>							
<b>Financial assets</b>							
Financial investments	C1-2						
At fair value through profit or loss – designated at fair value on initial recognition		<b>90,000</b>	92,000	<b>755</b>	727	<b>90,755</b>	92,727
<b>Total financial assets</b>		<b>90,000</b>	92,000	<b>755</b>	727	<b>90,755</b>	92,727
<b>Investment property</b>							
Kiaora place	C1-6	<b>178,230</b>	184,890	–	–	<b>178,230</b>	184,890
Car parks		<b>6,520</b>	6,530	–	–	<b>6,520</b>	6,530
<b>Total investment property</b>		<b>184,750</b>	191,420	–	–	<b>184,750</b>	191,420
<b>Infrastructure, property, plant and equipment</b>							
Plant and equipment	C1-5	–	–	<b>8,855</b>	7,947	<b>8,855</b>	7,947
Office equipment		–	–	<b>2,910</b>	3,202	<b>2,910</b>	3,202
Furniture and fittings		–	–	<b>328</b>	461	<b>328</b>	461
Operational land		–	–	<b>162,687</b>	136,609	<b>162,687</b>	136,609
Community land		–	–	<b>181,560</b>	178,460	<b>181,560</b>	178,460
Buildings – non-specialised		–	–	<b>50,982</b>	43,908	<b>50,982</b>	43,908
Buildings – specialised		–	–	<b>35,206</b>	30,341	<b>35,206</b>	30,341
Roads		–	–	<b>391,637</b>	418,041	<b>391,637</b>	418,041
Bridges		–	–	<b>3,870</b>	3,874	<b>3,870</b>	3,874
Footpaths		–	–	<b>74,831</b>	56,701	<b>74,831</b>	56,701
Stormwater drainage		–	–	<b>75,166</b>	82,608	<b>75,166</b>	82,608
Other open space/recreational assets		–	–	<b>26,285</b>	25,852	<b>26,285</b>	25,852
Harbourside structures		–	–	<b>5,882</b>	6,624	<b>5,882</b>	6,624
Seawalls		–	–	<b>36,977</b>	32,849	<b>36,977</b>	32,849
Retaining walls		–	–	<b>19,800</b>	15,929	<b>19,800</b>	15,929
<b>Total infrastructure, property, plant and equipment</b>		<b>–</b>	–	<b>1,076,976</b>	1,043,406	<b>1,076,976</b>	1,043,406

## E2-1 Fair value measurement (continued)

### Valuation techniques

#### Financial assets

The Investments at Fair Value through Profit or Loss disclosed as Level 3 comprise Council's Emerald Reverse Mortgage Series 2007-1 Class B Security maturing 21 July 2057 and floating rate notes.

For its floating rate notes, Council receives monthly valuations from the issuer of the security. Council received independent valuation from Imperium Markets for its Emerald RMBS. The 30 June 2024 valuations have been used to ensure the financial statements reflect the latest valuation.

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

#### Investment properties

Council holds three Investment Properties:

Grafton Street Car Park, Bondi Junction  
Cosmopolitan Centre Car Park, Knox Street, Double Bay  
Kiaora Place, Double Bay

Council obtains independent valuations of its Investment Properties on an annual basis to ensure the financial statements reflect the latest valuations.

The best evidence of fair value is the current price in an active market for similar assets. The following information is used where necessary:

- current prices in an active market for similar properties;
- expected future rental income generated from the properties;
- rent abatements
- capitalisation rate;
- price per square meter;
- location.

The 2024 valuations were based on Independent Assessments made by Scott Fullarton Valuations Pty Ltd. The income approach has been used to value the properties.

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

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

#### Plant & Equipment, Office Equipment and Furniture & Fittings

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

- |                        |   |
|------------------------|---|
| • major plant          | truck, street sweepers, garbage compactors              |
| • vehicles             | cars, vans, utilities                                   |
| • miscellaneous        | plant mowers, breakers, pressure cleaners, line markers |
| • furniture & fittings | desks, chairs, cabinets, shelving                       |
| • office equipment     | PCs, laptops, servers, projectors                       |

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the Notes to the Financial Statements. Council assumes that the depreciated historic cost reflects the fair value of the asset.

Level 3 unobservable inputs include:

- pattern of consumption
- useful life
- asset condition
- replacement cost

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

#### Operational Land

Council classifies Operational Land in accordance with Part 2 of Chapter 6 of the Local Government Act (1993).

## E2-1 Fair value measurement (continued)

Council obtains independent “fair value” valuations of its Operational Land every 3 years using Level 3 inputs. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date taking into account the characteristics of the asset (condition and location of the asset and restrictions, if any, on the sale or use of the asset).

The unobservable Level 3 inputs used include:

- Rate per square metre

The 2024 valuations were based on Independent Assessments made by Scott Fullarton Valuations Pty Ltd. There has been no change to the valuation process during the reporting period.

### Community Land

Council’s Community Land is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access. The Local Government Act imposes restrictions on Community Land in order to preserve the qualities of the land.

The Division of Local Government has determined that Community Land may be valued using the NSW Valuer General’s valuation to represent fair value. The Valuer General issues valuations every 3 years.

The Valuer General uses comparable property sales to the land being valued and considers factors such as:

- property market conditions as at 1 July in the year of valuation;
- most valuable use for the land;
- constraints on use such as zoning and heritage restrictions;
- land size, shape and land features, such as slope and soil type;
- nearby development and infrastructure;
- views.

Council fair values Community Land using either NSW Valuer General unimproved capital value or an average unit rate based on unimproved capital values and allocated by Council against those properties where the Valuer General did not provide an unimproved capital value.

Community Land was revalued by the NSW Valuer General as part of their triennial revaluation process across NSW, with an effective date of 1 July 2022. The change in value of land was adopted as the fair value by Council.

### Buildings – (Specialised and Non-Specialised)

Council buildings incorporate Libraries, Community Buildings, Car Park Buildings, Kiosks and Amenities, Sportsfield and Park Buildings, Council Chambers and Depot Buildings.

Council obtains independent “fair value” valuations of its Buildings every 3 years using Level 3 inputs. The valuer utilises the Gross Restatement Method; the Gross Value of each building is obtained by applying a unit rate based on its current replacement cost. Rates are derived from substantial analysis of construction costs from over 60 NSW Councils and are continually updated to reflect movements in construction costs. Complex building structures are componentised into significant parts with different useful lives taking into account a range of factors. While all buildings are physically inspected for valuation, inputs such as estimates of residual value, useful life and pattern of consumption have required professional judgement and impacted significantly on the final determination of fair value. Buildings are therefore classified as being valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition

Buildings (Specialised and Non Specialised) were valued in 2022 based on Independent Assessments made by Scott Fullarton Valuations Pty Ltd and a desktop valuation is completed annually.

The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at ‘Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment’ draws councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an “interim management assessment” should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors

## E2-1 Fair value measurement (continued)

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to the carrying amount. Council has adopted this guidance.

As a result this asset class was revalued as an "interim management assessment" to reflect the fair value of the asset classes carrying value.

### Roads

This asset class comprises, Wearing Pavement Base, Pavement Sub Base, Kerb and Gutter and Traffic Facilities.

Council's Asset Management System (AMS) contains detailed segment dimensions and specifications for all Council roads. Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, roads are valued using Level 3 inputs.

Council also performs proactive asset inspections to determine if busy areas require additional maintenance thus prolonging the life of the asset. Council has in place an Asset Management Plan which details asset management practices to meet the required level of service in the most cost effective manner for present and future consumers.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2024 valuations were based on Independent Assessments made by APV Valuers & Asset Management.

### Bridges

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, bridges are valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2024 valuations were based on Independent Assessments made by APV Valuers & Asset Management.

### Footpaths

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, footpaths are valued using Level 3 inputs. Council's Asset Management System (AMS) contains detailed segment dimensions and specifications for footpaths.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2024 valuations were based on Independent Assessments made by APV Valuers & Asset Management.

### Stormwater Drainage

This asset class comprises pits, pipes and stormwater quality improvements devices.

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, drainage assets are valued using Level 3 inputs. Council's Asset Management System (AMS) contains detailed segment dimensions and specifications for drainage.

## E2-1 Fair value measurement (continued)

Council also performs proactive asset inspections to determine if additional maintenance is required thus prolonging the life of the asset. Council has in place an Asset Management Plan which details drainage asset management practices to meet the required level of service in the most cost effective manner for present and future consumers.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2024 valuations were based on Independent Assessments made by APV Valuers & Asset Management.

### Other Open Space/Recreational Assets

Assets in this class include items such as playgrounds, gazebo's, park fencing and lighting, tennis courts, sportsfield surfaces and aggregated lower value assets such as park seats and picnic tables.

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, open space assets are valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2024 valuations were based on Independent Assessments by XYST Australia Pty Ltd.

### Harbourside Structures

Council has harbourside structures at Double Bay, Parsley Bay, Rose Bay, Rushcutters Bay and Watsons Bay which include swimming pools, platforms, boat ramps, piers and a footbridge.

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, open space assets are valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2024 valuations were based on Independent Assessments by APV Valuers & Asset Management.

### Seawalls

Assets in this class include seawalls at Darling Point, Double Bay, Point Piper, Rose Bay, Vaucluse and Watsons Bay.

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, open space assets are valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2024 valuations were based on Independent Assessments by APV Valuers & Asset Management.

### Retaining Walls

## E2-1 Fair value measurement (continued)

Assets in this class include retaining walls and retaining wall fences at various locations throughout the Woollahra local government area.

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, open space assets are valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2024 valuations were based on Independent Assessments by APV Valuers & Asset Management.

### Library Books

Assets in this class include books, magazines, CD's, DVD and audio books.

Library books are valued using depreciated historic cost. Annual review determines if there has been any impairment of assets within the class.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition

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

### Art Collections

Assets in this class include artwork, ornaments and outdoor public art installations.

Council obtains independent valuations of its Art collections once every 5 years.

The best evidence of fair value is the current price in an active market for similar assets. The following information is used where necessary:

- current prices in an active market for similar properties.

The 2021 valuations were based on Independent Assessments by by McWilliam & Associates. There has been no change to the valuation process during the reporting period.

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

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

	Valuation technique/s	Unobservable inputs
<b>Financial liabilities</b>		
Fair Value through Profit or Loss	Issuer and independent valuations	Unit Price
<b>Investment properties</b>		
Investment properties	Independent valuation	Net rental value Rental Yield
<b>Infrastructure, property, plant and equipment</b>		
Plant and Equipment, Office Equipment, Furniture and Fittings	Cost used to approximate fair value	Asset Cost Useful Life
Operational Land	Independent valuation	Rate per m2



## E2-1 Fair value measurement (continued)

	<b>Valuation technique/s</b>	<b>Unobservable inputs</b>
Community Land	Land values supplied by the Valuer General	Unimproved Capital Value (rate per m <sup>2</sup> )
Buildings	Independent valuation	Current Replacement Cost Useful life Asset Condition
Roads, Bridges & Footpaths	Independent valuation Unit rates per m <sup>2</sup> or length	Current Replacement Cost (Unit Rates) Asset Condition Rating Useful Life
Stormwater Drainage	Independent valuation Unit rates per m <sup>2</sup> or length	Current Replacement Cost (Unit Rates) Asset Condition Rating Useful Life
Other Open Space / Recreational Assets	Independent valuation Unit rates per m <sup>2</sup> or length	Current Replacement Cost (Unit Rates) Asset Condition Rating Useful Life
Harbourside structures, Seawalls & Retaining Walls	Independent valuation Unit rates per m <sup>2</sup> or length	Current Replacement Cost (Unit Rates) Asset Condition Rating Useful Life
Library Books	Cost used to approximate fair value.	Asset Cost Useful Life Asset Condition
Art Collections	Independent valuation	Market Value

## E2-1 Fair value measurement (continued)

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

\$ '000	Total	
	2024	2023
<b>Opening balance</b>	<b>1,043,406</b>	974,406
<b>Total gains or losses for the period</b>		
Recognised in other comprehensive income – revaluation surplus	<b>20,875</b>	73,219
<b>Other movements</b>		
Transfers from/(to) another asset class	<b>6,139</b>	1,991
Purchases (GBV)	<b>25,403</b>	10,238
Disposals (WDV)	<b>(4,066)</b>	(2,257)
Depreciation and impairment	<b>(14,781)</b>	(14,190)
Rounding	<b>–</b>	(1)
<b>Closing balance</b>	<b>1,076,976</b>	1,043,406

### Highest and best use

All of Council's non-financial assets are considered to be utilised for their highest and best use which was established in consideration of the criteria of physical possibility, legal permissibility and financial feasibility. Implied with these criteria is the recognition of the contribution of that specific use to community goals.

## E3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

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

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

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

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

##### Description of the funding arrangements.

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

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

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
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## E3-1 Contingencies (continued)

Division C	2.5% salaries
Division D	1.64 times member contributions

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

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

The adequacy of contributions is assessed at each triennial actuarial investigation, the next of which is due effective 30 June 2024, and monitored annually between triennials.

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$347,799.94. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$224,115.88.

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

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

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$93,330.28 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	6.00% per annum
Salary inflation *	3.5% per annum
Increase in CPI	3.5% for FY 2023/24 2.5% per annum thereafter

\* Plus promotional increases

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

## E3-1 Contingencies (continued)

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

### (ii) Statewide Limited

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

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

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

### (iii) StateCover Limited

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

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

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

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

### (iv) Other guarantees

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

## F People and relationships

### F1 Related party disclosures

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

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

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

\$ '000	2024	2023
<b>Compensation:</b>		
Short-term benefits	1,645	1,552
Post-employment benefits	137	138
Other long-term benefits	54	47
<b>Total</b>	<b>1,836</b>	<b>1,737</b>

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

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions
\$ '000				
<b>2024</b>				
Donations, contributions and assistance	1	901	–	7 days
Legal Expenses - Other	2	18	–	7 days
Contractor & Consultancy Costs	3	–	–	30 days
<b>2023</b>				
Donations, contributions and assistance	1	865	–	7 days
Legal Expenses - Other	2	2	–	7 days
Contractor & Consultancy Costs	3	432	–	30 days

- 1 Council provides financial support to Holdsworth Community which provides a range of services to the Woollahra community. A KMP is a Director of Holdsworth Community.
- 2 Council utilises Hones Lawyers Ptd Ltd to provide legal assistance and advice. A relative of a Council KMP is an employee or director/partner (9 partner firm) of Hones Lawyers.
- 3 Council utilises Downer Pipetech on capital works projects.

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

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	47	46
Councillors' fees	367	355
Other Councillors' expenses (including Mayor)	48	48
<b>Total</b>	<b>462</b>	<b>449</b>

## F2 Other relationships

### F2-1 Audit fees

\$ '000	2024	2023
<b>Auditors of the Council - NSW Auditor-General:</b>		
Audit of financial statements	91	87
<b>Total fees paid or payable to the Auditor-General</b>	<b>91</b>	<b>87</b>

## G Other matters

### G1-1 Statement of Cash Flows information

#### Reconciliation of Operating Result

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>13,757</b>	21,506
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	15,232	14,662
(Gain) / loss on disposal of assets	2,538	922
Non-cash capital grants and contributions	(3,772)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as ‘at fair value’ or ‘held for trading’	(27)	(95)
– Investment property	6,683	(9,376)
– Revaluation decrements / impairments of Right of use assets direct to P&L	116	90
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(733)	(869)
Increase / (decrease) in provision for impairment of receivables	(12)	(370)
(Increase) / decrease of inventories	30	13
(Increase) / decrease of other current assets	(9)	353
(Increase) / decrease of contract asset	952	1,370
Increase / (decrease) in payables	(1,475)	3,280
Increase / (decrease) in accrued interest payable	(11)	(17)
Increase / (decrease) in other accrued expenses payable	(32)	(1,538)
Increase / (decrease) in other liabilities	5,787	5,639
Increase / (decrease) in contract liabilities	(8,679)	(121)
Increase / (decrease) in employee benefit provision	(63)	(644)
Increase / (decrease) in other provisions	(1,459)	1,363
<b>Net cash flows from operating activities</b>	<b>28,823</b>	<b>36,168</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Buildings	1,470	3,272
Plant and equipment	1,320	2,058
Infrastructure	1,553	2,424
Streetscapes	205	1,992
Traffic	105	71
Open space works	1,629	692
Environmental works	119	65
IT	2	31
<b>Total commitments</b>	<b>6,403</b>	<b>10,605</b>

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

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



## G4 Statement of developer contributions as at 30 June 2024

### G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Parking	1,319	-	-	-	54	(352)	-	1,021	-
Civic improvements	125	-	-	-	5	-	-	130	-
Recreation	21	-	-	-	1	-	-	22	-
Plan preparation and administration	48	-	-	-	2	(20)	-	30	-
<b>S7.11 contributions – under a plan</b>	<b>1,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>(372)</b>	<b>-</b>	<b>1,203</b>	<b>-</b>
<b>S7.12 levies – under a plan</b>	<b>7,125</b>	<b>4,504</b>	<b>-</b>	<b>-</b>	<b>317</b>	<b>(4,722)</b>	<b>-</b>	<b>7,224</b>	<b>-</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>8,638</b>	<b>4,504</b>	<b>-</b>	<b>-</b>	<b>379</b>	<b>(5,094)</b>	<b>-</b>	<b>8,427</b>	<b>-</b>
<b>Total contributions</b>	<b>8,638</b>	<b>4,504</b>	<b>-</b>	<b>-</b>	<b>379</b>	<b>(5,094)</b>	<b>-</b>	<b>8,427</b>	<b>-</b>

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

### G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
<b>CONTRIBUTION PLAN – 2002 Contributions Plan</b>									
Parking – Rose Bay	1,319	-	-	-	54	(352)	-	1,021	-
Civic improvements	125	-	-	-	5	-	-	130	-
Recreation	21	-	-	-	1	-	-	22	-
Plan preparation and administration	48	-	-	-	2	(20)	-	30	-
<b>Total</b>	<b>1,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>(372)</b>	<b>-</b>	<b>1,203</b>	<b>-</b>

### S7.12 Levies – under a plan

<b>CONTRIBUTION PLAN – 2005 Contributions Plan</b>									
Other	7,125	4,504	-	-	317	(4,722)	-	7,224	-
<b>Total</b>	<b>7,125</b>	<b>4,504</b>	<b>-</b>	<b>-</b>	<b>317</b>	<b>(4,722)</b>	<b>-</b>	<b>7,224</b>	<b>-</b>

## G5 Statement of performance measures

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

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022		Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>6,898</b>	<b>5.44%</b>	3.64%	(4.58)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>126,814</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>121,138</b>	<b>84.70%</b>	86.68%	87.25%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>143,026</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>105,023</b>	<b>4.42x</b>	3.55x	3.49x	> 1.50x
Current liabilities less specific purpose liabilities	<b>23,765</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>23,936</b>	<b>4.18x</b>	3.63x	2.10x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>5,733</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>2,895</b>	<b>4.16%</b>	5.18%	4.54%	< 5.00%
Rates and annual charges collectable	<b>69,640</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>109,695</b>	<b>11.13</b>	12.84	11.05	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>9,851</b>	<b>months</b>	months	months	months

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

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

**End of the audited financial statements**



**INDEPENDENT AUDITOR'S REPORT**  
**Report on the general purpose financial statements**  
**Woollahra Municipal Council**

To the Councillors of Woollahra Municipal Council

## Opinion

I have audited the accompanying financial statements of Woollahra Municipal 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 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 Schedule - Permissible income for general rates.

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

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

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

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

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

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

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



Susan Prichard  
Delegate of the Auditor-General for New South Wales

10 October 2024  
SYDNEY



Cr Sarah Swan  
 Mayor  
 Woollahra Municipal Council  
 PO Box 61  
 DOUBLE BAY NSW 1360

Contact: Sue Prichard  
 Phone no: 02 8280 5637  
 Our ref: [R008-2124742775-5059](#)

10 October 2024

Dear Mayor

**Report on the Conduct of the Audit  
 for the year ended 30 June 2024  
 Woollahra Municipal Council**

I have audited the general purpose financial statements (GPFS) of the Woollahra Municipal 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 \$m	2023 \$m	Variance %
Rates and annual charges revenue	66.1	59.7	↑ 10.7
Grants and contributions revenue	21.9	16.2	↑ 35.2
Operating result from continuing operations	13.8	21.5	↓ -35.8
Net operating result before capital grants and contributions	(2.5)	12.9	↓ -119

Rates and annual charges revenue of \$66.1 million increased by \$6.4 million or 10.7 per cent in 2023–24 due to the annual rate peg increase as well increase in environmental and infrastructure levies and charges for domestic waste management services.

Grants and contributions revenue of \$21.9 million increased by \$5.7 million or 35.2 per cent in 2023–24 due to:

- increase of \$0.5 million of developer contributions recognised during the year
- increase of \$5.0 million of grants recognised for Vacluse Bowling Club and a number of grants intended to improve a number of open space assets within the Council
- receiving 85 per cent of the financial assistance grants for 2024-25 in advance (100 per cent in 2022-23)

Council’s operating result from continuing operations being \$13.8 million, including depreciation, amortisation and impairment expense of \$15.3 million, was \$7.7 million lower than the 2022–23 result. The decrease was a result of rising employee benefits and on-costs, materials and services expenses and a net loss made on disposals of assets during the year.

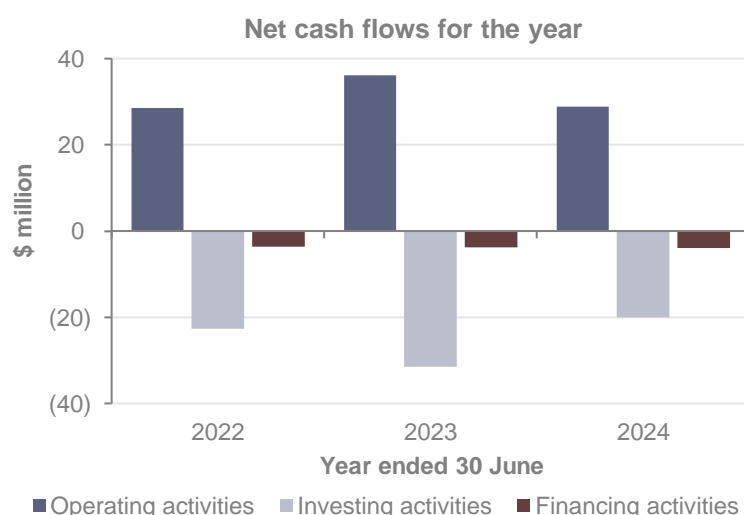
The net operating loss result before capital grants and contributions of \$2.5 million was \$15.4 million lower than the 2022–23 result. This result is a combination of an increase in grants and contributions for capital purposes received during the year and the decrease in operating results compared to 2022–23 as outlined above.

## STATEMENT OF CASH FLOWS

Cash inflows from operating activities decreased during the year as a result of rising payments for materials and services despite increases in rates and annual charges received in 2023–24.

Cash outflows from investing activities decreased due to a reduction in cash investments during the year compared to 2022-23.

Cash from financing activities which consists mainly of repayment of borrowings and lease payments did not change significantly compared to prior year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>110.4</b>	<b>107.7</b>	Externally restricted balances comprise mainly relate to domestic waste management and developer contributions.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change. Internally allocated balance as at year-end are held by the Council as deposits and bonds.
• External restrictions	14.5	22.6	
• Internal allocations	88.6	73.1	

# PERFORMANCE

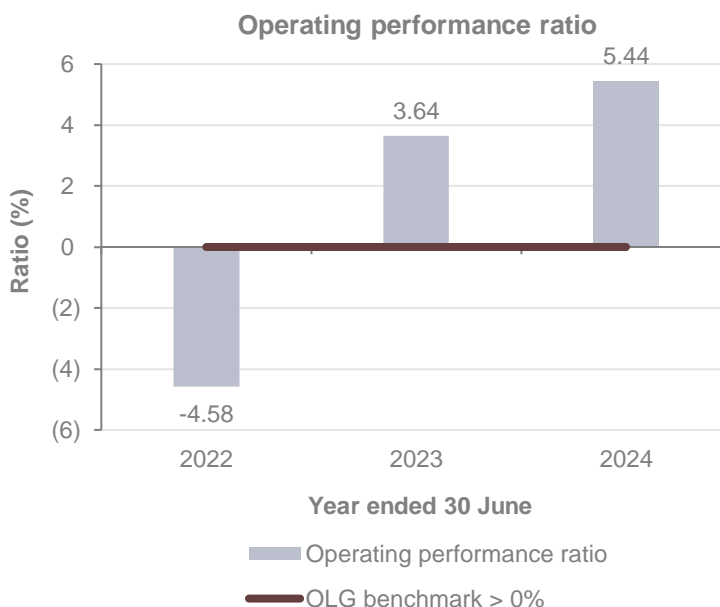
## Performance measures

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.

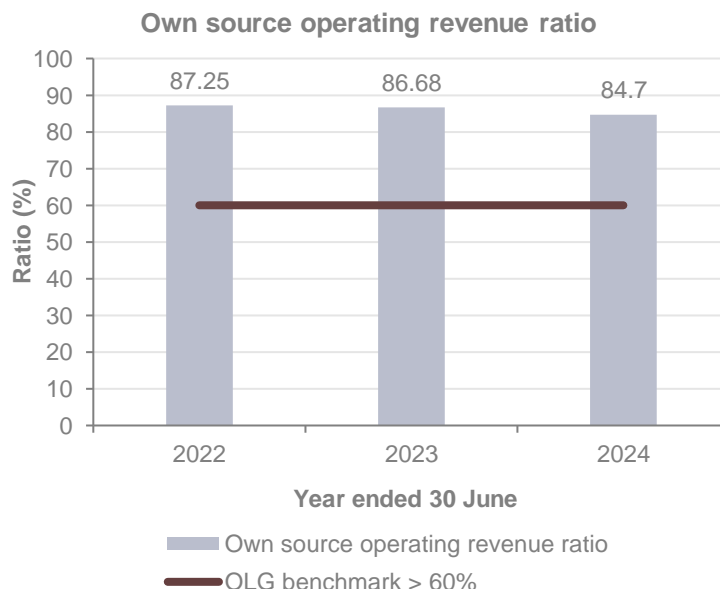
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



### Own source operating revenue ratio

Council exceeded the benchmark for the current reporting period.

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

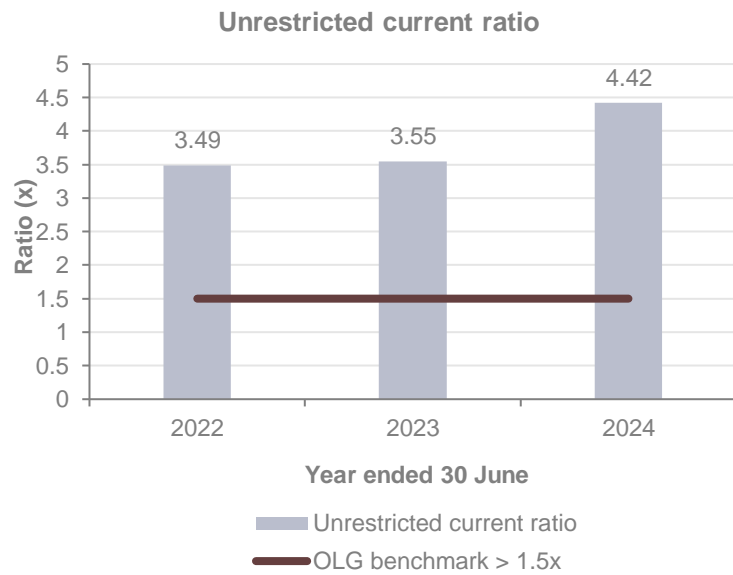




### Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

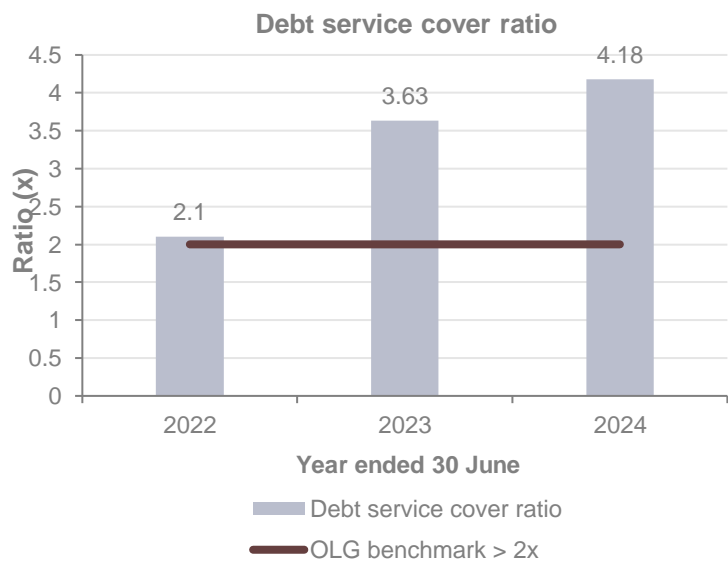
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

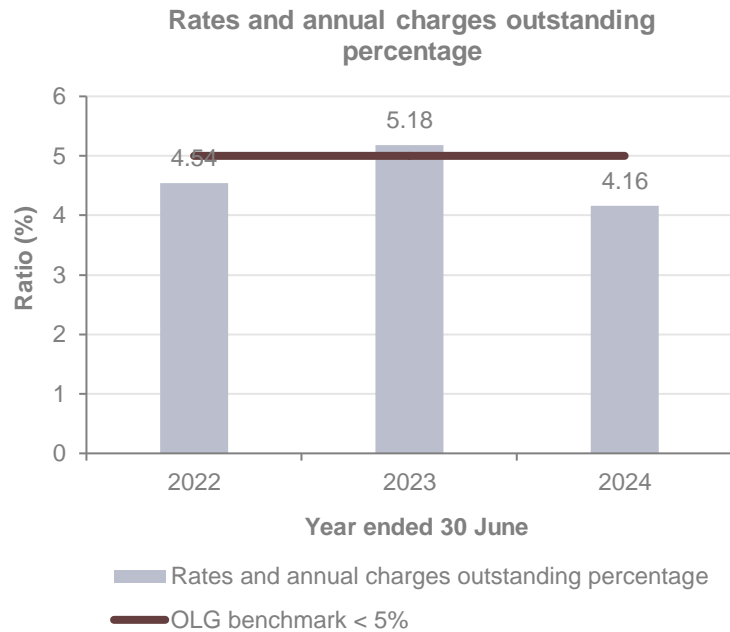
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



### Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

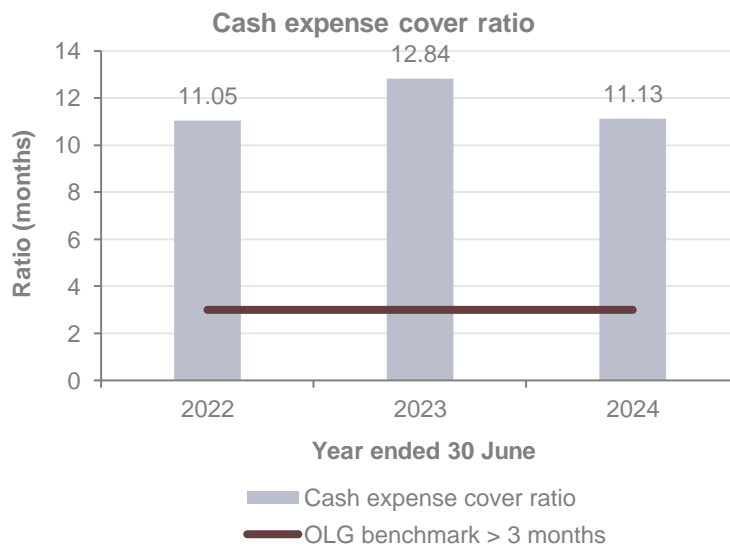
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.



### Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



### Infrastructure, property, plant and equipment renewals

Council renewed \$14.0 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads, plant and equipment and footpaths. A further \$16.0 million was spent on new assets including community land, capital work in progress and specialised buildings.

## OTHER MATTERS

### Impact of new accounting standards

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

Council adopted the new accounting standard AASB 2021-2 'Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates' in its 2023–24 financial statements.

The Standard amends AASB 101 'Presentation of Financial Statements' to require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Council reviewed their accounting policy information and removed those accounting policies they assessed as not material.

The adoption of AASB 2021-2 does not affect the Council's reported financial position or performance.

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements 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.

The Council's:

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



Susan Prichard  
Delegate of the Auditor-General for New South Wales

# Woollahra Municipal Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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# Woollahra Municipal Council

## Special Schedules

for the year ended 30 June 2024

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## Woollahra Municipal Council

### Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	43,228	49,200
Plus or minus adjustments <sup>2</sup>	b	49	20
<b>Notional general income</b>	c = a + b	<b>43,277</b>	<b>49,220</b>
<b>Permissible income calculation</b>			
Percentage increase	d	13.70%	7.50%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	5,929	3,692
<b>Sub-total</b>	g = (c + e + f)	<b>49,206</b>	<b>52,912</b>
Plus (or minus) last year's carry forward total	h	25	31
<b>Sub-total</b>	j = (h + i)	<b>25</b>	<b>31</b>
<b>Total permissible income</b>	k = g + j	<b>49,231</b>	<b>52,943</b>
Less notional general income yield	l	49,200	52,902
<b>Catch-up or (excess) result</b>	m = k - l	<b>31</b>	<b>41</b>
Plus income lost due to valuation objections claimed <sup>4</sup>	n	-	8
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>31</b>	<b>49</b>

#### Notes

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



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Woollahra Municipal Council

To the Councillors of Woollahra Municipal Council

### Opinion

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

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

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

### Basis for Opinion

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

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

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

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

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

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

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

### Emphasis of Matter - Basis of Accounting

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

## Other Information

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

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

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

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

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

My objectives are to:

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

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

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



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

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



Susan Prichard  
Delegate of the Auditor-General for New South Wales

10 October 2024  
SYDNEY

## Woollahra Municipal Council

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

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
<b>Buildings</b>	Buildings	220	220	2,184	2,552	86,188	157,877	43.6%	19.6%	34.7%	2.1%	0.0%
	<b>Sub-total</b>	<b>220</b>	<b>220</b>	<b>2,184</b>	<b>2,552</b>	<b>86,188</b>	<b>157,877</b>	<b>43.6%</b>	<b>19.6%</b>	<b>34.7%</b>	<b>2.1%</b>	<b>0.0%</b>
<b>Roads</b>	Sealed roads	5,971	5,971	5,327	5,616	391,637	524,876	5.3%	14.2%	75.3%	4.6%	0.6%
	Bridges	–	–	–	–	3,870	4,755	20.0%	0.0%	80.0%	0.0%	0.0%
	Footpaths	2,598	2,598	3,950	4,522	74,831	124,052	2.6%	9.5%	78.1%	9.7%	0.1%
	<b>Sub-total</b>	<b>8,569</b>	<b>8,569</b>	<b>9,277</b>	<b>10,138</b>	<b>470,338</b>	<b>653,683</b>	<b>4.9%</b>	<b>13.2%</b>	<b>75.9%</b>	<b>5.5%</b>	<b>0.5%</b>
<b>Stormwater drainage</b>	Stormwater drainage	528	528	526	589	75,166	105,617	62.8%	10.6%	26.1%	0.5%	0.0%
	<b>Sub-total</b>	<b>528</b>	<b>528</b>	<b>526</b>	<b>589</b>	<b>75,166</b>	<b>105,617</b>	<b>62.8%</b>	<b>10.6%</b>	<b>26.1%</b>	<b>0.5%</b>	<b>0.0%</b>
<b>Open space / recreational assets</b>	Other parks & open space	3,074	3,074	13,353	12,139	26,285	51,957	20.2%	31.1%	42.8%	5.4%	0.5%
	Harbourside structures	1,300	1,300	177	209	5,882	8,183	5.2%	10.0%	47.4%	37.4%	0.0%
	<b>Sub-total</b>	<b>4,374</b>	<b>4,374</b>	<b>13,530</b>	<b>12,348</b>	<b>32,167</b>	<b>60,140</b>	<b>18.2%</b>	<b>28.2%</b>	<b>43.4%</b>	<b>9.8%</b>	<b>0.4%</b>
<b>Other infrastructure assets</b>	Retaining walls & seawalls	1,337	1,337	91	49	56,777	82,897	10.5%	14.0%	58.3%	16.4%	0.8%
	<b>Sub-total</b>	<b>1,337</b>	<b>1,337</b>	<b>91</b>	<b>49</b>	<b>56,777</b>	<b>82,897</b>	<b>10.5%</b>	<b>14.0%</b>	<b>58.3%</b>	<b>16.4%</b>	<b>0.8%</b>
<b>Total – all assets</b>		<b>15,028</b>	<b>15,028</b>	<b>25,608</b>	<b>25,676</b>	<b>720,636</b>	<b>1,060,214</b>	<b>17.6%</b>	<b>14.8%</b>	<b>61.6%</b>	<b>5.6%</b>	<b>0.4%</b>

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

#### Infrastructure asset condition assessment 'key'

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

## Woollahra Municipal Council

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

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

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>10,548</b>	<b>82.71%</b>	69.62%	57.32%	> 100.00%
Depreciation, amortisation and impairment	<b>12,753</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>15,028</b>	<b>2.07%</b>	0.91%	1.15%	< 2.00%
Net carrying amount of infrastructure assets	<b>727,010</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>25,676</b>	<b>100.27%</b>	96.14%	99.62%	> 100.00%
Required asset maintenance	<b>25,608</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>15,028</b>	<b>1.42%</b>	0.62%	0.78%	
Gross replacement cost	<b>1,060,214</b>				

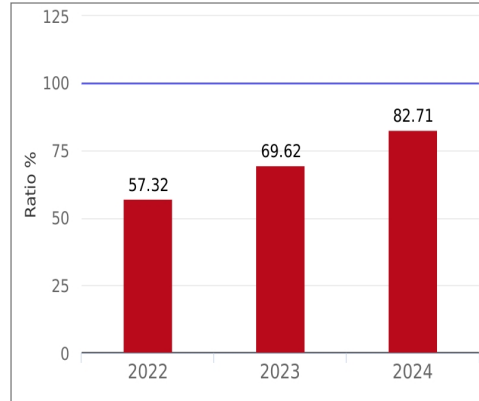
(\*) All asset performance indicators are calculated using classes identified in the previous table.

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

# Woollahra Municipal Council

## Report on infrastructure assets as at 30 June 2024

### Buildings and infrastructure renewals ratio



**Buildings and infrastructure renewals ratio**

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

**Commentary on result**

23/24 ratio 82.71%

The ratio is influenced by the timing of the completion of capital works and the particular projects (new or renewal) being undertaken in different years. In the year ended 30 June 2024, more renewal projects were undertaken compared to prior years which has increased the ratio.

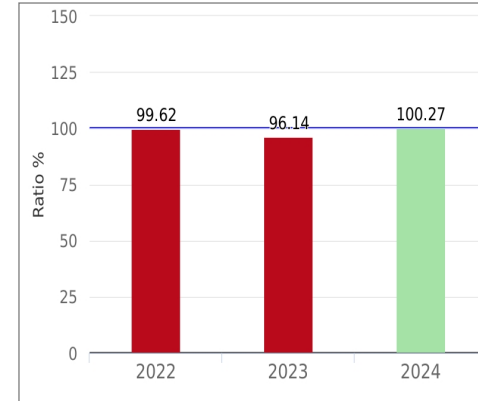
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Asset maintenance ratio



**Asset maintenance ratio**

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

**Commentary on result**

23/24 ratio 100.27%

This ratio achieves the benchmark of > 100%.

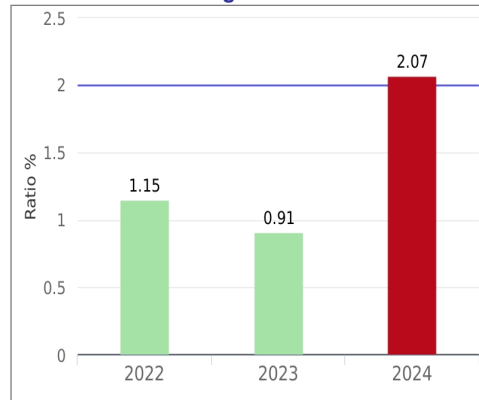
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Infrastructure backlog ratio



**Infrastructure backlog ratio**

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

**Commentary on result**

23/24 ratio 2.07%

This ratio has increased in the year ended 30 June 2024 due to Council undertaking comprehensive condition surveys to update asset condition assessments. There has been an increase in assets requiring renewal (rated poor or very poor). These assets will be prioritised for renewal over the next 24 months.

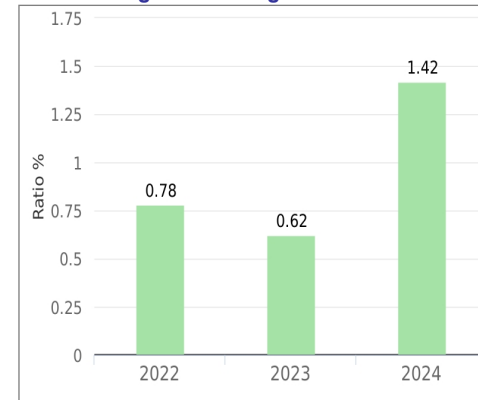
Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Cost to bring assets to agreed service level



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

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

**Commentary on result**

23/24 ratio 1.42%

The estimated cost to bring assets to our agreed service levels represents less than 2% of the total value of Council's assets. This ratio has increased in the year ended 30 June 2024 due to an increase in assets requiring renewal (rated poor or very poor).