

Richmond
Valley
Council



ATTACHMENTS

Tuesday, 21 November 2023

UNDER SEPARATE COVER

Ordinary Council Meeting

Table of Contents

6.1	Minutes Ordinary Meeting held 17 October 2023	
	Attachment 1 Unconfirmed Minutes 17 October 2023	4
17.1	Financial Statements 2022/2023	
	Attachment 1 Annual Financial Statements for the year ended 30 June 2023	21
17.2	Financial Analysis Report - October 2023	
	Attachment 1 RVC Investment Pack - October 2023	145
17.3	Quarterly Budget Review Statement for the Quarter Ended 30 September 2023	
	Attachment 1 Quarterly Budget Review Statement for the quarter ended 30 September 2023	155

Richmond
Valley
Council



MINUTES

Ordinary Council Meeting 17 October 2023

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

ORDER OF BUSINESS

1	ACKNOWLEDGEMENT OF COUNTRY	4
2	PRAYER.....	4
3	PUBLIC ACCESS	4
4	APOLOGIES	4
5	MAYORAL MINUTES.....	5
5.1	Mayoral Minute - Community funding announcements	5
6	CONFIRMATION OF MINUTES	5
6.1	Minutes Ordinary Meeting held 19 September 2023.....	5
7	MATTERS ARISING OUT OF THE MINUTES	5
8	DECLARATION OF INTERESTS.....	6
9	PETITIONS.....	6
	Nil.	
10	NOTICE OF MOTION	6
10.1	Notice of Motion - Woodburn village: Impacts of buy-back scheme	6
11	MAYOR'S REPORT	6
11.1	Mayoral Attendance Report 12 September - 9 October 2023	6
12	DELEGATES' REPORTS.....	6
	Nil.	
13	MATTERS DETERMINED WITHOUT DEBATE	7
13.1	Matters to be Determined Without Debate.....	7
14	GENERAL MANAGER.....	7
	Nil.	
15	COMMUNITY SERVICE DELIVERY	7
15.1	Regional Jobs Precinct.....	8
16	PROJECTS & BUSINESS DEVELOPMENT	9
16.1	Foy Street Proposed Road Closure.....	9
16.2	Asset Capitalisation Policy and Road Management Policy	10
16.3	Tatham Bridges Land Acquisition and Road Closures.....	11
17	ORGANISATIONAL SERVICES	12
17.1	Financial Analysis Report - September 2023.....	12
17.2	Draft Financial Statements 2022/2023	13
18	GENERAL BUSINESS.....	14
	Nil.	
19	MATTERS FOR INFORMATION	14
19.1	Customer Experience Report 1 July - 30 September 2023.....	14
19.2	Coraki to Woodburn Road (MR145) Project Completion Update	14
19.3	Rock Fishing Safety Update	15

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

19.4	Casino Memorial Olympic Pool Project Completion.....	15
19.5	Development Applications Determined Under the Environmental Planning and Assessment Act for the Period 1 September 2023 - 30 September 2023	15
19.6	Grant Application Information Report - September 2023	15
20	QUESTIONS ON NOTICE	15
	Nil.	
21	QUESTIONS FOR NEXT MEETING (IN WRITING).....	16
22	MATTERS REFERRED TO CLOSED COUNCIL	16
22.1	Tender RFT-10059501 - Rappville Sewerage Reticulation System Construction.....	16
22.2	Tender VP375416 - Queen Elizabeth Park Fencing Upgrades.....	16
23	RESOLUTIONS OF CLOSED COUNCIL	17
22.1	Tender RFT-10059501 - Rappville Sewerage Reticulation System Construction.....	17
22.2	Tender VP375416 - Queen Elizabeth Park Fencing Upgrades.....	17

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

**MINUTES OF RICHMOND VALLEY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBERS, 10 GRAHAM PLACE, CASINO
ON TUESDAY, 17 OCTOBER 2023 AT 6PM**

Please note: these minutes are subject to confirmation at the next Council Meeting. Decisions recorded in the draft minutes are subject to the Council's Code of Meeting Practice in relation to rescinding decisions.

PRESENT: Cr Robert Mustow (Mayor), Cr Sam Cornish (via videolink), Cr Robert Hayes, Cr Sandra Humphrys, Cr Debra McGillan

IN ATTENDANCE: Vaughan Macdonald (General Manager), Angela Jones (Director Community Service Delivery), Ryan Gaiter (Director Organisational Services), Ben Zeller (Director Projects & Business Development), Jenna Hazelwood (Chief of Staff), Charlene Reeves (Executive Assistant Projects & Business Development), Simon Breeze (IT Support Coordinator)

1 ACKNOWLEDGEMENT OF COUNTRY

The Mayor provided an Acknowledgement of Country by reading the following statement on behalf of Council:

"Richmond Valley Council recognises the people of the Bundjalung Nations as Custodians and Traditional Owners of this land and we value and appreciate the continuing cultural connection to lands, their living culture and their unique role in the life of this region in the past, present and future."

2 PRAYER

The meeting opened with a prayer by the General Manager.

3 PUBLIC ACCESS

Nil.

4 APOLOGIES

RESOLUTION 171023/1

Moved: Cr Robert Hayes

Seconded: Cr Sandra Humphrys

That the apologies received from Cr Stephen Morrissey (Deputy Mayor) and Cr Patrick Deegan be accepted and leave of absence granted.

CARRIED

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

5 MAYORAL MINUTES**5.1 MAYORAL MINUTE - COMMUNITY FUNDING ANNOUNCEMENTS****RESOLUTION 171023/2**

Moved: Cr Robert Mustow

Seconded: Cr Debra McGillan

That Council

1. Notes the receipt of more than \$13.8 million for community flood resilience projects, under the Community Assets Program and Infrastructure Betterment Fund.
2. Writes to Australian and NSW Government representatives to express Council's appreciation for the funding and the Governments' continued support for community flood recovery programs in the Richmond Valley.

CARRIED**6 CONFIRMATION OF MINUTES****6.1 MINUTES ORDINARY MEETING HELD 19 SEPTEMBER 2023****RESOLUTION 171023/3**

Moved: Cr Sandra Humphrys

Seconded: Cr Debra McGillan

That Council confirms the Minutes of the Ordinary Meeting held on 19 September 2023.

CARRIED**7 MATTERS ARISING OUT OF THE MINUTES**

Cr Hayes referred to Item 7 (August Ordinary Meeting Item 10.1 Notice of Motion - Rate Rebate Extension) and enquired if there had been any response from the Premier's Office regarding the proposed Rate Relief Application letter that was sent.

The General Manager advised that this has been followed up with the local MPs office, but Council was still awaiting a formal response from the Premier's Office.

Cr Hayes referred to Item 14.1 Northern Rivers Livestock Exchange Future Options - part 4 and enquired if a contractor had been appointed yet.

The General Manager advised a contractor had been appointed in line with the resolution from the September Ordinary Meeting.

Cr Hayes referred to Item 14.1 Northern Rivers Livestock Exchange Future Options - part 5 and enquired as to whether there had been any progress regarding the Expression of Interest to recommence sales until the Lease is in place.

The General Manager advised that following the September Council meeting resolution, an offer was made to the local Agents, as a short term solution to resume sales at the NRLX, with them controlling the movement of the cattle throughout the facility. They responded with interest and a draft Licence Agreement was prepared to reflect the proposed arrangements and provided to the agents on 4 October 2023. Council is waiting on a response to that offer.

Page 5

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

8 DECLARATION OF INTERESTS

Cr Robert Mustow declared a pecuniary interest in relation to Item 15.1 Regional Jobs Precinct; due to owning land in the RJP area and advised that he would be leaving the meeting for that item.

Cr Sandra Humphrys declared a non-pecuniary insignificant conflict in relation to Item 15.1 Regional Jobs Precinct; due to being a Committee Member of an organisation leasing a building in one of the areas of the RJP.

9 PETITIONS

Nil.

10 NOTICE OF MOTION**10.1 NOTICE OF MOTION - WOODBURN VILLAGE: IMPACTS OF BUY-BACK SCHEME****RESOLUTION 171023/4**

Moved: Cr Robert Hayes

Seconded: Cr Debra McGillan

That Council writes to the Minister for Planning and Public Spaces and the CEO of the NSW Reconstruction Authority expressing its concern for the potential impacts of large-scale housing buy backs on the future of Woodburn and seeking alternative solutions that support flood-affected residents of the village to remain connected with their community.

CARRIED

11 MAYOR'S REPORT**11.1 MAYORAL ATTENDANCE REPORT 12 SEPTEMBER - 9 OCTOBER 2023****RESOLUTION 171023/5**

Moved: Cr Robert Mustow

Seconded: Cr Sandra Humphrys

That Council receives and notes the Mayoral Attendance Report for the period 12 September 2023 – 9 October 2023.

CARRIED

12 DELEGATES' REPORTS

Nil.

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

13 MATTERS DETERMINED WITHOUT DEBATE**13.1 MATTERS TO BE DETERMINED WITHOUT DEBATE****RESOLUTION 171023/6**

Moved: Cr Sandra Humphrys

Seconded: Cr Robert Hayes

That items 16.1, 16.2, 16.3 and 17.1 identified be determined without debate.

CARRIED**14 GENERAL MANAGER**

Nil.

15 COMMUNITY SERVICE DELIVERY

Cr Robert Mustow advised that, due to a declared conflict of interest in item 15.1 he would be vacating the Chair and leaving the room for that item. In the absence of the Deputy Mayor, and in accordance with Clause 5 of the *Code of Meeting Practice 2022* the Mayor then called for nominations to chair the meeting for that item.

RESOLUTION 171023/7

Moved: Cr Robert Hayes

Seconded: Cr Debra McGillan

That Cr Sandra Humphrys be elected to chair the meeting for item 15.1.

CARRIED

At 6:34 pm, Cr Robert Mustow left the meeting.

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

15.1 REGIONAL JOBS PRECINCT**EXECUTIVE SUMMARY**

The Department of Regional NSW has been working with Richmond Valley Council, State agencies and local landowners over the past two years to develop plans for the Richmond Valley Regional Jobs Precinct. The precinct will create more than 600 direct jobs for the community, with additional employment opportunities through growth in service industries. The Draft Master Plan is now nearing completion and is ready for public exhibition.

The purpose of this report is to seek a letter of support from Council to the NSW Minister for Planning and Public Spaces, the Hon. Paul Scully MP, endorsing the public exhibition of the Richmond Valley Regional Jobs Precinct Master Plan and associated documentation. This will provide an opportunity for community feedback on the proposals.

The work undertaken by the Department of Regional NSW (DRNSW) and its appointed consultants, to be placed on public exhibition will include the following:

- Draft Master Plan;
- Draft Structure Plan/Urban Design Analysis;
- Draft Supporting Technical Studies; and
- A draft Discussion Paper (Explanation of Intended Effect), to outline the proposed delivery of planning changes in the draft Master Plan.

The public exhibition will be conducted by DRNSW.

Provision of the letter of support will not limit Council's discretion and ability to provide further comment and feedback during the public exhibition process. Submissions in their entirety, as well as summaries, will be shared with Council following exhibition.

It is proposed that Council supports the Department in the exhibition of the draft Master Plan and supporting documents, noting the strategic importance of the Regional Job Precinct to the community of Casino and the Richmond Valley local government area.

RESOLUTION 171023/8

Moved: Cr Robert Hayes

Seconded: Cr Debra McGillan

That Council:

1. Notes the extensive work carried out by the Department of Regional NSW to develop the Richmond Valley Regional Jobs Precinct Proposal, in consultation with Council, State Agencies and key stakeholders.
2. Endorses public exhibition of the Draft Master Plan and supporting documentation by the Department of Regional NSW, to encourage community feedback on the proposals.
3. Provides a letter of support for the public exhibition process to the NSW Minister for Planning and Public Spaces.

CARRIED

At 6:45 pm, Cr Robert Mustow returned to the meeting.

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

16 PROJECTS & BUSINESS DEVELOPMENT**16.1 FOY STREET PROPOSED ROAD CLOSURE****EXECUTIVE SUMMARY**

Council is undertaking road upgrades within Foy Street, Country Lane, and Kent Street in Casino to improve road access and drainage to support a safer road network. Council aims to acquire part of the property at 6 Foy Street to construct a cul-de-sac with a radius suitable for a larger turning circle that would encroach into the property. The owners of 6 Foy Street (the Applicant) have requested that the unformed portion of Foy Street be closed in compensation, providing opportunity for additional car parking facilities. The severed land, being the southern part of Foy Street not required for the Applicant, would become Council operational land.

A report was presented to Council on 20 June 2023 regarding the proposed part road closure of Foy Street, Casino. Council resolved to undertake formal notification to close the public road in accordance with Section 38B of the *Roads Act 1993*.

Council completed consultation with notifiable authorities receiving four submissions including one objection from Crown Lands. Following further consultation, the objection was withdrawn on the provision of securing a right of carriageway connecting the public road to adjoining land and the river.

The Applicant has requested use of the closed road for additional car parking facilities which will support any future development of this site. It is proposed that Council consents for the Applicant to utilise the part Foy Street land as a car park on lodgement of a Development Application while the road closure process is being undertaken. During this process the public road will remain as a Council public road asset with the responsibilities of the car park being maintained by the Applicant.

RESOLUTION 171023/9

Moved: Cr Sandra Humphrys

Seconded: Cr Robert Hayes

That:

1. Council proceeds to acquire part of 6 Foy Street by negotiation as a public road to enable the construction of a cul-de-sac.
2. In accordance with Section 38D of the *Roads Act 1993*, Council supports the closure of part Foy Street Casino (as shown on Map 1 in this report).
3. Upon closure:
 - (a) Council offers part of the land for sale to the applicant, in accordance with the current market land valuation less the market valuation for the road widening on 6 Foy Street.
 - (b) The residual closed road land is vested in Richmond Valley Council as operational land.
 - (c) An 88B instrument accompanies the new plan registration to maintain public access to the crown reserve and river and for the protection of stormwater infrastructure.
4. The General Manager has delegated authority to negotiate the final boundaries of the proposed closure, the condition of sale, including the signing of documents and affixing the Council Seal as necessary.
5. The applicant is responsible to meet the costs associated with the road closure and sale.

CARRIED

Page 9

16.2 ASSET CAPITALISATION POLICY AND ROAD MANAGEMENT POLICY**EXECUTIVE SUMMARY**

Council is seeking to improve its asset management framework methodology to reduce risk, obtain greatest value from available funds and balance the needs of the community. Asset Management methodology considers the planning, creation, operation, maintenance, review and disposal of assets. The framework methodology is supported by plans and procedures which govern its direction and operation.

The Asset Capitalisation Policy provides guidelines regarding which assets are to be capitalised or expensed in Council's finance and annual reporting requirements for renewal, upgrade or creation of new assets. The policy supports Council's commitment to sustainable financial planning by providing clear guidelines on the distinctions between maintenance, renewal, upgrade and new capital expenditure for accounting purposes and will help to ensure compliance with legislation and Australian Accounting Standards.

The Road Management Policy was adopted in June 2015 and is due for review. The policy has been updated to reflect changes supporting the Roads & Transport Asset Management Plan 2022-2023 which was adopted by Council in February 2023.

RESOLUTION 171023/10

Moved: Cr Sandra Humphrys

Seconded: Cr Robert Hayes

That Council adopts the Asset Capitalisation Policy and Road Management Policy.

CARRIED

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

16.3 TATHAM BRIDGES LAND ACQUISITION AND ROAD CLOSURES**EXECUTIVE SUMMARY**

The two bridges traversing Shannon Brook and Spring Creek located on Casino Coraki Road (known as twin Tatham Bridges) require replacement. Following the 2022 floods, a load restriction was placed on the bridges due to their poor structural condition.

Council has secured funding of \$18.7m through the Northern Rivers Recovery and Resilience Program to replace the bridges, and a suitable design has been developed.

Part of this work includes a series of land acquisitions for the existing road footprint and the new alignment. Council considered the first acquisitions at its September Ordinary Meeting and this report outlines further proposed acquisitions.

The existing road reserve traverses over land identified as Lot 16 DP1189548 (721.2m²) currently vacant Crown Land being part of closed road effective 8 December 1933. Council's only option is to acquire this land by compulsory process under the *Land Acquisition (Just Terms Compensation) Act 1991*.

Part of the existing road reserve can be closed and provided in compensation or sale to adjoining residents for the realignment footprint. This includes land identified as Lot 27, 29, 31 and part Lot 28 in Deposited Plan 1189548.

RESOLUTION 171023/11

Moved: Cr Sandra Humphrys

Seconded: Cr Robert Hayes

That Council:

1. Acquires the land identified as Lot 16 DP1189548 by the compulsory process under the *Land Acquisition (Just Terms Compensation) Act 1991* by authority contained in the *Roads Act 1993* for the purposes of public road and
 - (a) Approves the making of an application to the Minister for Local Government for the issue of a Proposed Acquisition Notice under the *Land Acquisition (Just Terms Compensation) Act 1991* with respect to the subject land.
 - (b) Authorises the General Manager to sign any related documents, including affixing the Common Seal of Richmond Valley Council, as required.
 - (c) Dedicates the subject land as public road.
2. Undertakes formal notification to close the council public road as identified as Lot 27, 29, 31 and part Lot 28 in Deposited Plan 1189548 in accordance with Section 38B of the *Roads Act 1993* with a further report to be submitted to Council following public consultation.

CARRIED

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

17 ORGANISATIONAL SERVICES**17.1 FINANCIAL ANALYSIS REPORT - SEPTEMBER 2023****EXECUTIVE SUMMARY**

The purpose of this report is to inform Council of the status and performance of its cash and investment portfolio in accordance with the *Local Government Act 1993* s.625, Local Government (General) Regulation 2021 cl.212, Australian Accounting Standard (AASB 9) and Council's Investment Policy.

The value of Council's cash and investments at 30 September 2023 is shown below:

Bank Accounts	Term Deposits	Floating Rate Notes	Fixed Rate Bonds	TCorp IM Funds	Total
\$23,025,272	\$32,000,000	\$7,500,390	\$2,000,000	\$15,308,034	\$79,833,696

The weighted average rate of return on Council's cash and investments as at 30 September 2023 was 0.40% which was above the Bloomberg AusBond Bank Bill Index for September of 0.33%, which is Council's benchmark.

RESOLUTION 171023/12

Moved: Cr Sandra Humphrys

Seconded: Cr Robert Hayes

That Council adopts the Financial Analysis Report detailing the performance of its cash and investments for the month of September 2023.

CARRIED

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

17.2 DRAFT FINANCIAL STATEMENTS 2022/2023**EXECUTIVE SUMMARY**

Council's draft financial statements for the year ended 30 June 2023 have been prepared and subjected to external audit by the Audit Office of New South Wales. A copy of the draft financial statements and draft auditor's report have been provided separately to Councillors for information.

Council's external auditor, the Audit Office of New South Wales has advised that its representative firm, Thomas, Noble and Russell will be attending the Ordinary Meeting of Council 21 November 2023 and will provide a presentation on the 2022/2023 financial statements and the final audit report.

Council achieved a surplus from continuing operations of \$44.257 million for the 2022/2023 financial year, compared to a surplus of \$19.987 million in the previous year. Council recorded a surplus before capital grants and contributions of \$2.954 million for 2022/2023, compared to a loss of \$5.595 million for the 2021/2022 financial year. The improvement in this result is positive and was one of the objectives of Council's special rate variation in moving towards a break-even result before capital grants and contributions over the medium term. It is important to note that this result is prone to fluctuations due to the level of grant funding received by Council and other economic factors.

Total revenue increased to \$125.401 million, from \$101.857 million in 2021/2022 with \$41.303 million in capital grants and contributions, an increase of \$15.721 million from the previous year. The main factor contributing to this was an increase in grants and contributions of \$14.505 million as a result of the flood disaster, as well as significant infrastructure grants for Casino Showground, Casino Swimming Pool and MR145 Woodburn-Coraki Road Major Upgrade.

Total operating expenditure was \$81.144 million, a slight decrease from \$81.870 million in the previous year.

Council's total cash, cash equivalents and investments increased by \$11.933 million to \$90.585 million as at 30 June 2023.

Council has achieved improvements in seven out of nine of its key performance measures, with all but two of the ratios meeting or exceeding the industry benchmark. A notable improvement was in Council's building and infrastructure renewal ratio from 125.26% to 182.51%. Other improvements included Council's operating performance ratio, improving from -2.80% to 4.94% (benchmark >0.00%), and rates and annual charges outstanding ratio, improving from 10.73% to 9.19% (benchmark < 10%). Results of the other key performance measures are detailed in the report.

RESOLUTION 171023/13

Moved: Cr Robert Mustow

Seconded: Cr Debra McGillan

That Council:

1. Adopts the general purpose financial statements, special purpose financial statements and special schedules for the year ended 30 June 2023.
2. Certifies the following in respect of the general purpose financial statements and special purpose financial statements for the year ended 30 June 2023:
 - (a) Council's general purpose financial statements and special purpose financial statements have been prepared in accordance with:
 - (i) The *Local Government Act 1993 (NSW)* and the regulations made thereunder, and
 - (ii) The Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board, and

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

- (iii) The Local Government Code of Accounting Practice and Financial Reporting.
- (b) The general purpose financial statements and special purpose financial statements present fairly Council's financial position and operating result for the year ended 30 June 2023 and:
 - (i) The reports are in accordance with Council's accounting and other records;
 - (ii) The signatories to this statement being the Mayor, a Councillor, General Manager and Responsible Accounting Officer are not aware of anything that would make the financial statements false or misleading in any way;
- 3. Fixes Tuesday 21 November 2023 as the date for the meeting to present the financial statements for the year ended 30 June 2023 to the public, invites submissions in writing and provides appropriate public notice of this meeting.
- 4. Adopts the restricted assets (reserves) schedule as detailed in this report

CARRIED**18 GENERAL BUSINESS**

Nil.

19 MATTERS FOR INFORMATION**RESOLUTION 171023/14**

Moved: Cr Robert Hayes

Seconded: Cr Sandra Humphrys

Recommended that the following reports submitted for information be received and noted.

CARRIED**19.1 CUSTOMER EXPERIENCE REPORT 1 JULY - 30 SEPTEMBER 2023****RESOLUTION 171023/15**

Moved: Cr Robert Hayes

Seconded: Cr Sandra Humphrys

That Council receives and notes the Customer Experience Report for the period 1 July – 30 September 2023.

CARRIED**19.2 CORAKI TO WOODBURN ROAD (MR145) PROJECT COMPLETION UPDATE****RESOLUTION 171023/16**

Moved: Cr Robert Hayes

Seconded: Cr Sandra Humphrys

That Council receives and notes the Coraki to Woodburn (MR145) Project Completion Update report.

CARRIED

Page 14

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

19.3 ROCK FISHING SAFETY UPDATE**RESOLUTION 171023/17**

Moved: Cr Robert Hayes

Seconded: Cr Sandra Humphrys

That Council receives and notes the information contained within the Rock Fishing Safety Update report, noting that reporting to Council will continue, on an annual basis.

CARRIED**19.4 CASINO MEMORIAL OLYMPIC POOL PROJECT COMPLETION****RESOLUTION 171023/18**

Moved: Cr Robert Hayes

Seconded: Cr Sandra Humphrys

That Council receives and notes the Casino Memorial Olympic Pool Stage One Project Completion report.

CARRIED**19.5 DEVELOPMENT APPLICATIONS DETERMINED UNDER THE ENVIRONMENTAL PLANNING AND ASSESSMENT ACT FOR THE PERIOD 1 SEPTEMBER 2023 - 30 SEPTEMBER 2023****RESOLUTION 171023/19**

Moved: Cr Robert Hayes

Seconded: Cr Sandra Humphrys

That Council receives and notes the Development Application report for the period 1 September 2023 to 30 September 2023.

CARRIED**19.6 GRANT APPLICATION INFORMATION REPORT - SEPTEMBER 2023****RESOLUTION 171023/20**

Moved: Cr Robert Hayes

Seconded: Cr Sandra Humphrys

That Council receives and notes the Grant Application Information Report for the month of September 2023.

CARRIED**20 QUESTIONS ON NOTICE**

Nil.

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

21 QUESTIONS FOR NEXT MEETING (IN WRITING)

Nil.

22 MATTERS REFERRED TO CLOSED COUNCIL**RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993:

22.1 Tender RFT-10059501 - Rappville Sewerage Reticulation System Construction

This matter relates to (d)(i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

This matter is considered to be confidential under Section 10A(2) - (d)(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

22.2 Tender VP375416 - Queen Elizabeth Park Fencing Upgrades

This matter relates to (d)(i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

This matter is considered to be confidential under Section 10A(2) - (d)(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

The General Manager reported that no written representations had been received in respect of the items listed for consideration in Closed Council.

The Chair called for representations from the gallery.

There were no verbal representations from the gallery in respect of this item.

The Chair advised that under section 10A Local Government Act 1993, the media and public are to be excluded from the meeting on the basis that the business to be discussed is classified confidential under the provisions of section 10(2) as outlined above.

RESOLUTION 171023/21

Moved: Cr Robert Hayes

Seconded: Cr Debra McGillan

1. That Council enters Closed Council to consider the business identified in Item 22.
2. Pursuant to section 10A(2) of the *Local Government Act 1993*, the media and public be excluded from the meeting on the basis the business to be discussed is classified confidential under the provisions of section 10(2) as outlined above.
3. The correspondence and reports relevant to the subject business be withheld from access to the media and public as required by section 11(2) *Local Government Act 1993*.

CARRIED

Council closed its meeting at 7.04 pm

ORDINARY COUNCIL MEETING MINUTES

17 OCTOBER 2023

The Open Council meeting resumed at 7.20 pm

RESOLUTION 171023/22

Moved: Cr Debra McGillan

Seconded: Cr Sandra Humphrys

That Council moves out of Closed Council into Open Council.

CARRIED

23 RESOLUTIONS OF CLOSED COUNCIL

The resolutions of the Closed Council meeting were read by the Director Projects & Business Development (Item 22.1 and 22.2).

22.1 Tender RFT-10059501 - Rappville Sewerage Reticulation System Construction

That Council:

1. Declines all tenders for Tender RFT-10059501 – Rappville Sewerage Reticulation System Construction, due to all tenders being more than Council's available budget.
2. Authorises the General Manager to negotiate and finalise the terms and conditions of any contract or agreement, in line with the content of this report and the available budget and affixing the seal of Council where necessary.
3. Notes that the outcome of the negotiations will be reported to Council for information at a future meeting.

22.2 Tender VP375416 - Queen Elizabeth Park Fencing Upgrades

That:

1. Council accepts the tender from JMFC Fencing, for Queen Elizabeth Park fencing upgrades, as it represents the best value for Council at \$382,130.00 (exclusive of GST); and
2. The General Manager be authorised to negotiate and finalise the terms and conditions of any contract or agreement, in line with the content of this report and the available budget and affixing the seal of Council where necessary.

The Meeting closed at 7:22pm.

The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 21 November 2023.

.....
CHAIRPERSON



ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2023

This report documents Richmond Valley Council's financial performance throughout the 2022-2023 financial year.



Richmond Valley Council

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2023



Richmond Valley Council

General Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
Understanding Council's Financial Statements	3
Statement by Councillors and Management	4
Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	86
On the Financial Statements (Sect 417 [3])	89

Overview

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

10 Graham Place
Casino NSW 2470

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

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

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

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

Richmond Valley Council

General Purpose Financial Statements

for the year ended 30 June 2023

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2023.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Richmond Valley Council**General Purpose Financial Statements**

for the year ended 30 June 2023

Statement by Councillors and Management made pursuant to Section 413 (2c) of the *Local Government Act 1993* (NSW)**The attached general purpose financial statements have been prepared in accordance with:**

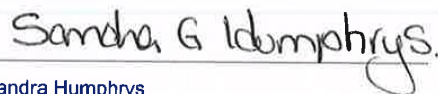
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

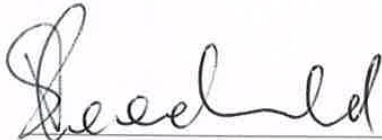
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.**Signed in accordance with a resolution of Council made on 17 October 2023.**

Robert Mustow
Mayor
17 October 2023



Sandra Humphrys
Councillor
17 October 2023



Vaughan Macdonald
General Manager
17 October 2023



Ryan Gaiter
Responsible Accounting Officer
17 October 2023

Richmond Valley Council | Income Statement | for the year ended 30 June 2023

Richmond Valley Council

Income Statement

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
	Income from continuing operations			
30,915	Rates and annual charges	B2-1	30,842	29,292
16,156	User charges and fees	B2-2	16,929	13,902
276	Other revenues	B2-3	3,678	2,770
10,748	Grants and contributions provided for operating purposes	B2-4	26,635	27,851
23,196	Grants and contributions provided for capital purposes	B2-4	41,303	25,582
1,031	Interest and investment income	B2-5	2,069	364
1,784	Other income	B2-6	3,945	2,096
84,106	Total income from continuing operations		125,401	101,857
	Expenses from continuing operations			
23,292	Employee benefits and on-costs	B3-1	24,060	22,070
18,178	Materials and services	B3-2	31,574	35,234
1,067	Borrowing costs	B3-3	1,030	916
18,162	Depreciation, amortisation and impairment of non-financial assets	B3-4	19,593	18,000
2,060	Other expenses	B3-5	2,330	3,310
–	Net loss from the disposal of assets	B4-1	2,557	2,340
62,759	Total expenses from continuing operations		81,144	81,870
21,347	Operating result from continuing operations		44,257	19,987
21,347	Net operating result for the year attributable to Council		44,257	19,987
(1,849)	Net operating result for the year before grants and contributions provided for capital purposes		2,954	(5,595)

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

Richmond Valley Council | Statement of Comprehensive Income | for the year ended 30 June 2023

Richmond Valley Council

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Net operating result for the year – from Income Statement		44,257	19,987
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	62,252	56,783
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	897	(29,110)
Total items which will not be reclassified subsequently to the operating result		63,149	27,673
Total other comprehensive income for the year		63,149	27,673
Total comprehensive income for the year attributable to Council		107,406	47,660

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

Richmond Valley Council | Statement of Financial Position | for the year ended 30 June 2023

Richmond Valley Council

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	55,497	49,572
Investments	C1-2	27,338	22,330
Receivables	C1-4	9,677	9,667
Inventories	C1-5	2,274	4,907
Contract assets and contract cost assets	C1-6	5,557	2,647
Other	C1-8	361	520
Total current assets		100,704	89,643
Non-current assets			
Investments	C1-2	7,750	6,750
Receivables	C1-4	1,263	2,458
Inventories	C1-5	1,154	815
Infrastructure, property, plant and equipment (IPPE)	C1-7	930,309	831,155
Right of use assets	C2-1	1,029	1,099
Total non-current assets		941,505	842,277
Total assets		1,042,209	931,920
LIABILITIES			
Current liabilities			
Payables	C3-1	12,625	11,042
Contract liabilities	C3-2	10,434	5,459
Lease liabilities	C2-1	377	410
Borrowings	C3-3	3,524	3,371
Employee benefit provisions	C3-4	4,621	4,496
Provisions	C3-5	1,725	1,392
Total current liabilities		33,306	26,170
Non-current liabilities			
Payables	C3-1	470	417
Contract liabilities	C3-2	121	103
Lease liabilities	C2-1	436	584
Borrowings	C3-3	15,938	19,462
Employee benefit provisions	C3-4	189	131
Provisions	C3-5	3,191	3,901
Total non-current liabilities		20,345	24,598
Total liabilities		53,651	50,768
Net assets		988,558	881,152
EQUITY			
Accumulated surplus		433,897	389,640
IPPE revaluation reserve	C4-1	554,661	491,512
Council equity interest		988,558	881,152
Total equity		988,558	881,152

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

Richmond Valley Council | Statement of Changes in Equity | for the year ended 30 June 2023

Richmond Valley Council

Statement of Changes in Equity

for the year ended 30 June 2023

\$ '000	Notes	2023			2022		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		389,640	491,512	881,152	369,653	463,839	833,492
Net operating result for the year		44,257	–	44,257	19,987	–	19,987
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	62,252	62,252	–	56,783	56,783
– Impairment (loss) reversal relating to IPP&E	C1-7	–	897	897	–	(29,110)	(29,110)
Other comprehensive income		–	63,149	63,149	–	27,673	27,673
Total comprehensive income		44,257	63,149	107,406	19,987	27,673	47,660
Closing balance at 30 June		433,897	554,661	988,558	389,640	491,512	881,152

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

Richmond Valley Council | Statement of Cash Flows | for the year ended 30 June 2023

Richmond Valley Council

Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Cash flows from operating activities				
Receipts:				
30,915	Rates and annual charges		32,182	29,285
16,156	User charges and fees		18,239	11,137
1,031	Interest received		1,793	400
33,944	Grants and contributions		66,794	53,696
—	Bonds, deposits and retentions received		291	703
1,784	Other		5,675	4,756
Payments:				
(23,292)	Payments to employees		(23,627)	(22,381)
(18,178)	Payments for materials and services		(34,776)	(31,515)
(1,067)	Borrowing costs		(914)	(1,239)
(2,060)	Other		(2,585)	(2,212)
39,233	Net cash flows from operating activities	G1-1	63,072	42,630
Cash flows from investing activities				
Receipts:				
—	Sale of investments		—	7,000
2,750	Sale of real estate assets		—	2,046
745	Proceeds from sale of IPPE		269	341
—	Deferred debtors receipts		—	2
Payments:				
—	Purchase of investments		(657)	(2,001)
—	Acquisition of term deposits		(4,000)	—
(45,037)	Payments for IPPE		(48,950)	(26,431)
(5,575)	Purchase of real estate assets		—	(2,179)
(47,117)	Net cash flows from investing activities		(53,338)	(21,222)
Cash flows from financing activities				
Receipts:				
1,000	Proceeds from borrowings		—	4,740
Payments:				
(3,417)	Repayment of borrowings		(3,371)	(2,721)
—	Principal component of lease payments		(438)	(524)
(2,417)	Net cash flows from financing activities		(3,809)	1,495
(10,301)	Net change in cash and cash equivalents		5,925	22,903
49,572	Cash and cash equivalents at beginning of year		49,572	26,669
39,271	Cash and cash equivalents at end of year	C1-1	55,497	49,572
35,088	plus: Investments on hand at end of year	C1-2	35,088	29,080
74,359	Total cash, cash equivalents and investments		90,585	78,652

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

Richmond Valley Council

Contents for the notes to the Financial Statements for the year ended 30 June 2023

A About Council and these financial statements	12
A1-1 Basis of preparation	12
B Financial Performance	14
B1 Functions or activities	14
B1-1 Functions or activities – income, expenses and assets	14
B1-2 Components of functions or activities	15
B2 Sources of income	16
B2-1 Rates and annual charges	16
B2-2 User charges and fees	17
B2-3 Other revenues	18
B2-4 Grants and contributions	19
B2-5 Interest and investment income	23
B2-6 Other income	23
B3 Costs of providing services	24
B3-1 Employee benefits and on-costs	24
B3-2 Materials and services	25
B3-3 Borrowing costs	25
B3-4 Depreciation, amortisation and impairment of non-financial assets	26
B3-5 Other expenses	27
B4 Gains or losses	28
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	28
B5 Performance against budget	29
B5-1 Material budget variations	29
C Financial position	31
C1 Assets we manage	31
C1-1 Cash and cash equivalents	31
C1-2 Financial investments	32
C1-3 Restricted and allocated cash, cash equivalents and investments	33
C1-4 Receivables	35
C1-5 Inventories	36
C1-6 Contract assets and Contract cost assets	37
C1-7 Infrastructure, property, plant and equipment	38
C1-8 Other	42
C2 Leasing activities	43
C2-1 Council as a lessee	43
C2-2 Council as a lessor	46
C3 Liabilities of Council	47
C3-1 Payables	47
C3-2 Contract Liabilities	48
C3-3 Borrowings	50
C3-4 Employee benefit provisions	52
C3-5 Provisions	53

Richmond Valley Council

Contents for the notes to the Financial Statements for the year ended 30 June 2023

C4 Reserves	55
C4-1 Nature and purpose of reserves	55
D Council structure	56
D1 Results by fund	56
D1-1 Income Statement by fund	56
D1-2 Statement of Financial Position by fund	57
D2 Interests in other entities	58
D2-1 Subsidiaries, joint arrangements and associates not recognised	58
E Risks and accounting uncertainties	59
E1-1 Risks relating to financial instruments held	59
E2-1 Fair value measurement	63
E3-1 Contingencies	71
F People and relationships	74
F1 Related party disclosures	74
F1-1 Key management personnel (KMP)	74
F1-2 Councillor and Mayoral fees and associated expenses	74
F1-3 Other related parties	75
F2 Other relationships	75
F2-1 Audit fees	75
G Other matters	76
G1-1 Statement of Cash Flows information	76
G2-1 Commitments	77
G3 Statement of developer contributions as at 30 June 2023	78
G3-1 Summary of developer contributions	78
G3-2 Developer contributions by plan	79
G4 Statement of performance measures	80
G4-1 Statement of performance measures – consolidated results	80
G4-2 Statement of performance measures by fund	81
H Additional Council disclosures (unaudited)	83
H1-1 Statement of performance measures – consolidated results (graphs)	83
H1-2 Council information and contact details	85

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 17 October 2023. 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 principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- B5-1 Material budget variations

and are clearly marked.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment and investment property.

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

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

Natural Disaster Events and COVID-19 Impacts

During the 2021/2022 financial year, Council was faced with catastrophic flooding to our region as well as ongoing impacts of the COVID-19 pandemic. These events significantly impacted our Local Government Area (LGA) along with much of the nation. These financial challenges have presented themselves at a time when the community is relying heavily on Council to maintain essential services and to provide economic stimulus by supporting local suppliers and job creation schemes.

Impacts during 2022/2023 due to flooding and the pandemic largely consisted of delays in the supply and delivery of materials as well as constraints on contractor availability.

Despite the ongoing impacts of natural disaster events, Council is confident that it will continue as a going concern in the long-term.

A1-1 Basis of preparation (continued)

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (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.

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

- General purpose operations
- Water service
- Sewerage service

The Trust Fund

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

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Volunteer services

Council utilise a number of volunteer services however these are deemed not material to recognise on the income statement.

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2023 reporting period.

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

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 2023.

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Functions or activities										
Recover	68,181	46,568	50,668	50,554	17,513	(3,986)	54,597	39,520	804,127	713,031
Prevent & Prepare	19,842	22,146	20,366	22,054	(524)	92	2,044	3,262	72,773	67,281
Sustain	37,303	32,115	10,035	8,234	27,268	23,881	11,297	10,651	165,309	151,608
Total functions and activities	125,326	100,829	81,069	80,842	44,257	19,987	67,938	53,433	1,042,209	931,920

Page 14 of 94

B1-2 Components of functions or activities

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

Recover

- Help communities to recover and reconnect
- Support families and businesses to rebuild
- Restore the Richmond Valley's road network
- Restore essential infrastructure
- Restore the environment

Prevent & Prepare

- Improve the disaster resilience of public assets
- Build resilience in a changing climate

Sustain

- Strengthen the regional economy
- Address long-term housing needs
- Lead and advocate for our community
- Manage community resources and provide great service

B2 Sources of income**B2-1 Rates and annual charges**

\$ '000	2023	2022
Ordinary rates		
Residential	10,085	9,515
Farmland	3,117	2,932
Business	2,110	1,987
Less: pensioner rebates (mandatory)	(369)	(372)
Rates levied to ratepayers	14,943	14,062
Pensioner rate subsidies received	203	205
Total ordinary rates	15,146	14,267
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	5,077	4,827
Stormwater management services	202	201
Water supply services	1,722	1,623
Sewerage services	7,736	7,454
Waste management services (non-domestic)	1,158	1,126
Less: pensioner rebates (mandatory)	(440)	(449)
Annual charges levied	15,455	14,782
Pensioner annual charges subsidies received:		
– Water	76	78
– Sewerage	74	72
– Domestic waste management	91	93
Total annual charges	15,696	15,025
Total rates and annual charges	30,842	29,292

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy

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.

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

B2-2 User charges and fees

\$ '000	Timing	2023	2022
Specific user charges (per s502 - specific 'actual use' charges)			
Water supply services	1	4,727	4,622
Sewerage services	1	1,540	1,433
Waste management services (non-domestic)	1	37	23
Total specific user charges		6,304	6,078
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Planning and building regulation	2	564	551
Private works – section 67	1	170	217
Regulatory/ statutory fees	2	135	139
Registration fees	2	211	191
Total fees and charges – statutory/regulatory		1,080	1,098
(ii) Fees and charges – other (incl. general user charges (per s608))			
Aerodrome	2	16	11
Caravan park	2	85	40
Cemeteries	2	419	403
Transport for NSW works (state roads not controlled by Council)	1	4,352	1,764
Northern Rivers Livestock Exchange	2	1,789	1,900
Waste disposal tipping fees	2	2,073	1,867
Casino showground	2	17	18
Richmond Upper Clarence Regional Library	2	22	17
Sports grounds	2	24	30
Other	2	748	676
Total fees and charges – other		9,545	6,726
Total other user charges and fees		10,625	7,824
Total user charges and fees		16,929	13,902
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		10,826	10,257
User charges and fees recognised at a point in time (2)		6,103	3,645
Total user charges and fees		16,929	13,902

Accounting policy

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

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

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

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

B2-3 Other revenues

\$ '000	Timing	2023	2022
Fines	2	81	91
Insurance claims recoveries	2	3,162	2,676
Other	2	435	3
Total other revenue		3,678	2,770
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		—	—
Other revenue recognised at a point in time (2)		3,678	2,770
Total other revenue		3,678	2,770

Accounting policy for other revenue

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

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

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

B2-4 Grants and contributions

\$ '000	Timing	Operating 2023	Operating 2022	Capital 2023	Capital 2022
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	1,057	1,969	–	–
Financial assistance – local roads component	2	550	875	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	4,478	3,024	–	–
Financial assistance – local roads component	2	1,919	1,351	–	–
Amount recognised as income during current year		8,004	7,219	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Bushfire and emergency services	2	1,375	1,634	246	238
Energy saving certificate	1	–	189	–	–
Economic Development	2	–	17	–	–
LIRS subsidy	2	1	1	–	–
Library – Richmond Upper Clarence Regional	2	536	572	193	2
Natural disaster funding	1	12,483	13,572	11,406	7,976
Northern Rivers Livestock Exchange	2	–	–	219	227
Public Halls	1	–	–	101	450
Sewerage (excl. section 64 contributions)	2	3	–	411	923
Sporting grounds, parks and facilities	1	82	77	7,633	5,016
Strategic planning	2	17	5	–	–
Street lighting	2	94	92	–	–
Transport (roads to recovery)	2	1,002	1,002	–	–
Transport (other roads and bridges funding)	1	1,439	920	13,592	2,911
Tourism & Events	2	405	38	1,039	–
Waste and sustainability	1	146	946	–	–
Water supplies (excl. section 64 contributions)	2	7	–	112	136
Other specific grants and contributions	2	1,023	1,537	646	4,347
Total special purpose grants and non-developer contributions – cash		18,613	20,602	35,598	22,226
Non-cash contributions					
Roads and bridges		–	–	–	316
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	2	–	–	3,543	48
Bushfire and Emergency Services	2	18	30	70	601
Sporting grounds	2	–	–	–	838
Public Halls	2	–	–	–	34
Total other contributions – non-cash		18	30	3,613	1,837
Total special purpose grants and non-developer contributions (tied)		18,631	20,632	39,211	24,063
Total grants and non-developer contributions		26,635	27,851	39,211	24,063
Comprising:					
– Commonwealth funding		9,006	8,238	2,435	2,055
– State funding		14,570	18,699	32,827	16,885
– Other funding		3,059	914	3,949	5,123
		26,635	27,851	39,211	24,063

continued on next page

Page 19 of 94

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

B2-4 Grants and contributions (continued)**Developer contributions**

\$ '000	Notes	Timing	Operating 2023	Operating 2022	Capital 2023	Capital 2022
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G3					
Cash contributions						
S 7.11 – contributions towards amenities/services		2	–	–	225	332
S 7.12 – fixed development consent levies		2	–	–	794	369
S 64 – water supply contributions		2	–	–	323	260
S 64 – sewerage service contributions		2	–	–	750	558
Total developer contributions			–	–	2,092	1,519
Total contributions			–	–	2,092	1,519
Total grants and contributions			26,635	27,851	41,303	25,582
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			11,903	20,604	32,732	16,353
Grants and contributions recognised at a point in time (2)			14,732	7,247	8,571	9,229
Total grants and contributions			26,635	27,851	41,303	25,582

continued on next page

Page 20 of 94

B2-4 Grants and contributions (continued)**Unspent grants and contributions**

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

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
Grants				
Unspent funds at 1 July	5,282	1,422	5,887	4,697
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	—	—	—	—
Add: Funds received for the provision of goods and services in a future period	741	4,709	—	3,820
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	—	—	—	—
Less: Funds received in prior year but revenue recognised and funds spent in current year	(3,182)	(849)	(4,843)	(2,630)
Unspent grants at 30 June	2,841	5,282	1,044	5,887

Unspent grants are largely comprised of (\$'000's):-

\$1,828 Flood Recovery Grant
 \$2,027 Northern Rivers Rail Trail Stage 2
 \$1,914 Regional and Local Roads Repair Fund (RLRRP)
 \$1,731 Fixing Local Roads - Naughtons Gap Rd, Coraki Ellangowan Rd
 \$1,343 Casino Sewage Transfer Station
 \$1,539 Fixing Country Bridges - Reynolds Rd Bridge, Willox Bridge, Lollback Bridge

Contributions

Unspent funds at 1 July	379	279	13,120	10,359
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	303	127	2,592	3,707
Add: contributions received and not recognised as revenue in the current year	—	—	—	—
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(75)	(27)	(1,224)	(946)
Unspent contributions at 30 June	607	379	14,488	13,120

This balance is largely attributed to developer contributions (\$12.28m) and Pacific Complete Contributions (\$1.8m)

Accounting policy**Grants and contributions – enforceable agreement with sufficiently specific performance obligations**

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

The performance obligations vary according to the agreement but include milestones or schedule of costs. 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.

B2-4 Grants and contributions (continued)

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

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

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

B2-5 Interest and investment income

\$ '000	2023	2022
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	29	27
– Cash and investments	2,040	337
Total interest and investment income (losses)	2,069	364
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
General Council cash and investments	2,069	364
Total interest and investment income	2,069	364

Accounting policy

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

B2-6 Other income

\$ '000	Notes	2023	2022
Reversal of impairment losses on receivables			
Other		75	–
Total reversal of impairment losses on receivables	C1-4	75	–
Rental income			
Other lease income			
Quarry leases		2,326	1,877
Room/Facility Hire		193	219
Total other lease income		2,519	2,096
Total rental income	C2-2	2,519	2,096
Fair value increment on investments			
Fair value increment on investments through profit and loss		1,351	–
Total Fair value increment on investments		1,351	–
Total other income		3,945	2,096

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

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

\$ '000	2023	2022
Salaries and wages	18,702	17,507
Employee leave entitlements (ELE)	4,044	3,077
Superannuation	2,265	2,071
Workers' compensation insurance	494	452
Fringe benefit tax (FBT)	103	56
Payroll tax	73	149
Training costs (other than salaries and wages)	191	216
Other	211	203
Total employee costs	26,083	23,731
Less: capitalised costs	(2,023)	(1,661)
Total employee costs expensed	24,060	22,070

Accounting policy

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

Retirement benefit obligations

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

Superannuation plans

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

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

B3-2 Materials and services

\$ '000	Notes	2023	2022
Raw materials and consumables		26,111	30,028
Audit Fees	F2-1	105	91
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	217	198
Advertising		99	119
Bank charges		79	75
Electricity and heating		858	792
Insurance		845	685
Internal Audit		12	–
Street lighting		198	690
Subscriptions and publications		169	171
Telephone and communications		444	495
Valuation fees		74	72
IT expenses		1,025	952
Postage, printing & stationary		320	298
Other expenses		261	60
Legal expenses:			
– Legal expenses: other		273	151
Expenses from leases of low value assets		484	357
Total materials and services		31,574	35,234

Accounting policy

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

B3-3 Borrowing costs

\$ '000	Notes	2023	2022
(i) Interest bearing liability costs			
Interest on leases		17	27
Interest on loans		1,002	878
Total interest bearing liability costs		1,019	905
Total interest bearing liability costs expensed		1,019	905
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	11	11
Total other borrowing costs		11	11
Total borrowing costs expensed		1,030	916

Accounting policy

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

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

\$ '000	Notes	2023	2022
Depreciation and amortisation			
Plant and equipment		2,021	1,857
Office equipment		57	82
Furniture and fittings		69	74
Land improvements (depreciable)		388	332
Infrastructure:	C1-7		
– Buildings – specialised		1,293	1,145
– Other structures		602	528
– Roads		6,870	6,338
– Bridges		1,271	1,184
– Footpaths		294	273
– Stormwater drainage		559	516
– Water supply network		1,806	1,436
– Sewerage network		2,504	2,267
– Other open space/recreational assets		975	859
Right of use assets	C2-1	327	418
Other assets:			
– Library books		83	86
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-7	472	598
– Quarry assets	C3-5,C1-7	2	7
Total gross depreciation and amortisation costs		19,593	18,000
Total depreciation and amortisation costs		19,593	18,000
Impairment / revaluation decrement of IPPE			
Land improvements (depreciable)		–	58
Infrastructure:	C1-7		
– Buildings – specialised		(87)	1,319
– Roads		(1,515)	20,318
– Bridges		669	5,042
– Stormwater drainage		–	328
– Water supply network		36	30
– Sewerage network		–	2,015
Total gross IPPE impairment / revaluation decrement costs		(897)	29,110
Amounts taken through revaluation reserve	C1-7	897	(29,110)
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	–
Total depreciation, amortisation and impairment for non-financial assets		19,593	18,000

Accounting policy**Depreciation and amortisation**

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

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are 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.

Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the

continued on next page

Page 26 of 94

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

asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

B3-5 Other expenses

\$ '000	Notes	2023	2022
Impairment of receivables			
Other		–	91
Total impairment of receivables	C1-4	–	91
Fair value decrement on investments			
Fair value decrement on investments		–	1,028
Total Fair value decrement on investments	C1-2	–	1,028
Other			
Contributions/levies to other levels of government			
Election expenses		–	160
– Emergency services levy (includes FRNSW, SES, and RFS levies)		63	34
– NSW fire brigade levy		131	115
– NSW rural fire service levy		1,399	1,048
– Waste levy		31	218
Donations, contributions and assistance to other organisations (Section 356)		706	616
Total other expenses		2,330	3,310

Accounting policy

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

Impairment expenses are recognised when identified.

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

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

\$ '000	Notes	2023	2022
Infrastructure, property, plant and equipment	C1-7		
Proceeds from disposal		269	341
Less: carrying amount of assets sold/written off		(2,820)	(4,256)
Gain (or loss) on disposal		(2,551)	(3,915)
Gain (or loss) on disposal of assets held for sale	C1-5		
Proceeds from disposal		–	2,046
Less: carrying amount of assets sold/written off		(6)	(471)
Gain (or loss) on disposal		(6)	1,575
Net gain (or loss) from disposal of assets		(2,557)	(2,340)

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 28 June 2022 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	2023 Budget	2023 Actual	2023 ----- Variance -----
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Revenues

Other revenues	276	3,678	3,402	1,233%	F
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Other revenues were over budget by \$3,402,000 largely due to Council receiving \$3,000,000 in insurance claims as a result of the February 2022 flooding and natural disaster for damage to Council's properties. In addition, an increase of \$432,000 due to the reversal of the provision for the remediation of Peterson's Quarry.

Operating grants and contributions	10,748	26,635	15,887	148%	F
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Council's grants and contributions were over budget by \$15,887,000 (148%). In many instances, the actual amount of grants received depends upon decisions made by the State and Federal Governments after the original budget is adopted and on the outcome of various grant applications submitted throughout the year. The main increase included natural disaster funding of \$12,483,000 as a result of the February 2022 flood event for emergency and immediate reconstruction works.

Capital grants and contributions	23,196	41,303	18,107	78%	F
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Council's grants and contributions were over budget by \$18,107,000 (78%). In many instances, the actual amount of grants received depends upon decisions made by the State and Federal Governments after the original budget is adopted and on the outcome of various grant applications submitted throughout the year. The main increase included natural disaster funding of \$11,406,000 for the February 2022 flood event along with various infrastructure recovery projects for roads, sports grounds, parks and facilities.

Interest and investment revenue	1,031	2,069	1,038	101%	F
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Council's interest and investment revenue was over budget by \$1,038,000 (101%). This was mainly due to an increase in term deposit rates within the economy. The previous years have been volatile with interest rates low hence the conservative approach taken with the original budget.

Other income	1,784	3,945	2,161	121%	F
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Council's interest and investment revenue was over budget by \$2,161,000 (121%). This was mainly due to favourable fair value gains on Council's investments held with NSW Treasury Corporation of \$1,351,000 along with an increase in rental income from Council's quarries.

Expenses

Materials and services	18,178	31,574	(13,396)	(74)%	U
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Materials and contracts were over budget by \$13,396,000 (74%). Council's budget is based on a normal mix of self-constructed and contract works. The process of calling and accepting tenders during the year, along with decisions made by State and Federal Governments as well as uncontrollable weather events can result in significant budget variations in this item. The main reason for the increase is that the Richmond Valley Local Government Area was undertaking emergency and immediate reconstruction works from the major flood event of February 2022.

Net losses from disposal of assets	-	2,557	(2,557)	∞	U
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The net profit or loss from the disposal of assets is unknown at the time of setting the original budget. As a result, asset purchases and sales are budgeted for on a gross basis only. The net loss from the disposal of assets is \$2,557,000, details of which are disclosed in note B4.

Statement of cash flows

Net cash flows from operating activities were over budget by \$23,839,000 (61%). This was mainly attributable to grants and contributions received being over budget by \$32,938,000 as well as payments for materials and services being over budget by \$16,598,000.

Council's cash flows from investing activities were over budget by \$6,221,000 (13%). This was mainly due to Council's capital expenditure on assets being over budget by \$4,001,000 as well as the acquisition of \$4,000,000 in term deposits.

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C Financial position**C1 Assets we manage****C1-1 Cash and cash equivalents**

\$ '000	2023	2022
Cash assets		
Cash on hand and at bank	8,542	931
Cash equivalent assets		
– Deposits at call	46,955	48,641
Total cash and cash equivalents	55,497	49,572

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	55,497	49,572
Balance as per the Statement of Cash Flows	55,497	49,572

Accounting policy

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C1-2 Financial investments

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Financial assets at fair value through the profit and loss				
Managed funds	15,338	–	14,330	–
Total	15,338	–	14,330	–
Debt securities at amortised cost				
Long term deposits	12,000	–	8,000	–
Government and semi-government bonds	–	2,000	–	2,000
NCD's, FRN's (with maturities > 3 months)	–	5,750	–	4,750
Total	12,000	7,750	8,000	6,750
Total financial investments	27,338	7,750	22,330	6,750
Total cash assets, cash equivalents and investments	82,835	7,750	71,902	6,750

Accounting policy

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and term deposits in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

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

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

\$ '000	2023	2022
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	90,585	78,652
Less: Externally restricted cash, cash equivalents and investments	(53,492)	(48,587)
Cash, cash equivalents and investments not subject to external restrictions	37,093	30,065

External restrictions

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

Specific purpose unexpended loans – general	–	2,372
Bonds and deposits	536	818
Specific purpose unexpended grants – general fund	8,871	5,387
Developer contributions – general	3,690	3,516
Developer contributions – water fund	2,852	2,413
Developer contributions – sewer fund	5,739	4,795
Specific purpose unexpended grants (recognised as revenue) – general fund	6,390	5,782
Water fund	5,534	5,096
Sewer fund	8,919	8,268
Domestic waste management	7,137	6,298
Stormwater management	1,096	860
Other	2,728	2,982
Total external restrictions	53,492	48,587

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.

\$ '000	2023	2022
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(b) Internal allocations**Internal allocations**

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

Plant and vehicle replacement	4,199	3,692
Real estate and infrastructure	3,038	3,132
Employees leave entitlement	1,481	1,407
Carry over works	3,035	1,118
Northern Rivers Livestock Exchange	160	322
Insurance	2,455	2,181
Other waste management	6,266	5,420
Petersons quarry	2,503	2,235
Public cemeteries perpetual maintenance	186	156
Quarry rehabilitation	515	355
Richmond Upper Clarence Regional Library	139	200
TfNSW state road maintenance contract	6	6
Road rehabilitation	2,272	1,872
Rural road safety program	91	98
Unexpended rates variations	865	1,111
Financial Assistance Grant Advance Payment	6,397	4,374
Woodview quarry	2,440	1,771
Northern Rivers Rail Trail Maintenance	655	311
Event Funding	75	–
Total internal allocations	36,778	29,761

continued on next page

Page 33 of 94

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

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

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

\$ '000	2023	2022
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	315	304

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C1-4 Receivables

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Rates and annual charges	2,573	518	2,843	598
Interest and extra charges	105	5	110	7
User charges and fees	5,184	462	5,412	1,619
Accrued revenues				
– Interest on investments	373	–	90	–
Bank guarantees	102	311	102	304
Deferred debtors	11	–	11	–
Government grants and subsidies	365	–	741	24
Net GST receivable	544	–	305	–
Other debtors	519	–	167	–
Total	9,776	1,296	9,781	2,552
Less: provision for impairment				
Rates and annual charges	(26)	(16)	(29)	(19)
User charges and fees	(61)	(16)	(74)	(74)
Other debtors	(12)	(1)	(11)	(1)
Total provision for impairment – receivables	(99)	(33)	(114)	(94)
Total net receivables	9,677	1,263	9,667	2,458

Accounting policy

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

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

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

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

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

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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

None of the receivables that have been written off are subject to enforcement activity. Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Rates and annual charges outstanding are secured against the property.

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C1-5 Inventories

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
(i) Inventories at cost				
Real estate for resale	977	1,154	4,032	815
Stores and materials	1,297	–	875	–
Total inventories	2,274	1,154	4,907	815

Externally restricted assets

There are no restrictions applicable to the above assets.

(i) Other disclosures

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
(a) Details for real estate development				
Residential - undeveloped	–	–	–	–
Industrial/commercial	977	1,154	4,032	815
Total real estate for resale	977	1,154	4,032	815

(Valued at the lower of cost and net realisable value)

Accounting policy**Raw materials and stores, work in progress and finished goods**

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

Land held for resale

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

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C1-6 Contract assets and Contract cost assets

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Contract assets	5,557	–	2,647	–
Total contract assets and contract cost assets	5,557	–	2,647	–

Contract assets

Government Grants & Subsidies - Natural Disaster Funding (Capital Only)	5,335	–	1,122	–
Government Grants & Subsidies - Other capital grants	222	–	1,525	–
Total contract assets	5,557	–	2,647	–

Accounting policy**Contract assets**

Contract assets represent Councils right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

Contract cost asset – costs to fulfil a contract

Where costs are incurred to fulfil a contract and these costs are outside the scope of another accounting standard, they are capitalised as contract cost assets if the following criteria are met:

- the costs relate directly to a contract
- the costs generate or enhance resources of Council that will be used to satisfy performance obligations in the future and
- the costs are expected to be recovered.

The capitalised costs are recognised in the Income statement on a systematic basis consistent with the timing of revenue recognition.

Refer to B3-4 for the accounting policy for impairment of contract cost assets.

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period									At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Reinstatement costs for impaired assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	12,781	–	12,781	20,854	4,641	–	(96)	–	(180)	–	(5,024)	–	32,976	–	32,976
Plant and equipment	31,126	(16,095)	15,031	2,223	616	–	(215)	(2,021)	–	–	44	–	32,885	(17,207)	15,678
Office equipment	1,419	(1,252)	167	–	47	–	–	(57)	–	–	–	–	1,467	(1,310)	157
Furniture and fittings	1,451	(1,103)	348	–	115	–	–	(69)	–	–	–	–	1,560	(1,166)	394
Land:															
– Crown land	29,517	–	29,517	–	–	–	–	–	–	–	–	(1,968)	27,549	–	27,549
– Operational land	26,700	–	26,700	–	44	–	–	–	–	–	8	1,695	28,447	–	28,447
– Community land	11,639	–	11,639	–	–	–	–	–	–	–	–	(710)	10,929	–	10,929
– Land under roads (post 30/6/08)	374	–	374	–	–	–	–	–	–	–	–	534	908	–	908
Land improvements – non-depreciable	6,397	–	6,397	–	–	–	–	–	–	–	–	557	6,954	–	6,954
Land improvements – depreciable	18,621	(3,343)	15,278	268	912	–	(96)	(388)	–	–	560	1,295	21,830	(4,001)	17,829
Infrastructure:															
– Buildings – specialised	84,671	(22,836)	61,835	1,722	228	936	(1,078)	(1,293)	–	87	1,286	5,327	93,478	(24,428)	69,050
– Other structures	27,075	(3,489)	23,586	12	286	–	(24)	(602)	–	–	449	2,003	30,140	(4,430)	25,710
– Roads	348,075	(134,503)	213,572	2,842	3,395	11,306	(338)	(6,870)	–	1,515	243	19,752	383,023	(137,606)	245,417
– Bridges	108,307	(41,701)	66,606	385	–	921	(205)	(1,271)	–	(669)	243	6,069	117,551	(45,472)	72,079
– Footpaths	19,050	(3,312)	15,738	69	4	–	(19)	(294)	–	–	77	1,312	20,795	(3,908)	16,887
– Bulk earthworks (non-depreciable)	69,229	–	69,229	26	621	–	(16)	–	–	–	–	5,890	75,750	–	75,750
– Stormwater drainage	65,627	(12,110)	53,517	7	1,041	–	(1)	(559)	–	–	–	4,535	72,258	(13,718)	58,540
– Water supply network	108,803	(31,336)	77,467	155	505	58	(182)	(1,806)	–	(36)	358	5,839	117,831	(35,473)	82,358
– Sewerage network	170,657	(65,777)	104,880	316	806	484	(94)	(2,504)	–	–	289	8,037	184,878	(72,664)	112,214
– Other open space/recreational assets	32,310	(7,094)	25,216	1,545	834	–	(539)	(975)	–	–	1,467	2,085	37,948	(8,315)	29,633
Other assets:															
– Library books	1,113	(767)	346	–	99	–	(13)	(83)	–	–	–	–	1,114	(765)	349
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):															
– Tip assets	5,897	(4,985)	912	–	32	–	–	(472)	–	–	–	–	5,928	(5,456)	472
– Quarry assets	415	(396)	19	–	31	–	(19)	(2)	–	–	–	–	203	(174)	29
Total infrastructure, property, plant and equipment	1,181,254	(350,099)	831,155	30,424	14,257	13,705	(2,935)	(19,266)	(180)	897	–	62,252	1,306,402	(376,093)	930,309

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period									At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Reinstatement costs for impaired assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	5,814	–	5,814	8,902	688	–	–	–	–	(2,623)	–	–	12,781	–	12,781
Plant and equipment	28,986	(15,761)	13,225	3,503	506	–	(481)	(1,857)	–	136	–	–	31,126	(16,095)	15,031
Office equipment	1,319	(1,176)	143	–	107	–	–	(82)	–	–	–	–	1,419	(1,252)	167
Furniture and fittings	1,430	(1,046)	384	–	50	–	(12)	(74)	–	–	–	–	1,451	(1,103)	348
Land:															
– Operational land	22,095	–	22,095	30	–	–	–	–	–	–	(688)	5,263	26,700	–	26,700
– Community land	9,094	–	9,094	–	–	–	–	–	–	–	(3)	2,548	11,639	–	11,639
– Crown land	22,055	–	22,055	–	–	–	–	–	–	–	691	6,772	29,517	–	29,517
– Land under roads (post 30/6/08)	374	–	374	–	–	–	–	–	–	–	–	–	374	–	374
Land improvements – non-depreciable	5,796	–	5,796	–	–	–	–	–	–	–	–	601	6,397	–	6,397
Land improvements – depreciable	21,801	(3,978)	17,823	–	559	–	(33)	(332)	(58)	5	(4,087)	1,401	18,621	(3,343)	15,278
Infrastructure:															
– Buildings – specialised	76,638	(18,922)	57,716	373	295	37	(804)	(1,145)	(1,319)	884	–	5,797	84,671	(22,836)	61,835
– Other structures	24,440	(2,640)	21,800	97	14	–	(1)	(528)	–	–	–	2,204	27,075	(3,489)	23,586
– Roads	322,739	(105,546)	217,193	4,617	149	3,102	(384)	(6,338)	(20,318)	64	–	15,487	348,075	(134,503)	213,572
– Bridges	100,474	(33,606)	66,868	1,198	10	274	(477)	(1,184)	(5,042)	317	–	4,641	108,307	(41,701)	66,606
– Footpaths	17,189	(2,843)	14,346	214	97	–	(142)	(273)	–	518	–	978	19,050	(3,312)	15,738
– Bulk earthworks (non-depreciable)	64,681	–	64,681	–	20	–	–	–	–	–	–	4,528	69,229	–	69,229
– Stormwater drainage	61,293	(10,500)	50,793	35	50	–	(34)	(516)	(328)	–	–	3,517	65,627	(12,110)	53,517
– Water supply network	95,045	(21,956)	73,089	758	141	8	(742)	(1,436)	(30)	592	–	5,087	108,803	(31,336)	77,467
– Sewerage network	146,969	(34,612)	112,357	1,169	117	383	(662)	(2,267)	(2,015)	107	–	(4,310)	170,657	(65,777)	104,880
– Other open space/recreational assets	23,510	(4,489)	19,021	1,024	138	–	(464)	(859)	–	–	4,087	2,269	32,310	(7,094)	25,216
Other assets:															
– Library books	1,119	(771)	348	–	101	–	(17)	(86)	–	–	–	–	1,113	(767)	346
Reinstatement, rehabilitation and restoration assets (refer Note 14):															
– Tip assets	6,180	(4,387)	1,793	–	–	–	(283)	(598)	–	–	–	–	5,897	(4,985)	912
– Quarry assets	447	(389)	58	–	–	–	(32)	(7)	–	–	–	–	415	(396)	19
Total infrastructure, property, plant and equipment	1,059,488	(262,622)	796,866	21,920	3,042	3,804	(4,568)	(17,582)	(29,110)	–	–	56,783	1,181,254	(350,099)	831,155

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

continued on next page

Page 39 of 94

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

Accounting policy

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

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

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.

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

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, 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.

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

Plant and equipment	Years	Other equipment	Years
Office equipment	3 to 10	Playground equipment	10 to 60
Office furniture	5 to 20	Benches, seats etc.	10 to 100
Computer equipment	3		
Vehicles	5 to 20	Buildings	
Heavy plant/road making equipment	5 to 20	Buildings	10 to 100
Other plant and equipment	3 to 50		
Water and sewer assets		Stormwater assets	
Dams and reservoirs	25 to 200	Drains	80 to 120
Treatment Plant structure	10 to 100	Culverts	80 to 120
Treatment Plant mech & elec	10 to 60		
Pump Station structure	15 to 100		
Pumps Station mech & elect	20 to 50		
Reticulation pipes: PVC	100	Transportation Assets	
Reticulation pipes: Other	70 to 100	Kerb & Gutter	100
		Footpaths	25 to 75
Transportation assets		Minor & Major Culverts	50 to 100
Sealed roads: surface	20 to 35		
Sealed roads: structure	60 to 110	Other infrastructure assets	
Unsealed roads	25 to 35	Bulk earthworks	Infinite
Bridge: concrete	105	Open space/recreational assets	10 to 100
Bridge: timber	85		

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

Impairment

Infrastructure, property, plant and equipment were assessed for impairment at 30 June 2023. Where indicators of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying value.

During February and March of 2022, the Richmond Valley and surrounding LGA's were severely impacted by catastrophic flooding which resulted in Council recognising an impairment value of \$29.1 million relating directly to the natural disaster. The recovery process is expected to take at least three to five years.

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

This flood event resulted in damage to the following asset classes:

- Roads and Bridges
- Stormwater
- Water
- Sewerage
- Land Improvements Depreciable
- Buildings

Impairment Assessment Process

Following the flood event, Council staff commenced inspections of its assets to determine the extent of damage. The processes involved are as per below:

Roads and Bridges

Total remaining impairment - \$16,936,044

Estimated repair costs are calculated using Transport for NSW templates which provides a repair estimate based on the extent of damage (Low, Medium, High) and the length of the damage and type of asset base etc. These estimates have been utilised to determine the impairment value. For large repair values, the amount of repairs have been reviewed against the asset WDV and where the estimated repair is higher, the total asset has been impaired.

Stormwater

Total remaining impairment - \$328,199

Council assets staff inspected stormwater assets, in particular the outlets leading into the Richmond River. These outlets experienced significant damage due to the damage to the riverbank making the sites inaccessible. The cost to repair these assets will be substantially higher due to the need to make the sites accessible. These assets have been reviewed against their current book value to determine the impairment amounts.

Buildings

Total remaining impairment - \$259,122

A number of Council's building were inundated with flood water resulting in damage to the interior lining, kitchens, bathrooms and flooring. A total of 25 buildings were damaged resulting in estimated repairs of \$1.348 million. Council's asset staff engaged local contractors to provide estimates for repair works which were used in determining the value for impairment.

LID

Total remaining impairment - \$58,033

Open Spaces staff inspected sporting fields and parks for damage. The majority of the damage was in relation to debris with only one field suffering major damage due to the length of time being underwater. The Woodburn Oval requires new turf with the existing surface extensively damaged.

Water and Sewer Infrastructure

Total remaining impairment - \$1,147,237

Estimated costs of repairs were determined by quotations, previous project costs and actual replacements that occurred immediately after the flood to become operational again.

In accordance with AASB 116, any impairment loss is treated as a revaluation decrement. Impairment losses are recognised against the revaluation reserve to the extent that the impairment loss does not exceed the amount in the revaluation reserve for the same asset.

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.

Rural Fire Service assets

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C1-8 Other

Other assets

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Prepayments	361	–	520	–
Total other assets	361	–	520	–

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Details of existing leases in place are shown below on a class basis:

Plant & Equipment

Council currently leases two Komatsu graders and a Wirtgen Stabilier with lease terms of between 3 and 5 years. The lease payments are fixed during the lease term and there is generally no renewal option.

IT equipment

Leases for IT equipment are generally for low value assets, except for significant items such as network, server and radio equipment. The leases are for between 2 and 5 years with no renewal option and the payments are fixed.

(a) Right of use assets

\$ '000	Plant & Equipment	IT Equipment	Total
2023			
Opening balance at 1 July	951	148	1,099
Additions to right-of-use assets	–	257	257
Depreciation charge	(249)	(78)	(327)
Balance at 30 June	702	327	1,029
2022			
Opening balance at 1 July	576	238	814
Additions to right-of-use assets	660	–	660
Adjustments to right-of-use assets due to re-measurement of lease liability	43	–	43
Depreciation charge	(328)	(90)	(418)
Balance at 30 June	951	148	1,099

C2-1 Council as a lessee (continued)**(b) (i) The maturity analysis**

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2023					
Cash flows	377	436	–	813	813
2022					
Cash flows	410	584	–	994	994

(c) Income Statement

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

\$ '000	2023	2022
Interest on lease liabilities	34	27
Depreciation of right of use assets	327	418
Expenses relating to low-value leases	484	357
	845	802

(d) Statement of Cash Flows

Total cash outflow for leases	438	524
	438	524

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

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

- Halls and Community Centres
- Surf Club

The leases are generally between 1 and 20 years and require payments of a maximum amount of \$3,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

Accounting policy

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

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The

C2-1 Council as a lessee (continued)

right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties; these leases have been classified as operating leases for financial reporting purposes and the assets are included as PP&E (refer in this note part (i) below) in the Statement of Financial Position.

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

\$ '000	2023	2022
(i) Assets held as property, plant and equipment		
Council leases out two of its quarries. In addition, Council receives rental income for hire and rent of some of its buildings and facilities.		
Lease income (excluding variable lease payments not dependent on an index or rate)	2,519	2,096
Total income relating to operating leases for Council assets	2,519	2,096

(ii) Maturity analysis of contractual lease income

Council leases two of its quarries, which are considered as the only material lessor income. Maturity analysis of future lease income receivable showing the minimum undiscounted lease payments to be received after reporting date is shown below:

< 1 year	792	775
1–2 years	809	792
2–3 years	827	809
3–4 years	845	827
4–5 years	864	845
> 5 years	3,768	4,632
Total undiscounted lease payments to be received	7,905	8,680

Accounting policy

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

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

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

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C3 Liabilities of Council**C3-1 Payables**

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Goods and services – operating expenditure	2,827	–	5,607	–
Goods and services – capital expenditure	4,856	–	2,056	–
Accrued expenses:				
– Salaries and wages	840	–	590	–
– Other expenditure accruals	881	–	809	–
Security bonds, deposits and retentions	1,460	–	1,169	–
Bank guarantees	–	413	51	355
Prepaid rates and annual charges and user charges and fees	1,761	57	760	62
Total payables	12,625	470	11,042	417

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

\$ '000	2023	2022
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	1,460	1,169
Total payables	1,460	1,169

Accounting policy

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

Payables

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C3-2 Contract Liabilities

\$ '000	Notes	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	10,283	–	5,242	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	89	–	145	–
Unexpended capital contributions (to construct Council controlled assets)	(i)	–	121	6	103
Unexpended operating contributions (received prior to performance obligation being satisfied)	(ii)	36	–	36	–
Total grants received in advance		10,408	121	5,429	103
User fees and charges received in advance:					
Funds received in advance of services provided		26	–	30	–
Total user fees and charges received in advance		26	–	30	–
Total contract liabilities		10,434	121	5,459	103

Notes

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

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

(iii) Booking fees for Council facilities received in advance of service provided are recorded as a contract liability on receipt and recognised as revenue after booking date.

continued on next page

Page 48 of 94

C3-2 Contract Liabilities (continued)**Revenue recognised that was included in the contract liability balance at the beginning of the period**

\$ '000	2023	2022
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	4,290	2,665
Operating contributions (received prior to performance obligation being satisfied)	56	232
Total revenue recognised that was included in the contract liability balance at the beginning of the period	4,346	2,897

Significant changes in contract liabilities

Council has received upfront grant funding for the following projects: (\$'000)

Northern Rivers Rail Trail Stage 2 \$2,179

Sports Priority Needs Grant \$1,057

SCCF Albert Park, Shark Bay, Corkai Pool, Town Entrances \$1,082

Casino Showground Upgrade \$1,619

South Casino Sewage Transfer Station \$1,343

Multi-Sport Community Facility Fund \$822

Fixing Country Bridges Willox Bridge \$835

Accounting policy

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C3-3 Borrowings

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Loans – secured ¹	3,524	15,938	3,371	19,462
Total borrowings	3,524	15,938	3,371	19,462

⁽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 20.

Borrowings relating to restricted assets

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Externally restricted assets				
Sewer	1,584	7,909	1,501	9,492
Borrowings relating to externally restricted assets	1,584	7,909	1,501	9,492
Total borrowings relating to restricted assets	1,584	7,909	1,501	9,492
Total borrowings relating to unrestricted assets	1,940	8,029	1,870	9,970
Total borrowings	3,524	15,938	3,371	19,462

(a) Changes in liabilities arising from financing activities

\$ '000	2022 Opening Balance	Cash flows	2023 Closing balance
Loans – secured	22,833	(3,371)	19,462
Lease liability (Note C2-1b)	994	(181)	813
Total liabilities from financing activities	23,827	(3,552)	20,275

\$ '000	2021 Opening Balance	Cash flows	2022 Closing balance
Loans – secured	20,814	2,019	22,833
Lease liability (Note C2-1b)	815	179	994
Total liabilities from financing activities	21,629	2,198	23,827

(b) Financing arrangements

\$ '000	2023	2022
Total facilities		
Bank overdraft facilities ¹	500	500
Credit cards/purchase cards	71	71
Total financing arrangements	571	571
Drawn facilities		
– Credit cards/purchase cards	6	2
Total drawn financing arrangements	6	2

continued on next page

Page 50 of 94

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C3-3 Borrowings (continued)

\$ '000	2023	2022
Undrawn facilities		
– Bank overdraft facilities	500	500
– Credit cards/purchase cards	65	69
Total undrawn financing arrangements	565	569

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

Accounting policy

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

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

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C3-4 Employee benefit provisions

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Annual leave	2,092	–	2,004	–
Long service leave	2,509	189	2,478	131
Other leave	20	–	14	–
Total employee benefit provisions	4,621	189	4,496	131

Employee benefit provisions relating to restricted assets

There are no restricted assets (external or internal) applicable to the above provisions

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

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,782	2,055
	1,782	2,055

Accounting policy

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

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

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

On-costs

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

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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

C3-5 Provisions

\$ '000	2023 Current	2023 Non-Current	2022 Current	2022 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	1,725	3,191	1,392	3,901
Sub-total – asset remediation/restoration	1,725	3,191	1,392	3,901
Total provisions	1,725	3,191	1,392	3,901

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2023		
At beginning of year	5,293	5,293
Changes to provision:		
– Revised discount rate	105	105
– Revised costs	(494)	(494)
Unwinding of discount	11	11
Other	1	1
Total other provisions at end of year	4,916	4,916
2022		
At beginning of year	5,646	5,646
Changes to provision:		
– Revised discount rate	(334)	(334)
– Revised costs	(30)	(30)
Unwinding of discount	11	11
Total other provisions at end of year	5,293	5,293

Nature and purpose of provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the following tip and quarry assets:

Asset/Operation	Estimated year of restoration	NPV of Provisions	
		2023	2022
Landfills - Nammoona	2025	4,582	4,550
Quarries - Petersons		0	451
Quarries - Woodview	2035	333	292
Balance at end of reporting period		4,916	5,293

Accounting policy

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

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

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

Asset remediation – tips and quarries

Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period

continued on next page

Page 53 of 94

C3-5 Provisions (continued)

when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

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

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

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2023	Water 2023	Sewer 2023
Income from continuing operations			
Rates and annual charges	21,325	1,784	7,733
User charges and fees	9,812	5,336	1,781
Interest and investment revenue	1,145	356	568
Other revenues	3,675	–	3
Grants and contributions provided for operating purposes	26,628	7	–
Grants and contributions provided for capital purposes	39,202	564	1,537
Other income	3,945	–	–
Total income from continuing operations	105,732	8,047	11,622
Expenses from continuing operations			
Employee benefits and on-costs	21,274	1,300	1,486
Materials and services	23,307	4,648	3,619
Borrowing costs	513	–	517
Depreciation, amortisation and impairment of non-financial assets	15,204	1,814	2,575
Other expenses	2,330	–	–
Net losses from the disposal of assets	2,280	182	95
Total expenses from continuing operations	64,908	7,944	8,292
Operating result from continuing operations	40,824	103	3,330
Net operating result for the year	40,824	103	3,330
Net operating result attributable to each council fund	40,824	103	3,330
Net operating result for the year before grants and contributions provided for capital purposes	1,622	(461)	1,793

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

D1-2 Statement of Financial Position by fund

\$ '000	General 2023	Water 2023	Sewer 2023
ASSETS			
Current assets			
Cash and cash equivalents	38,501	5,175	11,821
Investments	21,290	3,211	2,837
Receivables	5,908	1,676	2,093
Inventories	2,274	—	—
Contract assets and contract cost assets	5,557	—	—
Other	361	—	—
Total current assets	73,891	10,062	16,751
Non-current assets			
Investments	7,750	—	—
Receivables	417	375	471
Inventories	1,154	—	—
Infrastructure, property, plant and equipment	724,840	87,090	118,379
Right of use assets	1,029	—	—
Total non-current assets	735,190	87,465	118,850
Total assets	809,081	97,527	135,601
LIABILITIES			
Current liabilities			
Payables	12,421	110	94
Contract liabilities	10,434	—	—
Lease liabilities	377	—	—
Borrowings	1,940	—	1,584
Employee benefit provision	4,621	—	—
Provisions	1,725	—	—
Total current liabilities	31,518	110	1,678
Non-current liabilities			
Payables	443	27	—
Contract liabilities	121	—	—
Lease liabilities	436	—	—
Borrowings	8,029	—	7,909
Employee benefit provision	189	—	—
Provisions	3,191	—	—
Total non-current liabilities	12,409	27	7,909
Total liabilities	43,927	137	9,587
Net assets	765,154	97,390	126,014
EQUITY			
Accumulated surplus	358,300	27,988	47,609
Revaluation reserves	406,854	69,402	78,405
Council equity interest	765,154	97,390	126,014
Total equity	765,154	97,390	126,014

D2 Interests in other entities

D2-1 Subsidiaries, joint arrangements and associates not recognised

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

Name of entity/operation	Principal activity/type of entity	2023	2023
		Net profit/(loss)	Net assets
North East Weight of Loads Group (NEWLOG)	Enforcement of load weights carried by heavy vehicles. Joint venture	(146)	493

Reasons for non-recognition

Council's share of NEWLOG net assets is 15.5%. Council does not control the operations of NEWLOG and considers it's interest in the operations to be immaterial to the consolidated financial statements.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

The Council's 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.

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

\$ '000	Carrying value 2023	Carrying value 2022	Fair value 2023	Fair value 2022
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	55,497	49,572	55,497	49,572
Receivables	10,940	12,125	11,072	12,331
Investments				
– Debt securities at amortised cost	19,750	14,750	14,750	14,750
Fair value through profit and loss				
Investments				
– Held for trading	15,338	14,330	14,330	14,330
Total financial assets	101,525	90,777	95,649	90,983
Financial liabilities				
Payables	13,095	11,459	13,095	11,459
Loans/advances	19,462	22,833	18,407	22,032
Total financial liabilities	32,557	34,292	31,502	33,491

Fair value is determined as follows:

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

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

Council's 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 Minister's investment order 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its financial performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.

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

- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that 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.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – interest rate and price risk

\$ '000	2023	2022
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	905	787
Impact of a 10% movement in price of investments		
– Equity / Income Statement	1,533	1,433

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

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.

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

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

The level of outstanding receivables is reconciled monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors. There are no material receivables that have been subjected to a re-negotiation of repayment terms.

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2023				
Gross carrying amount	2,573	518	–	3,091
2022				
Gross carrying amount	2,843	598	–	3,441

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	0 - 30 days	Overdue debts			Total
			31 - 60 days	61 - 90 days	> 91 days	
2023						
Gross carrying amount	12,761	–	–	–	777	13,538
Expected loss rate (%)	0.58%	0.00%	0.00%	0.00%	3.86%	0.77%
ECL provision	74	–	–	–	30	104
2022						
Gross carrying amount	9,585	–	–	–	1,954	11,539
Expected loss rate (%)	0.58%	0.00%	0.00%	0.00%	3.86%	1.14%
ECL provision	56	–	–	–	75	131

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 (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2023							
Payables	0.00%	1,460	—	—	—	1,460	13,095
Borrowings	4.58%	—	4,359	12,992	5,099	22,450	19,462
Total financial liabilities		1,460	4,359	12,992	5,099	23,910	32,557
2022							
Payables	0.00%	1,169	—	—	—	1,169	11,459
Borrowings	4.59%	—	4,363	15,404	7,045	26,812	22,833
Total financial liabilities		1,169	4,363	15,404	7,045	27,981	34,292

Loan agreement breaches

No breaches to loan agreements have occurred during the reporting year.

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Financial assets

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes. AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

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

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

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

Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
Recurring fair value measurements									
Financial assets	C1-2								
At fair value through profit or loss		30/06/23	30/06/22	15,337	14,330	–	–	15,337	14,330
Total financial assets				35,087	29,080	–	–	35,087	29,080
Infrastructure, property, plant and equipment									
C1-7									
Plant & Equipment		30/06/23	30/06/22	–	–	15,678	15,031	15,678	15,031
Office Equipment		30/06/23	30/06/22	–	–	157	167	157	167
Furniture & Fittings		30/06/23	30/06/22	–	–	394	348	394	348
Land:									
– Crown Land		30/06/23	30/06/21	–	–	27,548	29,517	27,548	29,517
– Operational Land		30/06/23	30/06/21	–	–	28,447	26,700	28,447	26,700
– Community Land		30/06/23	30/06/21	–	–	10,929	11,639	10,929	11,639
– Land Under Roads (post 30/06/08)		30/06/23	30/06/20	–	–	374	374	374	374
Land Improvements – non depreciable		30/06/20	30/06/20	–	–	6,954	5,796	6,954	5,796
Land Improvements – depreciable		30/06/20	30/06/20	–	–	17,829	15,278	17,829	15,278
Buildings – Specialised		30/06/20	30/06/20	–	–	69,050	61,835	69,050	61,835
Other Structures		30/06/20	30/06/20	–	–	25,710	23,586	25,710	23,586
Infrastructure:									
– Roads		30/06/18	30/06/18	–	–	245,417	213,572	245,417	213,572
– Bridges		30/06/18	30/06/18	–	–	72,079	66,606	72,079	66,606
– Footpaths		30/06/18	30/06/18	–	–	16,888	15,738	16,888	15,738
– Bulk Earthworks (non depreciable)		30/06/18	30/06/18	–	–	75,750	69,229	75,750	69,229
– Stormwater Drainage		30/06/18	30/06/18	–	–	58,540	53,517	58,540	53,517
– Water Supply Network		30/06/22	30/06/22	–	–	82,358	77,467	82,358	77,467
– Sewerage Network		30/06/22	30/06/22	–	–	112,214	104,880	112,214	104,880
– Swimming Pools		30/06/20	30/06/20	–	–	–	–	–	–
– Other Open Space/Recreational Assets		30/06/20	30/06/20	–	–	29,633	25,216	29,633	25,216
– Library Books		30/06/23	30/06/22	–	–	349	346	349	346
Total infrastructure, property, plant and equipment				–	–	896,298	816,842	896,298	816,842

continued on next page

Page 63 of 94

E2-1 Fair value measurement (continued)

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Valuation techniques

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

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

Financial assets

Investments at fair value through the profit and loss include the following:

Term Deposits (maturity > 3 months)	\$12,000,000
Floating Rate Notes	\$5,750,390
Treasury Bond	\$2,000,000
NSW Treasury Corporation - Medium Term Growth Fund	\$12,247,017
NSW Treasury Corporation - Long Term Growth Fund	\$3,090,307

Term deposits are carried at face value and interest is received on maturity.

For the NSW Treasury Corporation investments, Council receives a monthly statement quoting the unit price of the investments and any movement in fair value is recorded in the profit and loss. Investments with NSW Treasury Corporation are not within an active market and are therefore classified as level 2 inputs. 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

Plant and equipment, office equipment and furniture and fittings are valued under the cost approach but are disclosed at fair value in the notes. The carrying amount of these assets (depreciated historical cost) is deemed to be fair value due to the nature of these items. Examples of assets within these classes are as follows:

- Plant and Equipment - Graders, trucks, rollers, tractors, mowers, cars and light commercial vehicles.
- Office Equipment - Computer equipment, photocopiers, projectors and other electronic office equipment.
- Furniture & Fittings - Chairs, desks, shelving, display systems.

The gross replacement cost of these assets are based on current market prices, which are based on observable inputs, however the pattern of consumption, remaining useful life and residual value is implicated by internal factors which are unobservable inputs placing these assets in level 3. There has been no change to the valuation process during the reporting period.

Land - Operational

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. Council obtains its fair values for operational land from an external valuer every 3 years.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset and cash flows from the future use and disposal.

Council's Operational Land was revalued as at 30 June 2023. This asset class is categorised as level 3 due to a number of the above-mentioned inputs used in the valuation requiring significant professional judgement, which are therefore unobservable. There has been no change to the valuation process during the reporting period.

Land - Community

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. Many of these parcels of land have no feasible alternative use, such as parks and reserves. Community Land is valued using the 'Market Approach'.

E2-1 Fair value measurement (continued)

Fair value is derived by adjusting observable market inputs using unobservable inputs. The resulting measurement is categorised within level 3. Community Land was revalued as at 30 June 2023. There has been no change to the valuation process during the reporting period.

Land - Crown

Council's Crown Land (including land managed by Council) by definition is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access. Many of these parcels of land have no feasible alternative use, such as parks and reserves. Community Land is valued using the 'Market Approach'.

Fair value is derived by adjusting observable market inputs using unobservable inputs. The resulting measurement is categorised within level 3. Crown Land was revalued as at 30 June 2023. There has been no change to the valuation process during the reporting period.

Land Improvements (Non-Depreciable and Depreciable)

Land improvement assets include all works carried out to the land to improve its utility, service potential or make it ready for an identified use. Assets include landscaping, land forming, earthworks not integral to other assets, external playing surfaces and facilities internal infrastructure.

Land Improvements are valued by an external valuer every 5 years using the cost approach and the last valuation was performed by an external valuer as at 30 June 2020 using the cost approach. Unobservable inputs include asset conditions and remaining useful lives. These factors require extensive professional judgement, resulting in this asset class being classified as level 3. There has been no change to the valuation process during the reporting period.

Land Under Roads (post 30/06/08)

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 in accordance with AASB 1051. Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 - Property, Plant and Equipment and Council recognised this for the first time in the 2010/2011 financial year. Land Under Roads has been revalued as at 30 June 2023 and the valuation was based on the average unit value of all rateable land within Council's area of control using values provided by the Valuer General, discounted by 90% to reflect restrictions on use of land under roads in-line with the englobo method. This asset class is classified as level 3 as significant inputs used in the valuation methodology are unobservable. There were no changes to the valuation process during the reporting period.

Buildings (Specialised)

Specialised buildings are valued using the cost approach and are valued by an external valuer every 5 years and the last valuation was performed by an external valuer as at 30 June 2020.

Unobservable inputs include asset conditions and remaining useful lives.

These factors require extensive professional judgement, resulting in this asset class being classified as level 3.

There has been no change to the valuation process during the reporting period. However, the NSW non-residential construction indexation factor of 8.71% was applied to the building assets, with a movement of gross replacement cost of \$5.3 million.

Other Structures

These assets include all other structures not included in the category of Buildings. Examples include statues, fences, monuments and clocktowers. Other structures are valued using the cost approach and are valued by an external valuer every 5 years and the last valuation was performed by an external valuer as at 30 June 2020.

Unobservable inputs include asset conditions and remaining useful lives.

These factors require extensive professional judgement, resulting in this asset class being classified as level 3.

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

Roads, Bridges & Footpaths (including Bulk Earthworks)

This asset class includes the road formation (bulk earthworks), road pavement and road seal, along with other road assets including kerb and guttering, guardrail and roadside furniture including signs and other traffic management devices. A revaluation was last performed as at 30 June 2018. Indexation has been applied and relevant valuation inputs reassessed annually. Council is undertaking a comprehensive revaluation for the year ending 30 June 2024.

E2-1 Fair value measurement (continued)

Whilst units rates, based on square metres or similar capacity, can be supported by market evidence (level 2), other inputs (such as estimates of useful life and asset condition) require extensive professional judgement and impact significantly on the final determination of fair value. As such, this asset class is classified as being valued using level 3 inputs.

Stormwater Drainage

Drainage refers to the system for the collection, storage and removal of stormwater developed and maintained by Council. These assets include pipelines, pits, headwalls and other drainage structures. The full revaluation of Stormwater Drainage assets is undertaken every 5 years. A revaluation was performed as at 30 June 2019.

Whilst units rates, based on square metres or similar capacity, can be supported by market evidence (level 2), other inputs (such as estimates of useful life and asset condition) require extensive professional judgement and impact significantly on the final determination of fair value. As such, this asset class is classified as being valued using level 3 inputs. There has been no change to the valuation process during the reporting period.

Water Supply Network

Water Supply Network assets include water pipelines, treatment plants, reservoirs, pump stations, water meters and connections etc. Water Supply Network assets are valued by an external valuer every 5 years using the cost approach. In between full revaluations, these assets are indexed each year in line with the NSW Reference Rates Manual as published by the NSW Office of Water. Water Supply Network Assets were last comprehensively revalued as at 30 June 2022.

Whilst the units rates based on linear metres of certain diameter pipes and prices per unit per pit or similar capacity can be supported by market evidence (level 2), other inputs (such as estimates of useful life and asset condition) require extensive professional judgement and impact significantly on the final determination of fair value. As such, this asset class is classified as being valued using level 3 inputs. There has been no change to the valuation process during the reporting period.

Sewerage Network

Sewerage Network assets include sewerage pipelines, treatment works, pump stations, manholes and sewerage connections. Sewerage Network assets are valued by an external valuer every 5 years using the cost approach. In between full revaluations, these assets are indexed each year in line with the NSW Reference Rates Manual as published by the NSW Office of Water. Sewerage Network Assets were last comprehensively revalued as at 30 June 2022.

Whilst the units rates based on linear metres of certain diameter pipes and prices per unit per pit or similar capacity can be supported by market evidence (level 2), other inputs (such as estimates of useful life and asset condition) require extensive professional judgement and impact significantly on the final determination of fair value. As such, this asset class is classified as being valued using level 3 inputs. There has been no change to the valuation process during the reporting period.

Other Open Space/Recreational Assets

These assets include all structures within Council's sports grounds, parks and reserves and swimming pools. This asset class is valued by an external valuer every 5 years using the cost approach and the last valuation was performed by an external valuer as at 30 June 2020. Unobservable inputs include asset conditions and remaining useful lives. These factors require extensive professional judgement, resulting in this asset class being classified as level 3. There has been no change to the valuation process during the reporting period.

Other Assets (Library Books)

These assets include library books, journals, magazines, CD's, DVD's etc. Library books are valued at cost but are disclosed at fair value in the notes due to the nature of these items.

The gross replacement cost of these assets are based on current market prices, which are based on observable inputs, however the pattern of consumption and remaining useful life are implicated by internal factors which are unobservable inputs placing these assets in level 3. There has been no change to the valuation process during the reporting period.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

The valuation process for level 3 fair value measurements

Fair Value Hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurement by level of input, using the following 'hierarchy':

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3 - Unobservable inputs for asset or liability.

Fair Valuation Techniques

The valuation techniques prescribed by AASB 13 can be summarised as:

'Cost Approach': A valuation technique that reflects the amount that would be required to replace the service capacity of an asset (current replacement cost).

'Income Approach': A valuation technique that converts future amounts (cash inflows/outflows) to signal the current (ie discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about these future amounts.

'Market Approach': A valuation technique that uses prices and other relevant information, generated by market transactions involving identical or comparable (similar) assets, liabilities or a group of assets and liabilities such as a business.

Valuation Techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive Fair Valuations using quoted market process of identical assets (ie Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Level 2 valuation process for some asset classes where the basis was Cost Approach under Level 2 input, whereby maximising observable inputs and minimising unobservable inputs as below:

- Quoted prices for similar asset in active markets
- Current replacement cost concept
- Purchase price
- Useful life

Level 3 valuation process for some asset classes where the basis was Cost Approach. The inputs used for this technique were:

- Asset condition
- Unit rates
- Useful life

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

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	Plant and equipment		Office equipment		Furniture and fittings		Operational Land	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	15,031	13,224	167	143	348	384	26,700	22,095
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	–	–	–	–	–	(688)
Purchases (GBV)	2,839	4,009	47	106	115	50	44	30
Disposals (WDV)	(215)	(481)	–	–	–	(12)	–	–
Depreciation and impairment	(2,021)	(1,857)	(57)	(82)	(69)	(74)	–	–
Revaluation increments to equity (ARR)	–	–	–	–	–	–	1,695	5,263
Transfers from/(to) Capital Work in Progress	44	136	–	–	–	–	8	–
Closing balance	15,678	15,031	157	167	394	348	28,447	26,700

\$ '000	Community Land		Land under Roads post 30/6/08		Land improvements non-depreciable		Land improvements depreciable	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	11,639	9,094	374	374	6,397	5,796	15,278	17,823
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	(3)	–	–	–	–	–	(4,087)
Purchases (GBV)	–	–	–	–	–	–	1,180	559
Disposals (WDV)	–	–	–	–	–	–	(96)	(33)
Depreciation and impairment	–	–	–	–	–	–	(388)	(332)
Revaluation increments to equity (ARR)	(710)	2,548	–	–	557	601	1,295	1,401
Transfers from/(to) Capital Work in Progress	–	–	–	–	–	–	560	5
Impairment loss recognised in equity	–	–	–	–	–	–	–	(58)
Closing balance	10,929	11,639	374	374	6,954	6,397	17,829	15,278

continued on next page

Page 68 of 94

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

E2-1 Fair value measurement (continued)

\$ '000	Buildings specialised		Other structures		Roads		Bridges	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	61,835	57,716	23,586	21,800	213,572	217,193	66,606	66,868
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	4	–	–	–	–	–
Purchases (GBV)	1,950	669	298	111	6,234	4,766	385	1,209
Disposals (WDV)	(1,078)	(804)	(24)	(1)	(338)	(384)	(205)	(477)
Depreciation and impairment	(1,293)	(1,145)	(602)	(528)	(6,870)	(6,338)	(1,271)	(1,184)
Revaluation increments to equity (ARR)	5,327	5,797	2,003	2,204	19,753	15,487	6,070	4,641
Transfers from/(to) Capital Work in Progress	1,286	884	445	–	243	64	243	317
Reinstatement costs for impaired assets	936	37	–	–	11,307	3,102	921	274
Impairment loss recognised in equity	87	(1,319)	–	–	1,516	(20,318)	(669)	(5,042)
Closing balance	69,050	61,835	25,710	23,586	245,417	213,572	72,080	66,606

\$ '000	Footpaths		Bulk earthworks (non-depreciable)		Stormwater drainage		Water supply network	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	15,738	14,346	69,229	64,681	53,517	50,793	77,467	73,089
Total gains or losses for the period								
Other movements								
Purchases (GBV)	72	311	647	20	1,048	85	660	899
Disposals (WDV)	(19)	(142)	(16)	–	(1)	(34)	(182)	(742)
Depreciation and impairment	(294)	(273)	–	–	(559)	(516)	(1,806)	(1,436)
Revaluation increments to equity (ARR)	1,313	978	5,890	4,528	4,535	3,517	5,839	5,087
Transfers from/(to) Capital Work in Progress	77	518	–	–	–	–	358	592
Reinstatement costs for impaired assets	–	–	–	–	–	–	58	8
Impairment loss recognised in equity	–	–	–	–	–	(328)	(36)	(30)
Closing balance	16,887	15,738	75,750	69,229	58,540	53,517	82,358	77,467

continued on next page

Page 69 of 94

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

E2-1 Fair value measurement (continued)

\$ '000	Library books		Sewerage network		Other open space/ recreation		Crown Land	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	346	348	104,880	112,357	25,216	19,021	29,517	22,055
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	–	–	(4)	4,087	–	690
Purchases (GBV)	99	101	1,122	1,287	2,379	1,162	–	–
Disposals (WDV)	(13)	(17)	(94)	(662)	(539)	(464)	–	–
Depreciation and impairment	(83)	(86)	(2,504)	(2,267)	(976)	(859)	–	–
Revaluation increments to equity (ARR)	–	–	8,037	(4,310)	2,085	2,269	(1,968)	6,772
Transfers from/(to) Capital Work in Progress	–	–	289	107	1,471	–	–	–
Reinstatement costs for impaired assets	–	–	484	383	–	–	–	–
Impairment loss recognised in equity	–	–	–	(2,015)	–	–	–	–
Closing balance	349	346	112,214	104,880	29,632	25,216	27,549	29,517

\$ '000	Total	
	2023	2022
Opening balance	817,443	789,200
Transfers from/(to) another asset class	–	(1)
Purchases (GBV)	19,119	15,374
Disposals (WDV)	(2,820)	(4,253)
Depreciation and impairment	(18,793)	(16,977)
Revaluation increments to equity (ARR)	61,721	56,783
Transfers from/(to) Capital Work in Progress	5,024	2,623
Reinstatement costs for impaired assets	13,706	3,804
Impairment loss recognised in equity	898	(29,110)
Closing balance	896,298	817,443

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements, including the method used to determine Council's rate of contributions and any minimum funding requirements.

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

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

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

*For 180 Point Members, Employers are required to contribute 8.0% of salaries for the year ending 30 June 2023 (increasing to 8.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

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

Description of the extent to which Council can be liable to the plan for other councils' 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.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2023 was \$235,503.78. The last formal valuation of the Scheme was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2022.

continued on next page

Page 71 of 94

E3-1 Contingencies (continued)

The amount of past service contributions included in the total employer contribution advised above is \$101,961. Council's expected contribution to the plan for the next annual reporting period is \$125,758.32.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,290.9	
Past Service Liabilities	2,236.1	102.4%
Vested Benefits	2,253.6	101.7%

* excluding other accumulation accounts and reserves in both assets and liabilities.

The share of this deficit that is broadly attributed to Council is estimated to be 0.51% as at 30 June 2023.

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

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	6.0% for FY 22/23 2.5% per annum thereafter

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated employer reserves financial position above is a preliminary calculation and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2023.

(ii) Native Title Claims

Council currently has five claims determined within our Local Government Area by consent. The land affected by the determinations are primarily Crown Land, with the ruling having no effect on Council. A number of the parcels were already subject to Aboriginal Land Claims, which have now been overridden.

(ii) Self-Insurance: NORPOOL

Council has previously entered into an agreement with a number of Local Government Authorities to jointly manage certain civil liabilities of these Councils which may arise as a result of the exercise of their powers, authorities, duties or functions.

The insurance pool known as NORPOOL was wound up during the 2005/2006 financial year with surplus funds distributed to former members. There are no outstanding claims associated with NORPOOL, however if future claims arise then these will be the responsibility of the Council to whom the claims relate.

(iv) 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.

E3-1 Contingencies (continued)

(v) CivicRisk Mutual Ltd

Council is a member of CivicRisk Mutual Ltd, a mutual self-insurance scheme providing general insurance to local government. CivicRisk Mutual Ltd membership includes the potential to share in either the net surplus or deficit of protection years depending on its past performance. Council's share of the net surplus or deficit 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 2023 may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

ASSETS NOT RECOGNISED**(i) Land under roads**

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

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	2023	2022
Compensation:		
Short-term benefits	1,382	1,316
Post-employment benefits	128	95
Other long-term benefits	42	13
Total	1,552	1,424

Other transactions with KMP and their related parties

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments
\$ '000			
2023			
Employee expenses relating to close family members of KMP	1	107	—
2022			
Employee expenses relating to close family members of KMP	1	113	—

1 One (1) close family member of Council's KMP are employed by the council under the relevant pay award on an arm's length basis

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2023	2022
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	46	45
Councillors' fees	148	138
Other Councillors' expenses (including Mayor)	24	15
Total	218	198

F1-3 Other related parties

\$ '000	Ref	Transactions during the year	Outstanding balances including commitments
2023			
NEWLOG	1	36	—
2022			
NEWLOG	1	33	—

- 1 The principal activity of NEWLOG is the checking and enforcement of load weights carried by heavy vehicles on roads within the member council's boundaries. NEWLOG operates with the objective to generally advance the aims of reducing damage to Council and classified roads and promotion of road safety, by policing of vehicle weights as prescribed in the Acts and Regulations pertinent to overloading.

F2 Other relationships

F2-1 Audit fees

\$ '000	2023	2022
---------	------	------

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

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	100	87
Other assurance services	5	4

Remuneration for audit and other assurance services	105	91
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Total Auditor-General remuneration	105	91
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Total audit fees	105	91
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G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of net operating result to cash provided from operating activities

\$ '000	2023	2022
Net operating result from Income Statement	44,257	19,987
Add / (less) non-cash items:		
Depreciation and amortisation	19,593	18,000
(Gain) / loss on disposal of assets	2,557	2,340
Non-cash capital grants and contributions	(3,631)	(1,867)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(1,351)	1,028
Unwinding of discount rates on reinstatement provisions	116	(323)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	1,261	(1,826)
Increase / (decrease) in provision for impairment of receivables	(76)	92
(Increase) / decrease of inventories	(422)	(218)
(Increase) / decrease of other current assets	159	(165)
(Increase) / decrease of contract asset	(2,910)	669
Increase / (decrease) in payables	(2,780)	3,937
Increase / (decrease) in other accrued expenses payable	322	203
Increase / (decrease) in other liabilities	1,294	824
Increase / (decrease) in contract liabilities	4,993	319
Increase / (decrease) in employee benefit provision	183	(340)
Increase / (decrease) in other provisions	(493)	(30)
Net cash flows from operating activities	63,072	42,630

(b) Non-cash investing and financing activities

Bushfire grants	88	601
Other dedications	3,543	48
Estimated future reinstatement costs	11	11
Total non-cash investing and financing activities	3,642	660

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2023	2022
---------	------	------

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

Property, plant and equipment

Buildings	887	553
Infrastructure – other	8,322	12,179
Plant and equipment	1,760	1,261
Total commitments	10,969	13,993

These expenditures are payable as follows:

Within the next year	10,969	13,993
Total payable	10,969	13,993

Details of capital commitments

The capital commitments are comprised of (\$000's):-

- Colley Park Facility Building \$802
- Various Cars and Trucks \$1,760
- Willox Bridge \$1,170
- Nammoona Cell 6 Construction \$1,784
- Casino Swimming Pool \$600
- Casino Showground Upgrade \$3,298
- Halsteads Drive Stage 1 \$283
- Codrington/ Coraki Culverts Flood Package 2 \$240
- Northern Rivers Rail Trail Design \$131
- Ainsworth Road embankment and culvert works \$624

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

G3 Statement of developer contributions as at 30 June 2023

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2022	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Roads	107	-	-	-	-	(107)	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Recreation & Civil Facilities	-	-	-	-	-	-	-	-	-
Rural Heavy Haulage	2,376	225	-	-	87	(863)	-	1,825	-
Quarry Roads	74	-	-	-	3	-	-	77	-
Bushfire	-	-	-	-	-	-	-	-	-
S7.11 contributions – under a plan	2,557	225	-	-	90	(970)	-	1,902	-
S7.12 levies – under a plan	960	795	-	-	57	(23)	-	1,789	-
Total S7.11 and S7.12 revenue under plans	3,517	1,020	-	-	147	(993)	-	3,691	-
S64 contributions	7,207	1,073	-	-	310	-	-	8,590	-
Total contributions	10,724	2,093	-	-	457	(993)	-	12,281	-

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.

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

G3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2022	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
CONTRIBUTION PLAN NUMBER 2 – EX RRSC										
Roads	17	-	-	-	-	(17)	-	-	-	-
Quarry Roads	74	-	-	-	3	-	-	77	-	-
Rural Heavy Haulage	2,376	225	-	-	87	(863)	-	1,825	-	-
Total	2,467	225	-	-	90	(880)	-	1,902	-	-
CONTRIBUTION PLAN NUMBER – Ex Copmanhurst										
Roads	90	-	-	-	-	(90)	-	-	-	-
Total	90	-	-	-	-	(90)	-	-	-	-

S7.12 Levies – under a plan

CONTRIBUTION PLAN NUMBER 1 – Richmond Valley Council

Section 7.12 Levies	960	795	-	-	57	(23)	-	1,789	-
Total	960	795	-	-	57	(23)	-	1,789	-

G4 Statement of performance measures**G4-1 Statement of performance measures – consolidated results**

\$ '000	Amounts 2023	Indicator 2023	Indicators 2022 2021		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	4,085	4.94%	(2.80)%	(4.10)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	82,672				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	56,037	45.20%	47.54%	64.26%	> 60.00%
Total continuing operating revenue ¹	123,975				
3. Unrestricted current ratio					
Current assets less all external restrictions	51,169	2.85x	2.98x	3.42x	> 1.50x
Current liabilities less specific purpose liabilities	17,961				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	24,708	5.11x	4.03x	4.26x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,839				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	3,159	9.19%	10.73%	10.70%	< 10.00%
Rates and annual charges collectable	34,381				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	67,497	12.33	11.40	11.31	> 3.00
Monthly payments from cash flow of operating and financing activities	5,476	months	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

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2023	2022	2023	2022	2023	2022	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	4.07%	(5.83)%	(3.76)%	(0.63)%	17.24%	14.56%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	37.00%	38.37%	92.90%	93.58%	86.57%	86.48%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.85x	2.98x	91.47x	86.80x	9.98x	9.39x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	6.51x	5.16x	∞	∞	2.38x	2.14x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	3.21%	4.80%	20.02%	21.04%	20.38%	21.78%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	11.51 months	10.63 months	10.44 months	10.47 months	19.91 months	17.14 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note 23a above.

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

Page 81 of 94

Richmond Valley Council | Notes to the Financial Statements 30 June 2023

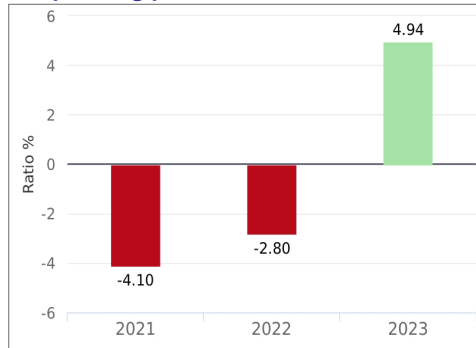
End of the audited financial statements

Page 82 of 94

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2022/23 result

2022/23 ratio 4.94%

Council's operating performance ratio has improved to 4.94% for 2022/2023. This ratio has been impacted due to an increase in interest and investment income as well as an additional advance payment of the financial assistance grant for 2023/2024 from the Federal Government.

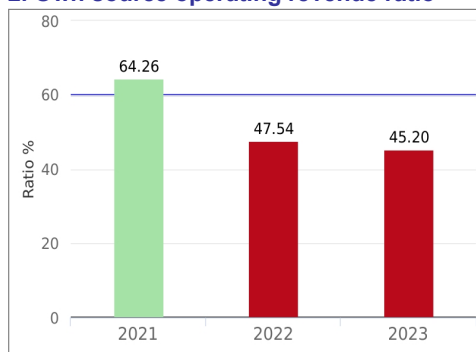
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2022/23 result

2022/23 ratio 45.20%

Council's own source operating revenue ratio has fallen slightly to 45.20%, below the benchmark of 60%. This is largely due to an increase in operating revenue as a result of Council receiving insurance and natural disaster funding as a result of the February 2022 flood event.

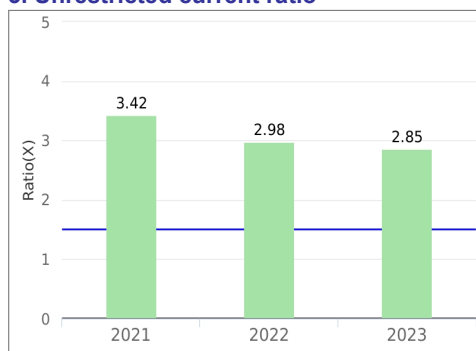
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2022/23 result

2022/23 ratio 2.85x

Council's unrestricted current ratio has decreased slightly to 2.85 and remains well above the benchmark of 1.50.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

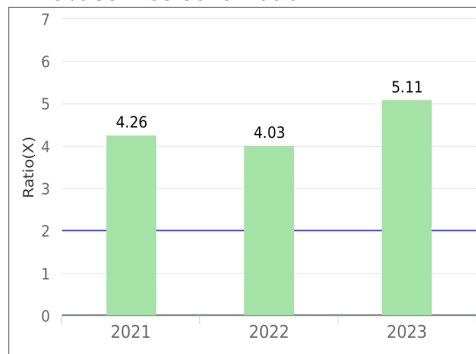
Ratio is outside benchmark

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Page 83 of 94

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2022/23 result

2022/23 ratio 5.11x

Council's debt service cover ratio has increased to 5.11 and remains well above the benchmark of > 2.0. This is due to an improved operating result meaning there was more cash available to service the repayment of debt.

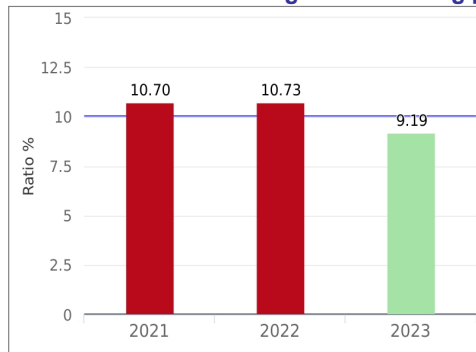
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2022/23 result

2022/23 ratio 9.19%

Council's rates and annual charges outstanding percentage has improved to 9.19% and is below the benchmark of 10%. On a fund basis it has improved to 3.21% for general fund. The consolidated ratio is impacted by the fact that Council levies its water and sewerage annual charges in arrears. Council actively monitors and pursues outstanding balances through its debt recovery practices.

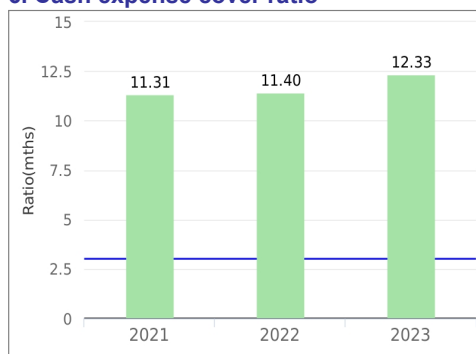
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2022/23 result

2022/23 ratio 12.33 months

Council's cash expense cover ratio has increased to 12.33. This is due to Council holding a high level of cash and cash equivalents. This ratio is well above the benchmark of > 3 months.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business:

10 Graham Place
Casino NSW 2470

Contact details**Mailing Address:**

Locked Bag 10
CASINO NSW 2470

Telephone: 02 6660 0300

Opening hours:

Office Hours: 8:00am - 4:30pm
Cashier Hours: 8:00am - 4.00pm
Monday to Friday

Internet: www.richmondvalley.nsw.gov.au

Email: council@richmondvalley.nsw.gov.au

Officers**GENERAL MANAGER**

Vaughan Macdonald

RESPONSIBLE ACCOUNTING OFFICER

Ryan Gaiter

Auditors

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

Elected members**MAYOR**

Robert Mustow

Councillors

Steve Morrissey
Sam Cornish
Robert Hayes
Sandra Humphrys
Debra McGillan
Patrick Deegan

Other information

ABN: 54 145 907 009



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Richmond Valley Council

To the Councillors of Richmond Valley Council

Opinion

I have audited the accompanying financial statements of Richmond Valley 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 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies 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 2023, 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 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



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

18 October 2023
SYDNEY



Cr Robert Mustow
Mayor
Richmond Valley Council
Locked Bag 10
Casino NSW 2470

Contact: Quentin Wong
Phone no: 02 9275 7454
Our ref: R008-16585809-45942

18 October 2023

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2023
Richmond Valley Council**

I have audited the general purpose financial statements (GPFS) of the Richmond Valley Council (the Council) for the year ended 30 June 2023 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 2023 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

	2023 \$m	2022 \$m	Variance %
Rates and annual charges revenue	30.8	29.3	↑ 5.3
Grants and contributions revenue	67.9	53.4	↑ 27.1
Materials and services	31.6	35.2	↓ 10.4

Operating result from continuing operations	44.3	20.0	121.4
Net operating result before capital grants and contributions	3.0	(5.6)	152.8

Rates and annual charges revenue (\$30.8 million) increased by \$1.5 million (5.1 per cent) in 2022–23 due to rate peg increase of 0.7 per cent.

Grants and contributions revenue (\$67.9 million) increased by \$14.5 million (27.2 per cent) in 2022–23 due to:

- increase of \$11.2 million of grants recognised from Transport for NSW
- increase of \$2.6 million for sporting grounds, parks and facilities
- receiving 100 per cent of the financial assistance grants for 2023–24 in advance (75 per cent in 2021–22)
- decrease of \$4.2 million for other specific grants and contributions

The Council's operating result from continuing operations (\$44.3 million) including depreciation, amortisation and impairment expense of \$19.6 million, was \$24.3 million higher than the 2021–22 result. This is due to the above and;

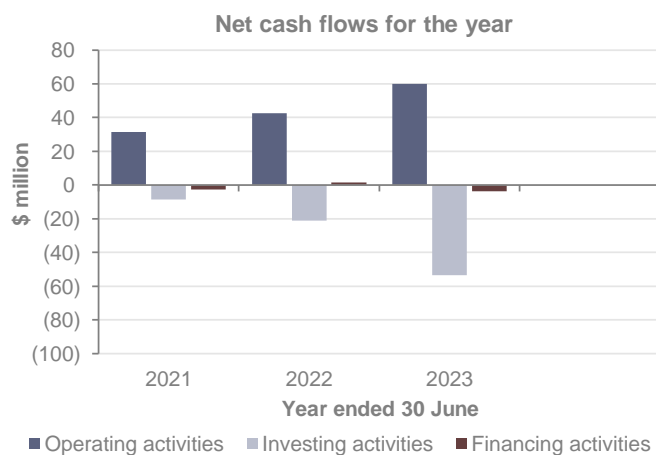
- increase of \$0.9 million in other revenues
- increase of \$1.8 million in other income

The net operating result before capital grants and contributions (\$3.0 million) was \$8.6 million higher than the 2021–22 result.

STATEMENT OF CASH FLOWS

Cash balances increased due to receiving 100 per cent of the 2023-24 financial assistance grant in advance.

- Net cash provided by operating activities increased by \$20.4 million (48.0 per cent). This relates to the increase in grants and contributions revenue offset by increase in materials and services expenditure.
- Net cash used in investing activities increased by \$32.1 million. The majority of this increase relates to increase in capital expenditure of (\$22.6 million).
- Net cash provided by financing activities decreased by \$5.3 million. This is due to the repayment of borrowings of \$3.4 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2023	2022	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	90.6	78.7	Externally restricted cash and investments has increased by \$4.9 million, primarily due to:
Restricted and allocated cash, cash equivalents and investments:			<ul style="list-style-type: none"> specific purpose unexpended grants increased by \$4.1 million developer contributions increased by \$1.6 million domestic waste management increased by \$0.8 million
• External restrictions	53.5	48.6	
• Internal allocations	36.8	29.8	<ul style="list-style-type: none"> unexpended loans decreased by \$2.4 million.
			Balances are internally allocated due to Council policy or decisions for forward plans, including the capital works program. Internally allocated cash and investments has increased by \$7.0 million.

PERFORMANCE

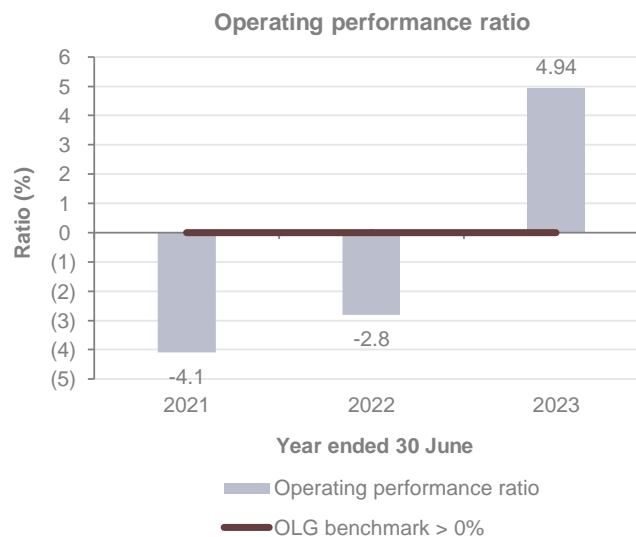
Performance measures

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 and Environment.

Operating performance ratio

The Council exceeded 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

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

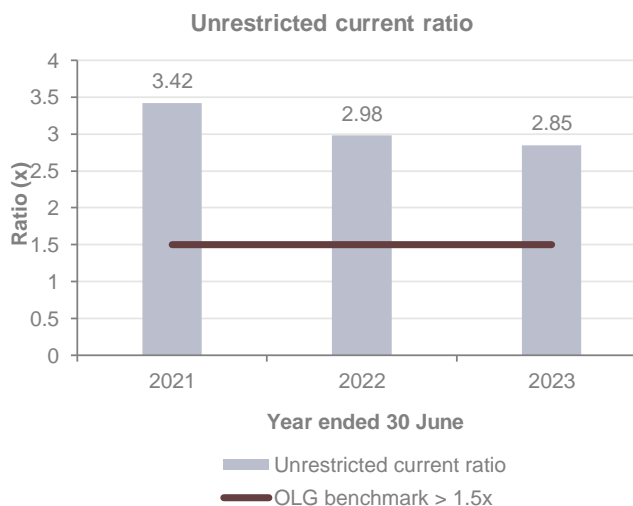
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

The Council exceeded the benchmark for the current reporting period.

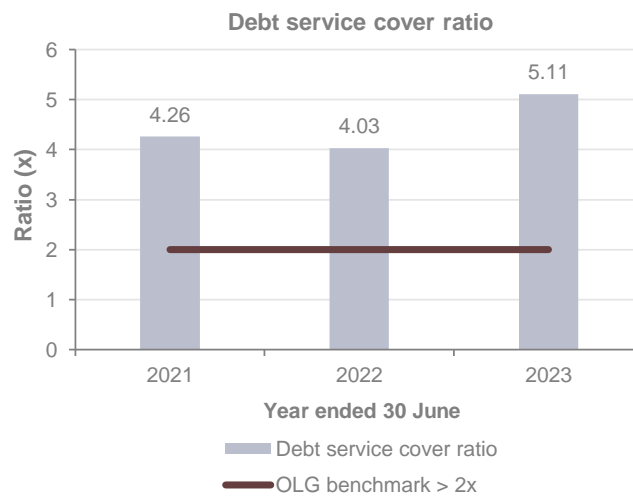
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

The Council exceeded the benchmark for the current reporting period.

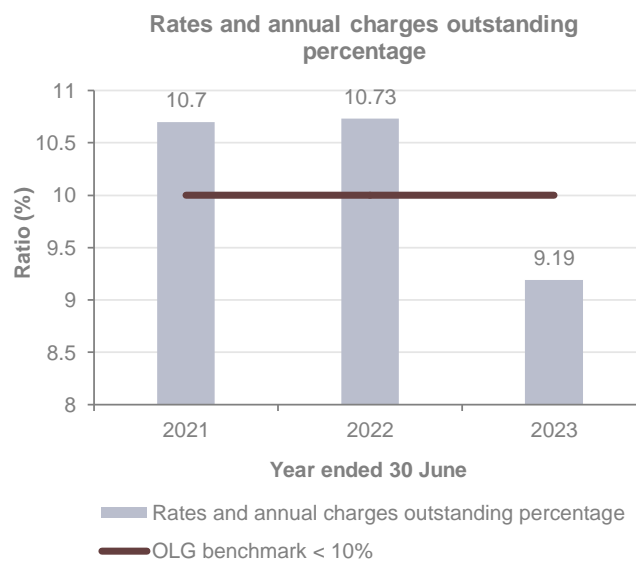
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

The Council exceeded the benchmark for the current reporting period.

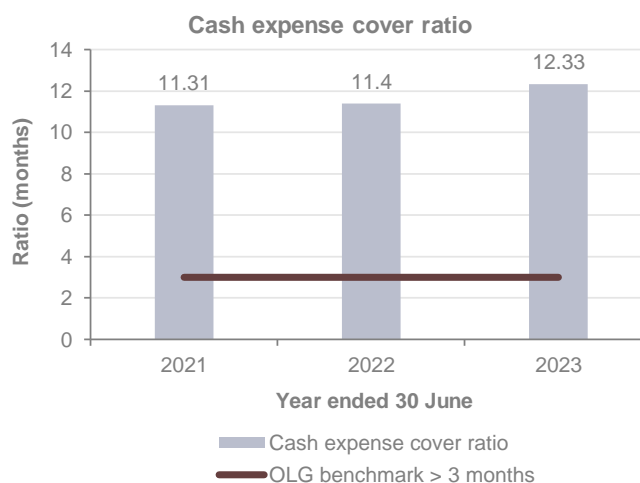
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for metropolitan councils.



Cash expense cover ratio

The 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 \$30.4 million of infrastructure, property, plant and equipment during the 2022–23 financial year. This was mainly spent on roads, repairing assets damaged by natural disasters and other open space / recreational assets. A further \$14.3 million was spent on new assets including;

- \$4.6 million on Capital work in progress
- \$3.4 million on Road assets
- \$1.0 million on Stormwater drainage

OTHER MATTERS

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.

Quentin Wong

Delegate of the Auditor-General for New South Wales

Richmond Valley Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023



Richmond Valley Council

Special Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
Statement by Councillors and Management	3
Special Purpose Financial Statements:	
Income Statement of water supply business activity	4
Income Statement of sewerage business activity	5
Income Statement of Petersons Quarry	6
Income Statement of Woodview Quarry	7
Statement of Financial Position of water supply business activity	8
Statement of Financial Position of sewerage business activity	9
Statement of Financial Position of Petersons Quarry	10
Statement of Financial Position of Woodview Quarry	11
Prior period error – Petersons quarry business activity	12
Note – Significant Accounting Policies	14
Auditor's Report on Special Purpose Financial Statements	17

Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Richmond Valley Council**Special Purpose Financial Statements**

for the year ended 30 June 2023

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

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

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

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

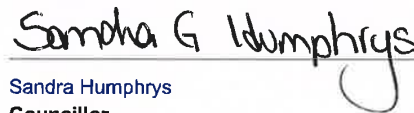
- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

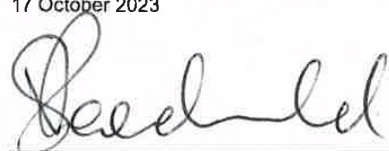
Signed in accordance with a resolution of Council made on 17 October 2023.



Robert Mustow
Mayor
17 October 2023



Sandra Humphrys
Councillor
17 October 2023



Vaughan Macdonald
General Manager
17 October 2023



Ryan Gailer
Responsible Accounting Officer
17 October 2023

Richmond Valley Council | Income Statement of water supply business activity | for the year ended 30 June 2023

Richmond Valley Council

Income Statement of water supply business activity

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Income from continuing operations			
Access charges		1,784	1,677
User charges		5,169	4,924
Interest and investment income		356	6
Fees		167	185
Grants and contributions provided for operating purposes		7	40
Total income from continuing operations		7,483	6,832
Expenses from continuing operations			
Employee benefits and on-costs		1,300	1,162
Materials and services		3,334	3,030
Depreciation, amortisation and impairment		1,814	1,451
Water purchase charges		1,314	1,237
Net loss from the disposal of assets		182	742
Calculated taxation equivalents		37	28
Total expenses from continuing operations		7,981	7,650
Surplus (deficit) from continuing operations before capital amounts		(498)	(818)
Grants and contributions provided for capital purposes		564	426
Surplus (deficit) from continuing operations after capital amounts		66	(392)
Surplus (deficit) from all operations before tax		66	(392)
Surplus (deficit) after tax		66	(392)
Plus opening accumulated surplus		27,885	28,249
Plus adjustments for amounts unpaid:			
– Taxation equivalent payments		37	28
Closing accumulated surplus		27,988	27,885
Return on capital %		(0.6)%	(1.0)%
Calculation of dividend payable:			
Surplus (deficit) after tax		66	(392)
Less: capital grants and contributions (excluding developer contributions)		(241)	(166)
Surplus for dividend calculation purposes		–	–
Potential dividend calculated from surplus		–	–

Richmond Valley Council | Income Statement of sewerage business activity | for the year ended 30 June 2023

Richmond Valley Council

Income Statement of sewerage business activity

for the year ended 30 June 2023

\$ '000	2023	2022
Income from continuing operations		
Access charges	7,733	7,439
User charges	1,551	1,436
Fees	230	243
Interest and investment income	568	7
Other income	3	465
Total income from continuing operations	10,085	9,590
Expenses from continuing operations		
Employee benefits and on-costs	1,486	1,722
Borrowing costs	517	597
Materials and services	3,619	3,714
Depreciation, amortisation and impairment	2,575	2,339
Net loss from the disposal of assets	95	662
Calculated taxation equivalents	40	28
Total expenses from continuing operations	8,332	9,062
Surplus (deficit) from continuing operations before capital amounts	1,753	528
Grants and contributions provided for capital purposes	1,537	1,499
Surplus (deficit) from continuing operations after capital amounts	3,290	2,027
Surplus (deficit) from all operations before tax	3,290	2,027
Less: corporate taxation equivalent (25%) [based on result before capital]	(438)	(132)
Surplus (deficit) after tax	2,852	1,895
Plus opening accumulated surplus	44,279	42,224
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	40	28
– Corporate taxation equivalent	438	132
Closing accumulated surplus	47,609	44,279
Return on capital %	1.9%	1.0%
Calculation of dividend payable:		
Surplus (deficit) after tax	2,852	1,895
Less: capital grants and contributions (excluding developer contributions)	(787)	(941)
Surplus for dividend calculation purposes	2,065	954
Potential dividend calculated from surplus	1,032	477

Richmond Valley Council | Income Statement of Petersons Quarry | for the year ended 30 June 2023

Richmond Valley Council

Income Statement of Petersons Quarry

for the year ended 30 June 2023

	2023 Category 2	2022 ¹ Category 2 Restated
\$ '000		
Income from continuing operations		
Fees	1,290	1,134
Interest and investment income	99	–
Other income	454	426
Total income from continuing operations	1,843	1,560
Expenses from continuing operations		
Borrowing costs	–	5
Materials and services	122	116
Depreciation, amortisation and impairment	14	13
Calculated taxation equivalents	5	16
Total expenses from continuing operations	141	150
Surplus (deficit) from continuing operations before capital amounts	1,702	1,410
Surplus (deficit) from continuing operations after capital amounts	1,702	1,410
Surplus (deficit) from all operations before tax	1,702	1,410
Less: corporate taxation equivalent (25%) [based on result before capital]	(426)	(245)
Surplus (deficit) after tax	1,276	1,165
Plus opening accumulated surplus	2,853	2,600
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	5	16
– Corporate taxation equivalent	426	246
Less:		
– Dividend paid	(1,020)	(1,174)
Closing accumulated surplus	3,540	2,853
Return on capital %	83.7%	59.2%

(1) See prior period error note for details regarding restatement

Richmond Valley Council | Income Statement of Woodview Quarry | for the year ended 30 June 2023

Richmond Valley Council

Income Statement of Woodview Quarry

for the year ended 30 June 2023

\$ '000	2023 Category 2	2022 Category 2
Income from continuing operations		
Fees	1,049	773
Interest and investment income	88	—
Other income	52	—
Total income from continuing operations	1,189	773
Expenses from continuing operations		
Borrowing costs	11	6
Materials and services	113	108
Depreciation, amortisation and impairment	8	6
Calculated taxation equivalents	15	21
Total expenses from continuing operations	147	141
Surplus (deficit) from continuing operations before capital amounts	1,042	632
Surplus (deficit) from continuing operations after capital amounts	1,042	632
Surplus (deficit) from all operations before tax	1,042	632
Less: corporate taxation equivalent (25%) [based on result before capital]	(261)	(158)
Surplus (deficit) after tax	781	474
Plus opening accumulated surplus	2,070	2,222
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	15	21
– Corporate taxation equivalent	261	158
Less:		
– Dividend paid	(359)	(805)
Closing accumulated surplus	2,768	2,070
Return on capital %	50.2%	28.3%

Richmond Valley Council | Statement of Financial Position of water supply business activity | for the year ended 30 June 2023

Richmond Valley Council

Statement of Financial Position of water supply business activity

as at 30 June 2023

\$ '000	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	5,175	4,736
Investments	3,211	2,773
Receivables	1,676	1,692
Total current assets	10,062	9,201
Non-current assets		
Receivables	375	458
Infrastructure, property, plant and equipment	87,090	81,258
Total non-current assets	87,465	81,716
Total assets	97,527	90,917
LIABILITIES		
Current liabilities		
Payables	110	106
Total current liabilities	110	106
Non-current liabilities		
Payables	27	30
Total non-current liabilities	27	30
Total liabilities	137	136
Net assets	97,390	90,781
EQUITY		
Accumulated surplus	27,988	27,896
Revaluation reserves	69,402	62,885
Total equity	97,390	90,781

Richmond Valley Council | Statement of Financial Position of sewerage business activity | for the year ended 30 June 2023

Richmond Valley Council

Statement of Financial Position of sewerage business activity

as at 30 June 2023

\$ '000	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	11,821	10,404
Investments	2,837	2,659
Receivables	2,093	2,080
Total current assets	16,751	15,143
Non-current assets		
Receivables	471	559
Infrastructure, property, plant and equipment	118,379	109,071
Total non-current assets	118,850	109,630
Total assets	135,601	124,773
LIABILITIES		
Current liabilities		
Payables	94	112
Borrowings	1,584	1,501
Total current liabilities	1,678	1,613
Non-current liabilities		
Borrowings	7,909	9,492
Total non-current liabilities	7,909	9,492
Total liabilities	9,587	11,105
Net assets	126,014	113,668
EQUITY		
Accumulated surplus	47,609	44,292
Revaluation reserves	78,405	69,376
Total equity	126,014	113,668

Richmond Valley Council | Statement of Financial Position of Petersons Quarry | for the year ended 30 June 2023

Richmond Valley Council

Statement of Financial Position of Petersons Quarry

as at 30 June 2023

\$ '000	2023 Category 2	2022 ¹ Category 2
ASSETS		
Current assets		
Investments	2,503	2,235
Total current assets	2,503	2,235
Non-current assets		
Infrastructure, property, plant and equipment	2,033	2,390
Total non-current assets	2,033	2,390
Total assets	4,536	4,625
Net assets	4,536	4,625
EQUITY		
Accumulated surplus	3,108	2,853
Revaluation reserves	1,428	1,772
Total equity	4,536	4,625

(1) See prior period error note for details regarding restatement

Richmond Valley Council | Statement of Financial Position of Woodview Quarry | for the year ended 30 June 2023

Richmond Valley Council

Statement of Financial Position of Woodview Quarry

as at 30 June 2023

\$ '000	2023 Category 2	2022 Category 2
ASSETS		
Current assets		
Investments	2,440	1,771
Total current assets	2,440	1,771
Non-current assets		
Infrastructure, property, plant and equipment	2,099	2,257
Total non-current assets	2,099	2,257
Total assets	4,539	4,028
LIABILITIES		
Non-current liabilities		
Provisions	333	367
Total non-current liabilities	333	367
Total liabilities	333	367
Net assets	4,206	3,661
EQUITY		
Accumulated surplus	2,768	2,070
Revaluation reserves	1,438	1,591
Total equity	4,206	3,661

Richmond Valley Council | Prior period error – Petersons quarry business activity | for the year ended 30 June 2023

Richmond Valley Council

Prior period error - Petersons Quarry business activity

for the year ended 30 June 2023

Correction of errors

Nature of prior-period error

During the 2021/2022 financial reporting period, an assessment was undertaken on Petersons Quarry to provide an updated assessment of the rehabilitation requirements for that site since the commencement of the current lease agreement. The assessment determined that Councils responsibility for rehabilitation of the site no longer exists.

It was determined that this should be treated as a prior period error as the provision should have been de-recognised in a prior year.

Comparatives have been changed to reflect the correction of errors. The errors identified above have been corrected by restating the balances as at 30 June 2022 and taking the adjustment through to accumulated surplus as at that date. The impact of each line item is shown in the tables below. Council does not deem it necessary to disclose a third Statement of Financial Position.

Adjustments to the comparative figures for the year ended 30 June 2022 Statement of Financial Position

	Original Balance 30 June, 2022	Impact Increase/ (decrease)	Restated Balance 30 June, 2022
\$ '000			
Infrastructure, property, plant and equipment	2,611	(221)	2,390
Total non-current assets	2,611	(221)	2,390
Total Assets	4,846	(221)	4,625
Provisions	653	(653)	–
Total non-current liabilities	653	(653)	–
Total Liabilities	653	(653)	–
Net Assets	4,193	432	4,625
Accumulated surplus	2,421	432	2,853
Revaluation Reserve	1,772	–	1,772
Total equity	4,193	432	4,625

Richmond Valley Council | Prior period error – Petersons quarry business activity | for the year ended 30 June 2023

Income Statement

	Original Balance 30 June, 2022	Impact Increase/ (decrease)	Restated Balance 30 June, 2022
\$ '000			
Other revenue	–	426	426
Total income from continuing operations	1,134	426	1,560
Depreciation, amortisation and impairment	19	(6)	13
Total expenses from continuing operations	156	(6)	150
Surplus (deficit) from continuing operations before capital amounts	978	432	1,410
Surplus (deficit) from continuing operations after capital amounts	978	432	1,410
Surplus (deficit) from all operations before tax	978	432	1,410
Plus opening accumulated surplus	2,600		2,600
Closing accumulated surplus	2,421		2,853
Return on capital %	37.6%		59.2%

Note – Significant Accounting Policies

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Water Supplies

Comprising the whole of the operations and assets of the water supply systems, which service the towns of Broadwater, Casino, Coraki, Evans Head and Woodburn.

b. Sewerage Services

Comprising the whole of the operations and assets of the sewerage reticulation and treatment systems, which service the towns of Casino, Broadwater, Coraki, Evans Head, Rileys Hill and Woodburn.

Category 2

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

a. Petersons Quarry

Council has leased out this quarry and receives rental payments from the sales tied to extraction rates of the lessee.

Note – Significant Accounting Policies (continued)

b. Woodview Quarry

Council has leased out this quarry and receives rental payments from the sales tied to extraction rates of the lessee.

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

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

Notional rate applied (%)

Corporate income tax rate – **25.0%**

Land tax – the first \$755,000 of combined land values attracts **0%**. For the combined land values in excess of \$755,000 up to \$4,616,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$4,616,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **4.85%** on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with the Department of Planning, Industry & Environment (DPIE) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DPIE – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25.0%.

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

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

The rate applied of 25.0% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Note – Significant Accounting Policies (continued)

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.02% at 30/6/23.

(iii) Dividends

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

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the DPIE – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2021 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best Practice Management of Water Supply and Sewer Guidelines, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to DPIE – Water.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Richmond Valley Council

To the Councillors of Richmond Valley Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Richmond Valley Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2023, the Statement of Financial Position of each Declared Business Activity as at 30 June 2023 and Significant accounting policies note.

The Declared Business Activities of the Council are:

- Water supply
- Sewerage
- Peterson's Quarry
- Woodview Quarry.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2023, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2022–23 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



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

18 October 2023
SYDNEY

Richmond Valley Council

SPECIAL SCHEDULES
for the year ended 30 June 2023



Richmond Valley Council

Special Schedules

for the year ended 30 June 2023

Contents	Page
Special Schedules:	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2023	6

Richmond Valley Council | Permissible income for general rates | for the year ended 30 June 2023

Richmond Valley Council

Permissible income for general rates

\$ '000	Notes	Calculation 2022/23	Calculation 2023/24
Notional general income calculation ¹			
Last year notional general income yield	a	14,716	15,624
Plus or minus adjustments ²	b	36	1
Notional general income	c = a + b	14,752	15,625
Permissible income calculation			
Special variation percentage ³	d	5.50%	0.00%
Or rate peg percentage	e	0.00%	3.70%
Plus special variation amount	h = d x (c + g)	811	-
Or plus rate peg amount	i = e x (c + g)	-	578
Sub-total	k = (c + g + h + i + j)	15,563	16,203
Plus (or minus) last year's carry forward total	l	83	22
Less valuation objections claimed in the previous year	m	(1)	-
Sub-total	n = (l + m)	82	22
Total permissible income	o = k + n	15,645	16,225
Less notional general income yield	p	15,624	16,311
Catch-up or (excess) result	q = o - p	22	(86)
Carry forward to next year ⁶	t = q + r + s	22	(86)

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 'special variation percentage' is inclusive of the rate peg percentage and where applicable, the Crown land adjustment.
- (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.

Richmond Valley Council | Permissible income for general rates | for the year ended 30 June 2023



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Richmond Valley Council

To the Councillors of Richmond Valley Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Richmond Valley Council (the Council) for the year ending 30 June 2024.

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 2022–23 (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 2023 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 2023'.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



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

18 October 2023
SYDNEY

Richmond Valley Council | Report on infrastructure assets as at 30 June 2023 | for the year ended 30 June 2023

Richmond Valley Council

Report on infrastructure assets as at 30 June 2023

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2022/23 Required maintenance ^a	2022/23 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings – specialised	477	477	385	426	69,050	93,478	46.4%	37.5%	15.4%	0.7%	0.0%
	Sub-total	477	477	385	426	69,050	93,478	46.4%	37.5%	15.4%	0.7%	0.0%
Other structures	Other structures	7	7	10	6	25,710	30,140	77.3%	18.3%	3.9%	0.4%	0.1%
	Sub-total	7	7	10	6	25,710	30,140	77.3%	18.3%	3.9%	0.4%	0.1%
Roads	Sealed roads	10,812	10,812	2,029	3,516	227,937	346,923	30.4%	40.3%	24.2%	4.8%	0.3%
	Unsealed roads	4,606	4,606	1,120	3,925	17,515	36,099	30.5%	50.1%	14.9%	4.3%	0.2%
	Bridges	6,011	6,011	71	162	72,080	117,551	4.7%	50.3%	40.1%	4.9%	0.0%
	Footpaths	23	23	43	131	16,888	20,796	90.8%	6.0%	2.1%	1.1%	0.0%
	Bulk earthworks	–	–	–	–	75,714	75,750	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	21,452	21,452	3,263	7,734	410,133	597,119	36.3%	36.6%	22.9%	4.1%	0.1%
Water supply network	Water supply network	793	793	498	555	82,358	117,831	37.1%	27.6%	32.4%	2.7%	0.2%
	Sub-total	793	793	498	555	82,358	117,831	37.1%	27.6%	32.4%	2.7%	0.2%
Sewerage network	Sewerage network	7,186	7,186	1,352	1,267	112,214	184,878	26.4%	26.1%	36.7%	8.0%	2.8%
	Sub-total	7,186	7,186	1,352	1,267	112,214	184,878	26.4%	26.1%	36.7%	8.0%	2.8%
Stormwater drainage	Stormwater drainage	1,663	1,663	190	281	58,540	72,258	38.3%	38.8%	16.6%	6.1%	0.2%
	Sub-total	1,663	1,663	190	281	58,540	72,258	38.3%	38.8%	16.6%	6.1%	0.2%

Richmond Valley Council | Report on infrastructure assets as at 30 June 2023 | for the year ended 30 June 2023

Richmond Valley Council

Report on infrastructure assets as at 30 June 2023 (continued)

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2022/23 Required maintenance ^a	2022/23 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Open space / recreational assets	Other Open Space/Recreation	85	85	153	138	29,633	37,948	88.9%	9.0%	2.0%	0.1%	0.0%
	Sub-total	85	85	153	138	29,633	37,948	88.9%	9.0%	2.0%	0.1%	0.0%
	Total – all assets	31,663	31,663	5,851	10,407	787,638	1,133,652	38.6%	32.7%	23.9%	4.2%	0.6%

(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

Richmond Valley Council | Report on infrastructure assets as at 30 June 2023 | for the year ended 30 June 2023

Richmond Valley Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2023	Indicator 2023	Indicators 2022 2021		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	27,882	182.51%	125.26%	86.64%	> 100.00%
Depreciation, amortisation and impairment	15,277				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	31,663	3.86%	6.01%	2.33%	< 2.00%
Net carrying amount of infrastructure assets	820,614				
Asset maintenance ratio					
Actual asset maintenance	10,407	177.87%	162.32%	129.63%	> 100.00%
Required asset maintenance	5,851				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	31,663	2.79%	4.21%	1.76%	
Gross replacement cost	1,133,652				

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

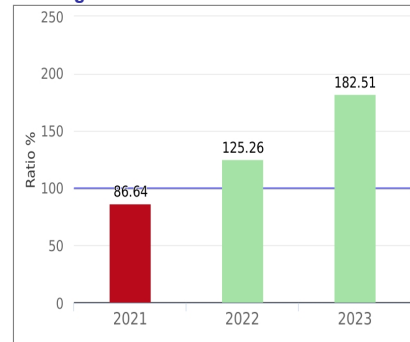
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Richmond Valley Council | Report on infrastructure assets as at 30 June 2023 | for the year ended 30 June 2023

Richmond Valley Council

Report on infrastructure assets as at 30 June 2023

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

22/23 ratio 182.51%

Council's building and infrastructure renewals ratio improved to 182.51% which is well above the benchmark of 100%. Council has been successful in receiving a number of capital grants over the past couple of years, resulting in much higher renewals.

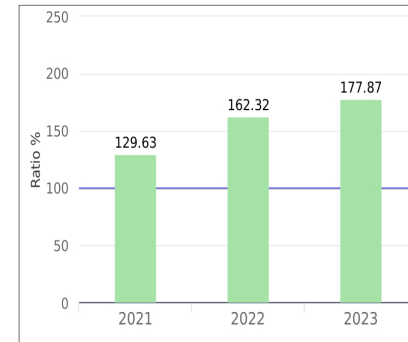
Benchmark: — > 100.00%

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

22/23 ratio 177.87%

Council's asset maintenance ratio has improved to 177.87 which is above the benchmark of 100%.

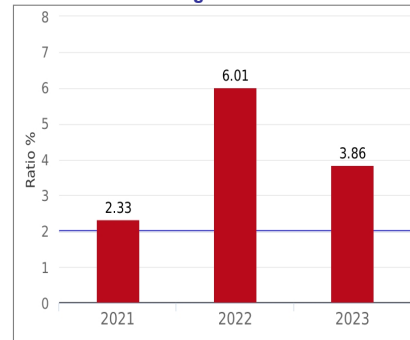
Benchmark: — > 100.00%

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

22/23 ratio 3.86%

Council's infrastructure backlog ratio has decreased to 3.86. This is due to a reduction of the impaired infrastructure assets from the previous year due to natural disaster restoration works.

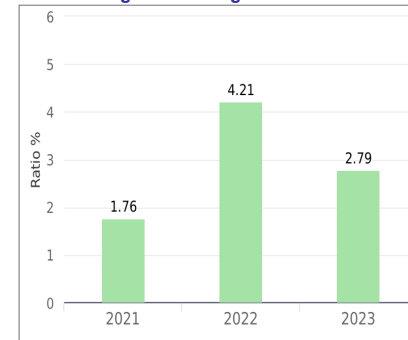
Benchmark: — < 2.00%

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

22/23 ratio 2.79%

Council's outstanding renewals ratio is 2.79%. This is mainly as a result of a reduction in impaired infrastructure assets from the previous year as a result of the natural disaster restoration works.

Richmond Valley Council | Report on infrastructure assets as at 30 June 2023 | for the year ended 30 June 2023

Richmond Valley Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2023	2022	2023	2022	2023	2022	
Buildings and infrastructure renewals ratio							
Asset renewals ¹	255.07%	136.79%	0.00%	104.11%	0.00%	83.55%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	3.78%	6.89%	0.96%	0.71%	6.40%	5.42%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	214.57%	191.21%	111.45%	121.31%	93.71%	65.94%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	2.85%	4.93%	0.67%	0.51%	3.89%	3.37%	
Gross replacement cost							

(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.



Concise Investment Report Pack

Richmond Valley Council

1 October 2023 to 31 October 2023



Contents

1. Portfolio Valuation As At 31 October 2023
2. Portfolio Valuation By Categories As At 31 October 2023
3. Investment Revenue Received For 1 October 2023 to 31 October 2023
4. Comparison of Investment Revenue Earned to Original Budget and Investment Portfolio by Month 2023 - 2024 YTD
5. Environmentally Sustainable Investment Performance Report for the Period Ending 31 October 2023 Relative To 30 September 2023



1. Portfolio Valuation As At 31 October 2023

		Security Rating	Face Value Original	Face Value Current	Market Value	% Total Value	Running Yield	Weighted Running Yield
Fixed Interest Security								
At Call Deposit								
	CBA Business Online Saver Acct RVC At Call	S&P ST A1+	5,800,000.00	5,800,000.00	5,800,000.00	7.55%	4.20%	
	CBA General Fund Bk Acct RVC At Call	S&P ST A1+	1,731,977.41	1,731,977.41	1,731,977.41	2.25%	3.10%	
	CBA Trust Acct RVC At Call	S&P ST A1+	87,050.17	87,050.17	87,050.17	0.11%	2.80%	
	MACQ 940323454 At Call	Moodys A2	10,039,475.71	10,039,475.71	10,039,475.71	13.07%	4.45%	
	NAB Business Cheque Acct RVC At Call	S&P ST A1+	24.71	24.71	24.71	0.00%	0.00%	
			17,658,528.00	17,658,528.00	17,658,528.00	22.99%		0.97%
Floating Rate Note								
	Auswide 0.9 06 Nov 2023 FRN	Moodys	750,000.00	750,000.00	750,000.00	0.98%	5.25%	
	Auswide 0.6 22 Mar 2024 FRN	Moodys	1,500,000.00	1,500,000.00	1,500,000.00	1.95%	4.95%	
	Auswide 1.5 17 Mar 2026 FRN	Moodys	1,000,000.00	1,000,000.00	1,000,000.00	1.30%	5.85%	
	CACU 1.7 21 Sep 2026 FRN	S&P BBB-	1,750,000.00	1,750,000.00	1,750,000.00	2.28%	6.05%	
	MACQ 0.48 09 Dec 2025 FRN	Moodys A2	1,000,390.00	1,000,390.00	1,000,390.00	1.30%	4.82%	
	MYS 0.65 16 Jun 2025 FRN	Moodys	1,500,000.00	1,500,000.00	1,500,000.00	1.95%	5.00%	
			7,500,390.00	7,500,390.00	7,500,390.00	9.76%		0.52%
Fixed Rate Bond								
	NTTC 1.1 15 Dec 2025 - Issued 10 September 2021 - Richmond Council Fixed	Moodys Aa3	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	1.10%	
	JUDO 6.4 26 Sep 2025 Fixed	S&P BBB-	1,500,000.00	1,500,000.00	1,500,000.00	1.95%	6.40%	
	BOQ 4.7 27 Jan 2027 Fixed	S&P BBB+	1,000,000.00	1,000,000.00	1,000,000.00	1.30%	5.60%	
			4,500,000.00	4,500,000.00	4,500,000.00	5.86%		0.26%
Unit Trust								
	NSWTC Long Term Growth Fund UT		3,000,000.00	3,020,387.25	3,020,387.25	3.93%	-16.92%	
	NSWTC Medium Term Growth Fund UT		11,005,029.35	12,145,941.96	12,145,941.96	15.81%	-9.60%	
			14,005,029.35	15,166,329.21	15,166,329.21	19.74%		-2.18%



1. Portfolio Valuation As At 31 October 2023

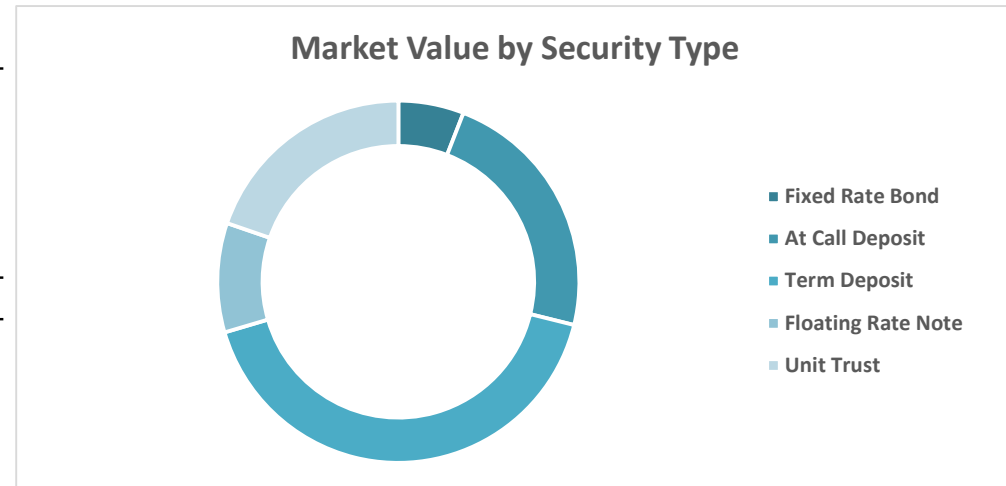
Term Deposit

AMP 5.05 22 Nov 2023 184DAY TD	S&P ST A2	1,000,000.00	1,000,000.00	1,000,000.00	1.30%	5.05%
AMP 5.15 29 Nov 2023 184DAY TD	S&P ST A2	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	5.15%
AMP 5.15 30 Nov 2023 184DAY TD	S&P ST A2	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	5.15%
AMP 5.3 07 Dec 2023 183DAY TD	S&P ST A2	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	5.30%
Auswide 4.75 28 Nov 2023 92DAY TD	Moodys ST	1,000,000.00	1,000,000.00	1,000,000.00	1.30%	4.75%
Auswide 4.8 05 Dec 2023 91DAY TD	Moodys ST	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	4.80%
Auswide 4.8 05 Dec 2023 91DAY TD	Moodys ST	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	4.80%
BOQ 4.95 26 Feb 2024 122DAY TD	Moodys ST	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	4.95%
BOQ 5.15 03 Apr 2024 183DAY TD	Moodys ST	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	5.15%
BOQ 5.15 22 Apr 2024 181DAY TD	Moodys ST	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	5.15%
BENAU 5.05 22 Jan 2024 153DAY TD	Moodys ST	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	5.05%
BENAU 4.95 30 Jan 2024 154DAY TD	Moodys ST	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	4.95%
BENAU 4.95 30 Jan 2024 154DAY TD	Moodys ST	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	4.95%
JUDO 4.9 03 Jan 2024 92DAY TD	S&P ST A3	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	4.90%
JUDO 4.9 05 Jan 2024 91DAY TD	S&P ST A3	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	4.90%
NAB 5 30 Jan 2024 91DAY TD	S&P ST A1+	1,000,000.00	1,000,000.00	1,000,000.00	1.30%	5.00%
Summerland 5.55 21 Dec 2023 183DAY TD	Unrated ST	1,000,000.00	1,000,000.00	1,000,000.00	1.30%	5.55%
TMC 4.9 23 Nov 2023 273DAY TD	Unrated ST	2,000,000.00	2,000,000.00	2,000,000.00	2.60%	4.90%
		32,000,000.00	32,000,000.00	32,000,000.00	41.65%	2.09%
Portfolio Total		75,663,947.35	76,825,247.21	76,825,247.21	100.00%	1.66%



2. Portfolio Valuation By Categories As At 31 October 2023

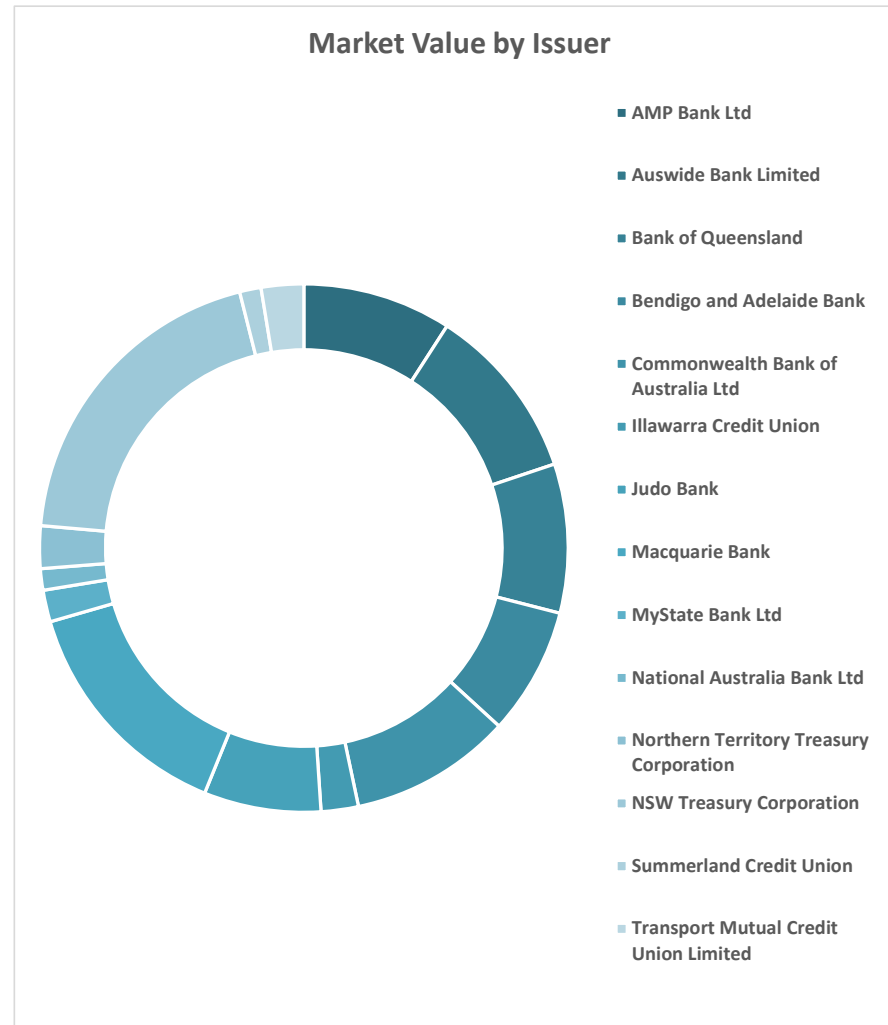
Security Type	Market Value	% Total Value
Fixed Rate Bond	4,500,000.00	5.86%
At Call Deposit	17,658,528.00	22.99%
Term Deposit	32,000,000.00	41.65%
Floating Rate Note	7,500,390.00	9.76%
Unit Trust	15,166,329.21	19.74%
Portfolio Total	76,825,247.21	100.00%





2. Portfolio Valuation By Categories As At 31 October 2023

Issuer	Market Value	% Total Value
AMP Bank Ltd	7,000,000.00	9.11%
Auswide Bank Limited	8,250,000.00	10.74%
Bank of Queensland	7,000,000.00	9.11%
Bendigo and Adelaide Bank	6,000,000.00	7.81%
Commonwealth Bank of Australia Ltd	7,619,027.58	9.92%
Illawarra Credit Union	1,750,000.00	2.28%
Judo Bank	5,500,000.00	7.16%
Macquarie Bank	11,039,865.71	14.37%
MyState Bank Ltd	1,500,000.00	1.95%
National Australia Bank Ltd	1,000,024.71	1.30%
Northern Territory Treasury Corporation	2,000,000.00	2.60%
NSW Treasury Corporation	15,166,329.21	19.74%
Summerland Credit Union	1,000,000.00	1.30%
Transport Mutual Credit Union Limited	2,000,000.00	2.60%
Portfolio Total	76,825,247.21	100.00%



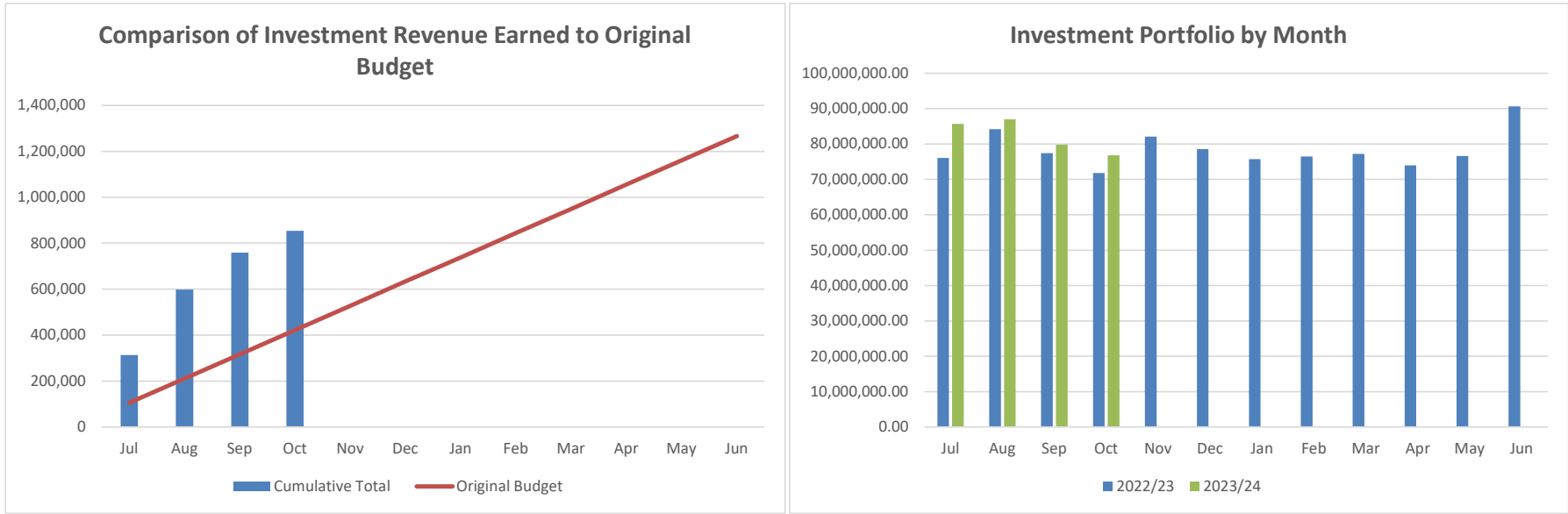


3. Investment Revenue Received For 1 October 2023 to 31 October 2023

Security	Issuer	Settlement Date	Face Value (Basis of Interest Calculation)	Consideration Notional	Income Type
Auswide 5.4 03 Oct 2023 90DAY TD	Auswide Bank Limited	3 Oct 2023	2,000,000.00	26,630.14	Security Coupon Interest
JUDO 5.4 03 Oct 2023 90DAY TD	Judo Bank	3 Oct 2023	2,000,000.00	26,630.14	Security Coupon Interest
JUDO 5.4 06 Oct 2023 93DAY TD	Judo Bank	6 Oct 2023	2,000,000.00	27,517.81	Security Coupon Interest
AMP 4.95 24 Oct 2023 183DAY TD	AMP Bank Ltd	24 Oct 2023	2,000,000.00	49,635.62	Security Coupon Interest
AMP 5.2 27 Oct 2023 92DAY TD	AMP Bank Ltd	27 Oct 2023	2,000,000.00	26,213.70	Security Coupon Interest
AMP 5.15 31 Oct 2023 92DAY TD	AMP Bank Ltd	31 Oct 2023	1,000,000.00	12,980.82	Security Coupon Interest
Other		31 Oct 2023		39,475.71	Bank Interest
Other		31 Oct 2023		30,191.14	Bank Interest
Other		31 Oct 2023		3,051.66	Bank Interest
Other		31 Oct 2023		207.01	Bank Interest
				242,533.75	
Medium Term Growth Fund	NSW Treasury Corporation			(98,529.12)	Fair Value Gain/(Loss)
Long Term Growth Fund	NSW Treasury Corporation			(43,175.46)	Fair Value Gain/(Loss)
				(141,704.58)	
TOTAL				100,829.17	



4. Comparison of Investment Revenue Earned to Original Budget and Investment Portfolio by Month 2023 - 2024 YTD





5. Environmentally Sustainable Investment Performance Report for the Period Ending 31 October 2023 Relative To 30 September 2023

Portfolio Summary by Fossil Fuel Lending ADIs

ADI Lending Status	% Total	Current Period	% Total	Prior Period
Fossil Fuel Lending ADIs				
AMP Bank Ltd	9.1%	7,000,000.00	15.0%	12,000,000.00
Bank of Queensland	9.1%	7,000,000.00	0.0%	0.00
Commonwealth Bank of Australia Ltd	9.9%	7,619,027.58	16.3%	12,993,192.18
Macquarie Bank	14.4%	11,039,865.71	13.8%	11,032,444.88
National Australia Bank Ltd	1.3%	1,000,024.71	0.0%	24.71
	43.8%	33,658,918.00	45.1%	36,025,661.77
Non Fossil Fuel Lending ADIs				
Auswide Bank Limited	10.7%	8,250,000.00	12.8%	10,250,000.00
Bendigo and Adelaide Bank	7.8%	6,000,000.00	7.5%	6,000,000.00
Illawarra Credit Union	2.3%	1,750,000.00	2.2%	1,750,000.00
Judo Bank	7.2%	5,500,000.00	5.0%	4,000,000.00
MyState Bank Ltd	2.0%	1,500,000.00	1.9%	1,500,000.00
Northern Territory Treasury Corporation	2.6%	2,000,000.00	2.5%	2,000,000.00
NSW Treasury Corporation	19.7%	15,166,329.21	19.2%	15,308,033.79
Summerland Credit Union	1.3%	1,000,000.00	1.3%	1,000,000.00
Transport Mutual Credit Union Limited	2.6%	2,000,000.00	2.5%	2,000,000.00
	56.2%	43,166,329.21	54.9%	43,808,033.79
Total Portfolio		76,825,247.21		79,833,695.56

All amounts shown in the table and charts are Current Face Values.

The above percentages are relative to the portfolio total and may be affected by rounding.
 A fossil fuel lending ADI appearing in the non-fossil fuel related table will indicate that the portfolio contains a "green bond" issued by that ADI.

Fossil Fuel vs Non Fossil Fuel Lending ADI





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Richmond Valley Council

QUARTERLY BUDGET REVIEW STATEMENT

for the quarter ended 30 September 2023



Richmond
Valley
Council

"A great community with a relaxed lifestyle, beautiful environment and vibrant economy."

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023**

Table of Contents	Page
1. Responsible Accounting Officer's Statement	1
2. Income & Expenses Budget Review Statements	
- Income & Expenses Budget Review Statement - Summary Budget Result	2
- Income & Expenses Budget Review Statement - Summary by Priority	3
- Income & Expenses Budget Review Statement - by Service	4-5
3. Capital Budget Review Statement	6-8
4. Budget Variation Explanations	9-16
5. Cash & Investments Budget Review Statement	17-20
6. Key Performance Indicator (KPI) Budget Review Statement	21-22
7. Contracts & Other Expenses Budget Review Statement	23

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023**

Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulation 2021:

It is my opinion that the Quarterly Budget Review Statement for Richmond Valley Council for the quarter ended 30 September 2023 indicates that Council's projected financial position at 30 June 2024 will be satisfactory, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

From a cash perspective, the projected overall cash result for 2023/2024 has declined to an estimated deficit as at 30 September 2023 of \$19,588,984. This is largely as a result of carry over works as well as an increase in the capital works program with projects continuing into 2023/2024. The unrestricted cash surplus has remained unchanged at \$212,574.

Council continually focuses on taking steps to reduce cash deficits whilst still being able to maintain adequate expenditure on capital projects and maintenance of existing assets. Delivery of capital budgets will continue to be monitored in future budgeting processes as this has a significant effect on the cash result.

Signed:



Date: 16/11/2023

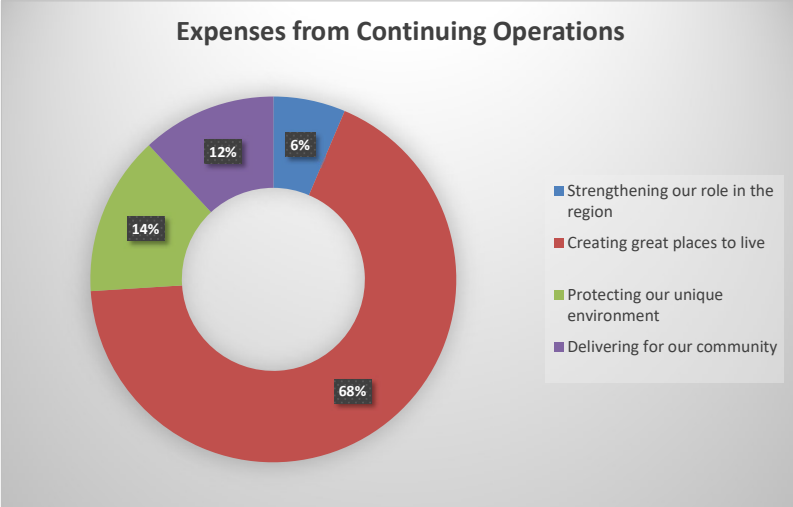
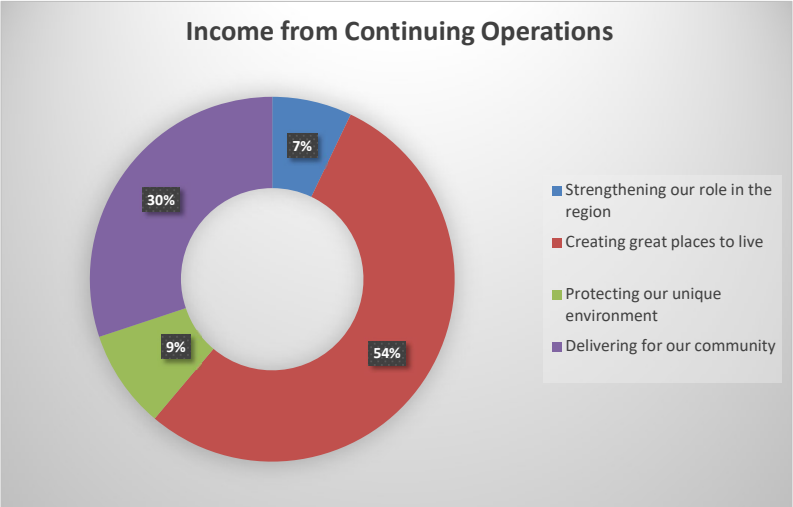
Hayley Martin
Responsible Accounting Officer

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023**

Income & Expenses Budget Review Statement

	Original Budget 2023/2024	Approved Changes for Council Carry-Overs from 2022/23	Monthly Adjustments Monthly Adj Sep Qtr	Recommended Changes for Council Resolution Sep	Projected Year End Result	Actual YTD 30-Sep-23
Summary Budget Result						
Income						
Strengthening our role in the region	8,336,784	-	91,401	(915,431)	7,512,754	192,101
Creating great places to live	37,565,842	-	1,436,274	18,486,058	57,488,174	7,808,997
Protecting our unique environment	9,070,837	104,603	40,456	56,801	9,272,697	7,510,054
Delivering for our community	31,629,560	-	-	398,583	32,028,143	18,738,077
Total Income from Continuing Operations	86,603,023	104,603	1,568,131	18,026,011	106,301,768	34,249,229
Expenses						
Strengthening our role in the region	4,724,689	-	101,827	-	4,826,516	1,047,533
Creating great places to live	50,384,335	401,059	-	263,366	51,048,760	12,961,294
Protecting our unique environment	10,428,167	145,520	68,515	49,700	10,691,902	2,273,434
Delivering for our community	8,890,220	77,807	-	10,990	8,979,017	2,574,385
Total Expenses from Continuing Operations	74,427,411	624,386	170,342	324,056	75,546,194	18,856,646
Net Operating Result from Continuing Operations	12,175,612	(519,783)	1,397,789	17,701,956	30,755,573	15,392,583
Net Operating Result before Capital Items	(1,628,147)	(519,783)	(38,485)	257,351	(1,929,065)	8,334,232
Budget Result Reconciliation:						
Add: Non-Cash Expenses						
Depreciation & Amortisation	18,575,508	-	-	-	18,575,508	4,189,262
Rehabilitation Borrowing Expenses	73,036	-	-	-	73,036	-
Quarry Inventory Movements	-	-	-	-	-	-
Add: Non-Operating Funds Employed						
Loan Funds Utilised	2,600,000	-	-	-	2,600,000	-
Deferred Debtor Repayments	1,910	-	-	-	1,910	-
Gross Proceeds from the Disposal of Assets	3,680,678	-	-	54,609	3,735,287	54,970
Less: Funds Deployed for Non-Operating Purposes						
Capital Expenditure	43,878,654	227,754	6,822,822	20,801,964	71,731,194	10,524,371
Loan Principal Repayments	3,599,103	-	-	-	3,599,103	916,941
Estimated Funding Result - Surplus/(Deficit)	(10,371,013)	(747,537)	(5,425,033)	(3,045,399)	(19,588,984)	8,195,504
Equity Movements						
Restricted Funds - Increase/(Decrease)	(10,583,587)	(747,537)	(5,425,033)	(3,045,399)	(19,801,556)	8,195,504
Working Funds - Increase/(Decrease)	212,574	-	-	-	212,574	-
Total Equity Movements	(10,371,013)	(747,537)	(5,425,033)	(3,045,399)	(19,588,983)	8,195,504

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023
Income & Expenses Budget Review Statement - Summary by Priority



for the quarter ended 30 September 2023

Income & Expenses Budget Review Statement

Income & Expenses - by Service	Original Budget 2023/2024	Approved Changes for Council	Monthly Adjustments	Recommended Changes for Council Resolution	Notes	Projected Year End Result	Actual YTD 30-Sep-23
		Carry-Overs from 2022/23	Monthly Adj Sep Qtr	Sep			
Income							
<i>Strengthening our role in the region</i>							
Recovery	210,000	-	91,401	(10,339)	1	291,062	(10,339)
Economic Development	-	-	-	-		-	-
Real Estate Development	-	-	-	99,908	2	99,908	99,908
Strategic Planning	12,500	-	-	-		12,500	12,500
Tourism	4,821,027	-	-	(1,005,000)	3	3,816,027	18,348
Northern Rivers Livestock Exchange	3,293,257	-	-	-		3,293,257	71,683
<i>Creating great places to live</i>							
Festivals and Events	100,708	-	-	10,000	4	110,708	60,631
Libraries	1,507,283	-	-	-		1,507,283	95,273
Community Programs and Grants	-	-	-	-		-	-
Sports Grounds, Parks and Facilities	6,229,498	-	537,152	1,353,682	7	8,120,332	4,744,595
Community Centres and Halls	111,271	-	-	-		111,271	24,595
Swimming Pools	-	-	477,562	30,000	9	507,562	104,995
Cemeteries	382,433	-	-	-		382,433	83,994
Planning & Development Services	926,696	-	-	49,212	10	975,908	327,107
Emergency Management	1,492,744	-	-	(27,764)	11	1,464,980	(28,650)
Building and Maintaining Roads	8,306,284	-	421,560	16,564,493	12	25,292,337	1,833,168
Stormwater Management	205,277	-	-	1,896		207,173	206,437
Water Supplies	7,943,053	-	-	91,229	14	8,034,282	96,280
Sewerage Services	10,328,694	-	-	409,266	15	10,737,960	224,627
Engineering Support & Asset Management	31,901	-	-	4,044		35,945	35,945
<i>Protecting our unique environment</i>							
Environmental Health	484,095	-	-	17,580	17	501,675	312,196
Environmental Management	-	104,603	40,456	-		145,059	87,405
Waste Management	8,586,742	-	-	39,221	18	8,625,963	7,110,452
<i>Delivering for our community</i>							
Governance & Advocacy	631,010	-	-	-		631,010	13,926
Community Connection	-	-	-	-		-	-
Financial Services	23,337,123	-	-	350,156	20	23,687,279	17,045,478
People & Culture	22,409	-	-	43,762	21	66,171	48,988
Work Health & Safety	-	-	-	-		-	-
Fleet Management	5,657,156	-	-	-		5,657,156	1,239,872
Quarries	1,867,595	-	-	4,665		1,872,260	372,117
Private Works	95,524	-	-	-		95,524	8,765
Customer Service	6,552	-	-	-		6,552	1,131
Information Technology Services	12,191	-	-	-		12,191	7,801
Total Income from Continuing Operations	86,603,023	104,603	1,568,131	18,026,011		106,301,768	34,249,229

for the quarter ended 30 September 2023

Income & Expenses Budget Review Statement

Income & Expenses - by Service	Original Budget 2023/2024	Approved Changes for Council	Monthly Adjustments	Recommended Changes for Council Resolution	Notes	Projected Year End Result	Actual YTD 30-Sep-23
		Carry-Overs from 2022/23	Monthly Adj Sep Qtr	Sep			
Expenses							
<i>Strengthening our role in the region</i>							
Recovery	419,319	-	91,401	-		510,720	52,669
Economic Development	536,929	-	-	-		536,929	126,700
Real Estate Development	565,268	-	-	-		565,268	165,341
Strategic Planning	188,645	-	-	-		188,645	3,629
Tourism	369,212	-	10,426	-		379,638	46,725
Northern Rivers Livestock Exchange	2,645,316	-	-	-		2,645,316	652,468
<i>Creating great places to live</i>							
Festivals and Events	346,873	-	-	19,000	4	365,873	152,211
Libraries	2,577,196	-	-	12,207	5	2,589,403	423,041
Community Programs and Grants	224,279	-	-	25,996	6	250,275	46,335
Sports Grounds, Parks and Facilities	3,802,326	102,749	-	954		3,906,029	959,604
Community Centres and Halls	923,110	-	-	-		923,110	297,093
Swimming Pools	1,283,908	-	-	117,000	9	1,400,908	342,847
Cemeteries	423,236	-	-	-		423,236	104,257
Planning & Development Services	3,124,777	100,000	-	-		3,224,777	897,588
Emergency Management	2,713,175	-	-	-		2,713,175	754,176
Building and Maintaining Roads	17,777,366	198,310	-	9,492	12	17,985,167	4,697,482
Stormwater Management	1,037,120	-	-	498		1,037,618	228,721
Water Supplies	7,378,345	-	-	40,250	14	7,418,595	1,952,821
Sewerage Services	8,740,723	-	-	40,250	15	8,780,973	2,075,498
Engineering Support & Asset Management	31,901	-	-	(2,281)		29,620	29,620
<i>Protecting our unique environment</i>							
Environmental Health	1,439,506	-	-	21,380	17	1,460,886	399,345
Environmental Management	513,765	145,520	40,456	-		699,741	156,405
Waste Management	8,474,896	-	28,059	28,320	18	8,531,275	1,717,683
<i>Delivering for our community</i>							
Governance & Advocacy	2,761,332	25,250	-	-		2,786,582	895,358
Community Connection	204,042	-	-	-		204,042	9,816
Financial Services	147,046	-	-	-		147,046	20,963
People & Culture	0.00	-	-	6,325	21	6,325	6,325
Work Health & Safety	0.00	34,557	-	-		34,557	34,557
Fleet Management	5,031,745	-	-	-		5,031,745	1,395,003
Quarries	464,410	-	-	4,665		469,075	146,853
Private Works	90,892	-	-	-		90,892	51,269
Customer Service	6,552	18,000	-	-		24,552	5,743
Information Technology Services	184,201	-	-	-		184,201	8,498
Total Expenses from Continuing Operations	74,427,411	624,386	170,342	324,056		75,546,194	18,856,646
Net Operating Result from Continuing Operations	12,175,612	(519,783)	1,397,789	17,701,956		30,755,573	15,392,583
Net Operating Result before Capital Items	(1,628,147)	(519,783)	(38,485)	257,351		(1,929,065)	8,334,232

for the quarter ended 30 September 2023

Capital Budget Review Statement

	Original Budget 2023/2024	Approved Changes for Council Carry-Overs from 2022/23	Monthly Adjustments Monthly Adj Sep Qtr	Recommended Changes for Council Resolution Sep	Notes	Projected Year End Result	Actual YTD 30-Sep-23
Capital Budget							
Capital Expenditure							
<i>Strengthening our role in the region</i>							
Recovery	-	-	-	-		-	-
Economic Development	-	-	-	-		-	-
Real Estate Development	2,767,500	-	25,951	(34,369)	2	2,759,082	2,327
Strategic Planning	-	-	-	-		-	-
Tourism	5,514,003	-	348,461	(40,163)	3	5,822,302	1,920,529
Northern Rivers Livestock Exchange	185,455	-	-	-		185,455	15,006
<i>Creating great places to live</i>							
Festivals and Events	-	-	-	-		-	-
Libraries	130,605	59,809	14,590	169,959	5	374,963	28,587
Community Programs and Grants	-	-	-	-		-	-
Sports Grounds, Parks and Facilities	9,961,713	-	1,297,653	1,022,175	7	12,281,541	2,869,322
Community Centres and Halls	47,918	-	-	50,456	8	98,374	37,908
Swimming Pools	-	-	742,868	524,834	9	1,267,702	481,194
Cemeteries	30,000	-	40,000	-		70,000	3,431
Planning & Development Services	-	-	-	362		362	362
Emergency Management	-	-	-	269,431	11	269,431	24,980
Building and Maintaining Roads	8,556,756	30,000	1,223,288	19,340,285	12	29,150,329	2,964,035
Stormwater Management	2,209,189	-	-	7,000	13	2,216,189	3,690
Water Supplies	3,150,000	-	862,333	(702,106)	14	3,310,227	341,500
Sewerage Services	4,071,400	15,000	1,210,260	39,845	15	5,336,505	352,422
Engineering Support & Asset Management	35,000	77,945	63,000	23,085	16	199,030	-
<i>Protecting our unique environment</i>							
Environmental Health	-	-	-	-		-	-
Environmental Management	-	-	-	-		-	-
Waste Management	4,635,970	45,000	273,090	-		4,954,060	1,221,495
<i>Delivering for our community</i>							
Governance & Advocacy	-	-	-	9,353	19	9,353	8,165
Community Connection	-	-	-	-		-	-
Financial Services	-	-	-	-		-	-
People & Culture	-	-	-	1,817		1,817	1,817
Work Health & Safety	-	-	-	-		-	-
Fleet Management	2,573,145	-	721,328	-		3,294,473	246,099
Quarries	-	-	-	-		-	-
Private Works	-	-	-	-		-	-
Customer Service	10,000	-	-	120,000	22	130,000	1,498
Information Technology Services	-	-	-	-		-	-
Total Capital Expenditure	43,878,654	227,754	6,822,822	20,801,964		71,731,194	10,524,371

for the quarter ended 30 September 2023

Capital Budget Review Statement

	Original Budget 2023/2024	Approved Changes for Council Carry-Overs from 2022/23	Monthly Adjustments Monthly Adj Sep Qtr	Recommended Changes for Council Resolution Sep	Notes	Projected Year End Result	Actual YTD 30-Sep-23
Capital Budget							
Capital Revenue							
Capital Grants and Contributions							
<i>Strengthening our role in the region</i>							
Recovery	-	-	-	-		-	-
Economic Development	-	-	-	-		-	-
Real Estate Development	-	-	-	99,908	2	99,908	99,908
Strategic Planning	-	-	-	-		-	-
Tourism	4,800,000	-	-	(1,005,000)	3	3,795,000	-
Northern Rivers Livestock Exchange	195,300	-	-	-		195,300	416
<i>Creating great places to live</i>							
Festivals and Events	-	-	-	-		-	-
Libraries	45,400	-	-	-		45,400	-
Community Programs and Grants	-	-	-	-		-	-
Sports Grounds, Parks and Facilities	5,952,237	-	537,152	1,353,682	7	7,843,071	4,634,770
Community Centres and Halls	-	-	-	-		-	-
Swimming Pools	-	-	477,562	30,000	9	507,562	104,995
Cemeteries	-	-	-	-		-	-
Planning & Development Services	200,788	-	-	49,212	10	250,000	173,663
Emergency Management	-	-	-	-		-	-
Building and Maintaining Roads	2,360,034	-	421,560	16,457,490	12	19,239,084	1,815,112
Stormwater Management	-	-	-	-		-	-
Water Supplies	150,000	-	-	74,045	14	224,045	33,988
Sewerage Services	100,000	-	-	385,268	15	485,268	195,500
Engineering Support & Asset Management	-	-	-	-		-	-
<i>Protecting our unique environment</i>							
Environmental Health	-	-	-	-		-	-
Environmental Management	-	-	-	-		-	-
Waste Management	-	-	-	-		-	-
<i>Delivering for our community</i>							
Governance & Advocacy	-	-	-	-		-	-
Community Connection	-	-	-	-		-	-
Financial Services	-	-	-	-		-	-
People & Culture	-	-	-	-		-	-
Work Health & Safety	-	-	-	-		-	-
Fleet Management	-	-	-	-		-	-
Quarries	-	-	-	-		-	-
Private Works	-	-	-	-		-	-
Customer Service	-	-	-	-		-	-
Information Technology Services	-	-	-	-		-	-
Total Capital Grants and Contributions	13,803,759	-	1,436,274	17,444,605		32,684,638	7,058,351

~~Member Policy, Council Quarterly Budget Review~~
for the quarter ended 30 September 2023

Capital Budget Review Statement

Capital Budget	Original Budget 2023/2024	Approved Changes for Council	Monthly Adjustments	Recommended Changes for Council Resolution	Notes	Projected Year End Result	Actual YTD 30-Sep-23
		Carry-Overs from 2022/23	Monthly Adj Sep Qtr	Resolution Sep			
Capital Revenue (continued)							
Loan Funds Utilised							
<i>Creating great places to live</i> Stormwater Management	1,600,000	-	-	-		1,600,000	-
<i>Protecting our unique environment</i> Waste Management	1,000,000	-	-	-		1,000,000	-
Total Loan Funds Utilised	2,600,000	-	-	-		2,600,000	-
Deferred Debtor Repayments							
<i>Delivering for our community</i> Financial Services	1,910	-	-	-		1,910	-
Total Deferred Debtor Repayments	1,910	-	-	-		1,910	-
Asset Sales							
<i>Creating great places to live</i> Libraries	500	-	-	-		500	361
<i>Strengthening our role in the region</i> Real Estate Development	3,172,500	-	-	54,609	2	3,227,109	54,609
Northern Rivers Livestock Exchange	2,727	-	-	-		2,727	-
<i>Protecting our unique environment</i> Waste Management	68,727	-	-	-		68,727	-
<i>Delivering for our community</i> Fleet Management	436,224	-	-	-		436,224	-
Total Asset Sales	3,680,678	-	-	54,609		3,735,287	54,970
Total Capital Revenue	20,086,347	-	1,436,274	17,499,214		39,021,835	7,113,321

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023

Budget Variation Explanations
Recommended changes to Revised Budget

The following notes detail budget variations of \$5,000 or more (or if material to the overall program) from the Original Budget to the Revised Budget as at 30 September 2023, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
1	Recovery	
	<i>Income from Continuing Operations</i>	(\$10,339)
	It is proposed to reduce the income budget by \$10,339 in line with actual expenditure on the completion of the Bushfire Community Recovery and Resilience Fund Project.	
2	Real Estate Development	
	<i>Capital Grants and Contributions</i>	\$99,908
	<i>Asset Sales</i>	\$54,609
	It is proposed to increase capital grants with Council receiving the final payment of \$99,908 for the Casino Industries Activation Project funded by the Department of Industry, Science, Energy and Resources. Council has also successfully negotiated the sale of a closed roadway in Casino.	
	<i>Capital Expenditure</i>	(\$34,369)
	Proposed reduction of \$37,500 in real estate development works as works have been completed, offset by an increase of \$3,131 for the Casino Industries Activation budget to bring the budget in line with actual expenditure.	
3	Tourism	
	<i>Capital Grants and Contributions</i>	(\$1,005,000)
	<i>Capital Expenditure</i>	(\$40,163)
	It is proposed to reduce the income budget by \$1,005,000 and expenditure by \$40,163 to bring the 2024 budget back in line with the revised program of works for the Northern Rivers Rail Trail project in 2023/24.	
4	Festival and Events	
	<i>Income from Continuing Operations</i>	\$10,000
	<i>Expenses from Continuing Operations</i>	\$19,000
	Council has been successful in receiving a \$10,000 grant from the National Australia Day Council as part of the Australia Day 2024 Community Grants Program resulting in a corresponding increase in income and expenditure. In addition, it is proposed to increase the Casino Truck Show budget by \$9,000 from event funding reserves to bring the budget in line with actual expenditure incurred during the 2023 event.	

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023**

**Budget Variation Explanations
Recommended changes to Revised Budget**

The following notes detail budget variations of \$5,000 or more (or if material to the overall program) from the Original Budget to the Revised Budget as at 30 September 2023, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
5	Libraries	
	<i>Expenses from Continuing Operations</i>	\$12,207
	It is proposed to reallocate \$10,000 from capital expenditure to operational for the digitising of local newspaper project along with \$2,207 from unexpended grants and contributions reserves to finalise some small grant funded projects in 2023/2024.	
	<i>Capital Expenditure</i>	\$169,959
	Council has been successful in receiving \$173,803 in funding under the Public Library Infrastructure Grants program for multi-purpose meeting rooms at the Casino Library which also includes a Council contribution of \$5,893. Offsetting this increase is the reallocation of \$10,000 from capital to operating mentioned above.	
6	Community Programs and Grants	
	<i>Expenses from Continuing Operations</i>	\$25,996
	A review of the community programs budget has been undertaken resulting in an increase in the budget of \$25,996 towards aboriginal programs, community projects, aged & disability, woman and youth projects.	
7	Sports Grounds, Parks and Facilities	
	<i>Capital Grants and Contributions</i>	\$1,353,682
	An increase in capital grants and contributions is proposed due to Council receiving funding of \$272,814 from NSW Public Works for natural disaster restoration works at Woodburn Oval, along with an increase in the budget for the Casino Showground Upgrade project of \$1,080,868 in line with the revised program of works for 2023/24.	
	<i>Capital Expenditure</i>	\$1,022,175
	A review of sports grounds, parks and facilities capital works program has been undertaken resulting in a overall increase of \$1,022,175, largely due to the revised program of works for the Casino Showground project and Woodburn Oval restoration works mentioned above.	
8	Community Centres and Halls	
	<i>Capital Expenditure</i>	\$50,456
	Proposed increase in capital expenditure due to essential repairs at the Broadwater and Woodburn Halls post the February 2022 flood, funded from insurance reserves.	

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023

Budget Variation Explanations
Recommended changes to Revised Budget

The following notes detail budget variations of \$5,000 or more (or if material to the overall program) from the Original Budget to the Revised Budget as at 30 September 2023, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
9	Swimming Pools	
	<i>Capital Grants and Contributions</i>	\$30,000
	Council was successful in receiving funding for the Casino and Woodburn Pools under the Local Roads and Community Infrastructure Program Phase 3 resulting in an increase in swimming pool capital works of \$30,000.	
	<i>Expenses from Continuing Operations</i>	\$117,000
	Due to the redevelopment of the Casino swimming pool and in line with original contract agreements, a revision in the contract prices for all of the Richmond Valley swimming pools has resulted in an increase of \$117,000 in operating expenditure for 2023/2024.	
	<i>Capital Expenditure</i>	\$524,834
	An increase in capital expenditure for swimming pools is largely attributed to an additional \$420,018 being transferred from internal reserves towards the finalisation of the Casino Swimming Pool upgrade along with a proposed adjustment of \$26,160 towards equipment renewals at the Evans Head Swimming Pool. In addition, it is proposed to allocate \$78,656 in unexpended grant funding (\$30,000) and internal reserves funding (\$48,656) towards the repainting of the roof and implementation of shade structure at the Evans Head pool.	
10	Planning & Development Services	
	<i>Capital Grants and Contributions</i>	\$49,212
	Proposed increase of Section 7.11 Heavy Haulage fees by \$49,212 in line with actuals received year-to-date.	
11	Emergency Management	
	<i>Income from Continuing Operations</i>	(\$27,764)
	Reduction in income for emergency management to bring the budget in line with actual expenditure incurred under the Northern NSW Flood Commemorative Events funding on the successful completion of events funded by the Department of Premier and Cabinet.	
	<i>Capital Expenditure</i>	\$269,431
	It is proposed to increase capital expenditure by \$269,431 towards the acquisition of mobile emergency amenities funded under Round 2 of the Office of Local Government natural disaster recovery grant.	

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023

Budget Variation Explanations
Recommended changes to Revised Budget

The following notes detail budget variations of \$5,000 or more (or if material to the overall program) from the Original Budget to the Revised Budget as at 30 September 2023, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
12	Building and Maintaining Roads	
	<i>Income from Continuing Operations</i>	\$107,003
	<i>Capital Grants and Contributions</i>	<u>\$16,457,490</u>
		\$16,564,493

The 2023/24 roads budget has undertaken a significant review with a proposed increase to the income budget of \$16,564,493. Largely contributing to this increase is a reconciliation of approved funding under NSW disaster recovery arrangements for Essential Public Asset Reconstruction Works as a result of the Feb 2022 flood event (AGRN1012) totalling \$10,067,773. Further details are provided below:

Town Entrance Signs - Stronger Country Communities - Round 4	Grant Funded	\$11,000
Halstead's Drive - Crown Land Flood Recovery Program (AGRN1012) - Stage 1	Grant Funded	\$251,200
Halstead's Drive - Crown Land Flood Recovery Program (AGRN1012) - Stage 2	Grant Funded	\$112,000
Halstead's Drive - Crown Land Flood Recovery Program (AGRN1012) - Stage 3	Grant Funded	\$1,012,500
Transport for NSW Speed Signs - Manifold Road	Grant Funded	\$3,884
AGRN1012 EPAR Natural Disaster Feb 22 Sealed Roads	Grant Funded	\$9,705,355
AGRN1012 EPAR Natural Disaster Feb 22 Regional Roads	Grant Funded	\$213,914
AGRN1012 EPAR Natural Disaster Feb 22 Unsealed Roads	Grant Funded	\$148,504
AGRN960 Natural Disaster Mar 21 Regional Roads	Grant Funded	\$257,205
Thearles Canal Culverts - Northern Rivers Recovery and Resilience	Grant Funded	\$1,478,414
Dairy Flat Road Improvements - Northern Rivers Recovery and Resilience	Grant Funded	\$4,160,679
Lagoon Road Coraki Upgrades	Contributed by residents	\$46,000
Sealed Rds Capital Grants	Removal of pooled budget	-\$400,000
Transport for NSW - Walker Street Footpath Replacement	Reconcile 2023/24 grant funded program	-\$3,024
RMS PAMP Program	Funding has been replaced	-\$20,000
RMS REPAIR Program Regional	Funding has been replaced	-\$166,475
Grant Cap - Willox Bridge - Fixing Country Bridges	Grant funded	-\$353,666
		<u>\$16,457,490</u>

Expenses from Continuing Operations \$9,492

A review of the roads operating budget has been undertaken resulting in an overall reallocation of \$9,492, as outlined below.

Fixing Local Rds (FLR) - Pothole Repair Program (PRP)	Grant funded - Allocate Unexpended Grant	\$84,261
Roads Urban Mtce - Casino - Ops	Reallocate to roadside furniture renewal project	(\$9,000)
Roads Urban Mtce - Broadwater - Ops	Reallocate to George Street refurbishment	(\$7,269)
Roads Urban Maintenance - Additional Maintenance	Reallocate to George Street refurbishment	(\$20,000)
Roads Sealed Rural Local - Ops	Reallocate to Reynolds Road Shoulder Resheet	(\$38,500)
		<u>\$9,492</u>

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023

Budget Variation Explanations
Recommended changes to Revised Budget

The following notes detail budget variations of \$5,000 or more (or if material to the overall program) from the Original Budget to the Revised Budget as at 30 September 2023, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
	<i>Capital Expenditure</i>	\$19,340,285
	A review of the roads capital works program has resulted in a number of proposed adjustments due to competing priorities taking into consideration the ongoing extensive work involved with disaster recovery restoration works that are currently underway, resulting in an overall increase of \$19,340,285, as detailed below:	
	Broadwater - George Street Rehab Pavement	Reallocation of Funds - As Above \$27,269
	Roadside Furniture Renewal	Reallocation of Funds - As Above \$9,000
	Woodburn Roads - CBD Activation (OLG)	Grant Funded \$120,000
	Town Entrance Signs - Stronger Country Communities - Round 4	Grant Funded \$55,000
	Reg Rds - MR153 (Golf Links Rd to Blue Pools Rd) RLRRP	Grant Funded \$150,000
	Reg Rds - MR4058 (Broadwater Beach Rd to Sewage Rd) RLRRP	Grant Funded \$210,000
	Reg Rds - MR145 (Oakley Ck to Lees Ln) RLRRP	Grant Funded \$230,000
	Reg Rds - MR145 (Smiths Rd to Coopers Ln) RLRRP	Grant Funded \$160,000
	Willox Bridge - Fixing Country Bridges	Grant Funded \$563,299
	Sextonville Rd (Elford Rd to Stratheden Rd) RLRRP	Grant Funded \$300,000
	Halstead's Drive - Crown Land Flood Recovery Program (AGRN1012) - Stage 1	Grant Funded - As Above \$251,200
	Halstead's Drive - Crown Land Flood Recovery Program (AGRN1012) - Stage 2	Grant Funded - As Above \$112,000
	Halstead's Drive - Crown Land Flood Recovery Program (AGRN1012) - Stage 3	Grant Funded - As Above \$1,012,500
	AGRN1012 EPAR Natural Disaster Feb 22 Sealed Roads	Grant Funded - As Above \$9,705,355
	AGRN1012 EPAR Natural Disaster Feb 22 Regional Roads	Grant Funded - As Above \$213,914
	AGRN1012 EPAR Natural Disaster Feb 22 Unsealed Roads	Grant Funded - As Above \$148,504
	AGRN960 EPAR10 - MR145 Casino Coraki Rd (DM01218)	Grant Funded - As Above \$180,000
	Transport for NSW Speed Signs - Manifold Road	Grant Funded - As Above \$3,884
	Thearles Canal Culverts - Northern Rivers Recovery and Resilience	Grant Funded - As Above \$1,478,414
	Dairy Flat Road Improvements - Northern Rivers Recovery and Resilience	Grant Funded - As Above \$4,160,679
	RTR Coraki Ellangowan Road CH 0 to 2.57 (from ellangowan rd)	Grant Funded - As Above \$614,526
	Reynolds Rd - Shoulder resheeting	Reallocate from operational sealed rural roads \$38,500
	Lagoon Road Coraki Upgrades	Resident Contributed - As Above \$46,000
	Footpaths Casino - 173 to 175 Walker Street	Section 7.12 Development Contributions Plan \$3,000
	Footpaths Evans - Woodburn St - Wattle to Booyong (eastn)	Section 7.12 Development Contributions Plan \$1,573
	Footpaths Casino - River St, Centre St to Walker St	Section 7.12 Development Contributions Plan \$20,030
	Reg Rds - MR145 Woodburn-Coraki Rd Major Upgrade (\$10m)	Section 7.11 Heavy Haulage \$540,506
	Tatham Bridges Rectification Works	Insurance Reserve \$6,800
	Footpaths Broadwater - Broadwater SES access	Insurance Reserve \$8,500
	Tuckombil Road Woodburn - North (Asset Handover)	Reallocate unexpended contribution \$55,762
	Tuckombil Road Woodburn - South (Asset Handover)	Reallocate unexpended contribution \$180,480
	Well Road Woodburn - existing section rehab (Asset Handover)	Reallocate unexpended contribution \$142,627
	Rural Sealed - Tuckombil Road - reseal of new works	Reallocate unexpended contribution \$72,759
	Reseals - Rural Local Roads	Transfer to 24/25 Budget (\$941,703)
	RMS REPAIR Program Regional	Funding has been replaced (\$79,472)
	Rural Roads - Capital Grants Works	Removal of pooled budget (\$400,000)
	Benns Rd - Rehabilitation 2.3kms	Reallocate to Vegetation Offset Initiative (\$18,000)
	Lolback Bridge (FCB)	Reconcile 2023/24 Grant funded program (\$18,775)
	Reynolds Road Bridge (FCB)	Reconcile 2023/24 Grant funded program (\$23,847)
		\$19,340,285

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023

Budget Variation Explanations
Recommended changes to Revised Budget

The following notes detail budget variations of \$5,000 or more (or if material to the overall program) from the Original Budget to the Revised Budget as at 30 September 2023, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
13	Stormwater Management	
	<i>Capital Expenditure</i>	\$7,000
	A proposed increase of \$7,000 in stormwater capital works funded from reserves towards the replacement of a collapsed stormwater pipe within the road reserve adjoining Centre Street, Casino.	
14	Water Supplies	
	<i>Income from Continuing Operations</i>	\$17,184
	<i>Capital Grants and Contributions</i>	\$74,045
		<u>\$91,229</u>
	Council was successful in receiving funding under phase 1 of the North Coast Water and Wastewater Repair and Recovery program as a result of damage to infrastructure during the February 2022 flood event, with the final approved funding amounts resulting in an increase of \$17,184 in operational and \$74,045 in capital grants.	
	<i>Expenses from Continuing Operations</i>	\$40,250
	Proposed increase of the operational water budget towards the recruitment of several key technical roles for water operations.	
	<i>Capital Expenditure</i>	(\$702,106)
	A review of the water supplies capital works program has been performed and resulted in an overall decrease of the capital program by \$702,106 as outlined below:	
	Water Main Coraki - QE Dr; Donaldson Street to Swamp Street	Transfer to Water Infrastructure Reserve (\$101,397)
	Water Main Evans Head - Beronia Street	Transfer to Water Infrastructure Reserve (\$40,000)
	Rileys Hill Water Network Option Assessment	Transfer to Water Infrastructure Reserve (\$80,000)
	Water Reservoir Casino - South Booster Station Upgrade	Transfer to Water Infrastructure Reserve (\$250,000)
	Water Treatment Plant Casino - Spare PAC Dosing Pump	Transfer to Water Infrastructure Reserve (\$733)
	Water Treatment Plant Casino - Utility Water Upgrade	Transfer to Water Infrastructure Reserve (\$100,000)
	Water Treatment Plant Casino - Redundant Raw Water Flow Control Valve	Transfer to Water Infrastructure Reserve (\$25,000)
	Water Reservoir Broadwater - Reservoir High Zone Switchboard Upgrade	Transfer to 2024/2025 (\$40,000)
	Water Reservoir Broadwater - RTU Replacements & Standardise Cod	Transfer to 2024/2025 (\$80,000)
	Water Reservoir Coraki - Coraki Booster PS Upgrade	Transfer to 2024/2025 (\$100,000)
	Water Treatment Plant Casino - Soda Ash Dosing Manifold & Rotameter	Transfer to 2024/2025 (\$24,415)
	Water Reservoir Casino - South Reservoir Backbone Panel	Transfer from Water Infrastructure Reserve \$15,000
	Water Treatment Plant Casino - RWPS Roller Door Refurbishment	Transfer from Water Infrastructure Reserve \$11,704
	Water Treatment Plant Casino - Polymer Dosing Upgrade	Transfer from Water Infrastructure Reserve \$10,000
	Water Treatment Plant Casino - Sediment Tanks Sludge Valve	Transfer from Water Infrastructure Reserve \$10,000
	Water Treatment Plant Casino - Process DB Replacement	Transfer from Water Infrastructure Reserve \$24,000
	Water Treatment Plant Casino - Sediment Tanks Drain Valves	Transfer from Water Infrastructure Reserve \$6,735
	Water Treatment Plant Casino - New Shed for RWPS & CW pumps	Transfer from Water Infrastructure Reserve \$62,000
		<u>(\$702,106)</u>

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023

Budget Variation Explanations
Recommended changes to Revised Budget

The following notes detail budget variations of \$5,000 or more (or if material to the overall program) from the Original Budget to the Revised Budget as at 30 September 2023, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
15	Sewerage Services	
	<i>Income from Continuing Operations</i>	\$23,998
	<i>Capital Grants and Contributions</i>	\$385,268
		<u>\$409,266</u>
	Council was successful in receiving funding under phase 1 of the North Coast Water and Wastewater Repair and Recovery program as a result of damage to infrastructure during the February 2022 flood event, with the final approved funding amounts resulting in an increase of \$23,998 in operational and \$122,768 in capital grants. Council has also been successful in receiving funding for stage 2 of the concept and design for the Evans Head sewer treatment plant resulting in a proposed increase to capital grants of \$262,500.	
	<i>Expenses from Continuing Operations</i>	\$40,250
	Proposed increase of the operational sewerage budget towards the recruitment of several key technical roles for sewer operations.	
	<i>Capital Expenditure</i>	\$39,845
	A review of the Sewerage capital works program has been performed and resulted in an overall increase of \$39,845 as outlined below:	
	Sewer Pump Station Casino - PS15 Upgrade	Transfer to Sewer Infrastructure Reserve (\$99,175)
	Sewer Pump Station Casino - SPS 15 Switchboard Upgrades	Transfer to Sewer Infrastructure Reserve (\$2,252)
	Sewer Pump Station Casino - PS7 Upgrade	Transfer to Sewer Infrastructure Reserve (\$175,000)
	Sewer Pump Station Casino - PS9 Upgrade	Transfer to Sewer Infrastructure Reserve (\$145,000)
	Sewer Pump Station Coraki - Box Ridge SPS Pump Replacement	Transfer to Sewer Infrastructure Reserve (\$1,536)
	Sewer Pump Station Broadwater - PS1 MHL Dosing System Upgrade	Transfer to Sewer Infrastructure Reserve (\$40,000)
	Sewer Treatment Plant Casino - Inlet Works Repairs	Transfer to Sewer Infrastructure Reserve (\$127,000)
	Sewer Treatment Plant Casino - Radio Renewal	Transfer to Sewer Infrastructure Reserve (\$70,000)
	Sewer Treatment Plant Coraki - Reuse Automation	Transfer to Sewer Infrastructure Reserve (\$91,000)
	Sewer Treatment Plant Evans Head - UV PLC Renewal	Transfer to Sewer Infrastructure Reserve (\$50,000)
	Sewer Treatment Plant Rileys Hill - RH SPS #402 Spare Pump	Transfer to Sewer Infrastructure Reserve (\$2,360)
	Sewer - CCTV Vehicle & Fitout	Transfer to Sewer Infrastructure Reserve (\$15,664)
	Sewer Pump Station Broadwater - RTU Renewal	Transfer to 2024/2025 (\$15,000)
	Sewer Pump Station Casino - RTU Renewal	Transfer from Sewer Infrastructure Reserve \$30,000
	Sewer Pump Station Casino - Switchboard Renewal	Transfer from Sewer Infrastructure Reserve \$22,208
	Sewer Pump Station Casino - RTU Renewal	Transfer from Sewer Infrastructure Reserve \$15,000
	Sew Pump Station Evans Head - PS7 MHL Dosing System Upgrade	Transfer from Sewer Infrastructure Reserve \$51,832
	Sewer Pump Station Evans Head - PS305 Pump Replacement	Transfer from Sewer Infrastructure Reserve \$6,225
	Sewer Pump Station Woodburn - PS3 MHL Dosing System Upgrade	Transfer from Sewer Infrastructure Reserve \$56,842
	Sewer Pump Station Rileys Hill - Switchboard Platform	Transfer from Sewer Infrastructure Reserve \$70,000
	Sewer Pump Station Woodburn - Switchboard Platform	Transfer from Sewer Infrastructure Reserve \$150,000
	Sewer Treatment Plant Rileys Hill - Process Upgrade Post Flood Feb 22	Transfer from Sewer Infrastructure Reserve \$150,000
	Sewer Treatment Plant Evans Head - Weda S600 Pump Replacement	Transfer from Sewer Infrastructure Reserve \$34,471
	Sewer Treatment Plant Evans Head - Sludge Dewatering Spare PLC	Transfer from Sewer Infrastructure Reserve \$9,000
	Sewer Treatment Plant Evans Head - EAT DO & Ammonia Instrumentation	Transfer from Sewer Infrastructure Reserve \$13,700
	Sewer Treatment Plant Rileys Hill - Spare Lift Pump	Transfer from Sewer Infrastructure Reserve \$4,554
	Sewer Treatment Plant Casino - Grit Arrester Roof Replacement	Transfer from Sewer Infrastructure Reserve \$25,000
	Sewer Treatment Plant Rileys Hill - Spraybars	Transfer from Sewer Infrastructure Reserve \$25,000
	South Casino Sewage Transfer Station - NSW Regional Housing Fund	Transfer Unexpended Grant from Reserves \$200,000
		<u>\$39,845</u>

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023**

**Budget Variation Explanations
Recommended changes to Revised Budget**

The following notes detail budget variations of \$5,000 or more (or if material to the overall program) from the Original Budget to the Revised Budget as at 30 September 2023, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
16	Engineering Support & Asset Management	
	<i>Capital Expenditure</i>	\$23,085
	Proposed increase of \$23,085 for CCTV camera's at the Coraki depot to be funded by the Financial Assistance Grant.	
17	Environmental Health	
	<i>Income from Continuing Operations</i>	\$17,580
	<i>Expenses from Continuing Operations</i>	\$21,380
	Proposed increase in the operational budget for environmental health largely due to \$17,580 being received from Transport for NSW towards the installation of temporary fencing on North Wall Evans Head.	
18	Waste Management	
	<i>Income from Continuing Operations</i>	\$39,221
	<i>Expenses from Continuing Operations</i>	\$28,320
	An increase in operating income of \$39,221 to bring budget in line with actual waste annual charges levied for 2023/2024. It is also proposed to bring forward the budget of \$20,000 for the Nammoona master plan from the 2025 budget, increasing operating expenditure along with a further \$8,320 from waste management reserves towards operational maintenance at the Nammoona waste facility.	
19	Governance & Advocacy	
	<i>Capital Expenditure</i>	\$9,353
	An increase in capital expenditure of \$9,353 towards office and furniture renewals.	
20	Financial Services	
	<i>Income from Continuing Operations</i>	\$350,156
	Council's Financial Assistance Grant Funding has been announced for the 2023/2024 year resulting in an increase in the budgeted income of \$350,156 for the 2023/24 year.	
21	People and Culture	
	<i>Income from Continuing Operations</i>	\$43,762
	<i>Expenses from Continuing Operations</i>	\$6,325
	Proposed increase to the operational income budget to bring the budget in line with actual funds received for the transferring of Long Service Leave from other councils for new staff. In addition, it is proposed to increase operating expenditure by \$6,325 transferred from engineering support service towards survey design software training to improve capabilities for projects completed in house.	
22	Customer Service	
	<i>Capital Expenditure</i>	\$120,000
	An increase of \$130,000 in capital expenditure for Council offices towards the installation of solar on the Casino office building, funded from the Financial Assistance Grant. Offsetting this increase was the transfer of \$10,000 off the council office furniture budget to various departments within council for furniture renewals in the Casino office building.	

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023**

Cash & Investments Budget Review Statement

Comment on Cash & Investments Position

Investments

Investments have been made in accordance with Council's Investment Policy.

Fair Value of Investments as at 30 September 2023 is \$79,833,696.

Cash

As at 30 September 2023, bank statements have been reconciled up to 31 August 2023.

Richmond Valley Council Quarterly Budget Review Statement for the quarter ended 30 September 2023							
Cash & Investments Budget Review Statement							
	Opening Cash and Investments 1/07/2023	Original Budget Net Transfer to/(from)	Approved Changes Carry-Over from 2022/23	Approved Changes Monthly Adjustments	Recommended Changes for Council Resolution Sep	Interest Earned	Projected Cash and Investments 30/06/2024
General Fund - External Restrictions							
Unexpended Grant - Evans Head Landcare	741	-	-	-	-	-	741
Unexpended Grant - Roads to Recovery	329,418	-	-	(329,418)	-	-	-
Unexpended Grant - Industry & Investment NSW Manyweathers Weir	4,393	-	-	-	-	-	4,393
Unexpended Grant - Richmond Valley Floodplain Risk Management Plan	6,750	-	-	-	-	-	6,750
Unexpended Grant - NSW EPA Better Waste and Recycling Grant	50,239	-	(32,020)	-	-	-	18,219
Unexpended Grant - Office of Env & Heritage - Koala Survey & Habitat Mapping	3,170	-	-	-	-	-	3,170
Unexpended Grant - NSW RFS Subsidy Northern Rivers Zone	121,397	-	-	-	-	-	121,397
Unexpended Grant - LPMA - Surf Club Grant	24,543	-	-	(16,268)	-	-	8,275
Unexpended Grant - CPTIGS MR145 Woodburn Coraki Rd Bus Shelter	1,674	-	-	-	-	-	1,674
Unexpended Grant - Stronger Country Communities Fund	1,075,870	(970,400)	-	(70,939)	(34,531)	-	0
Unexpended Grant - Local Government Association - Flying Fox Colony QE Park	3,059	-	-	-	-	-	3,059
Unexpended Grant - Crown Lands - Plan of Management Implementation	1,461	-	-	-	-	-	1,461
Unexpended Grant - Northern Rivers Rail Trail	2,027,302	(714,003)	-	(348,461)	(964,838)	-	-
Unexpended Grant - Waste - Narmoonna FOGO Compost Facility	77,888	-	-	-	-	-	77,888
Unexpended Grant - Local Roads and Community Infrastructure Program (LRCIP)	686,234	-	-	(686,234)	0	-	0
Unexpended Grant - Department of Regional NSW - Casino Showground and Racecourse Upgrade	698,157	(600,000)	-	-	(98,157)	-	0
Unexpended Grant - Fixing Local Roads - Naughtons Gap	260,679	-	-	-	19,321	-	280,000
Unexpended Grant - BCRRF - Resilience Officer & Community Grants Program	17,195	-	-	-	(17,195)	-	0
Unexpended Grant - North Coast Region Waste Investment Report	79,135	-	-	-	-	-	79,135
Unexpended Grant - Fixing Country Roads - Country Lane	393,495	(393,495)	-	-	-	-	-
Unexpended Grant - Fixing Country Bridges	1,538,812	(747,881)	-	-	(790,932)	-	0
Unexpended Grant - DPIE - Flying Fox Colony Manifold Rd	380	-	-	-	-	-	380
Unexpended Grant - Resilience NSW - Flood Recovery \$3mil	1,828,044	(914,319)	-	(88,279)	(309,431)	-	516,015
Unexpended Grant - Mobile Library Solar	46,509	-	(46,509)	-	-	-	-
Unexpended Grant - Heritage Advisory Grant	163	-	-	-	-	-	163
Unexpended Grant - Libraries Backyard Cricket	466	-	-	-	(466)	-	0
Unexpended Grant - Department Planning & Environment - Flood response planning grant	78,559	-	-	-	-	-	78,559
Unexpended Grant - DPIE - Crown Lands Flood Clean-up 2022	31,429	-	-	-	-	-	31,429
Unexpended Grant - Foundation for Rural Regional Renewal - Rappville Military History	2,273	-	-	-	-	-	2,273
Unexpended Grant - A Sporting Chance - Rappville Sporting Grounds	80,652	-	-	-	-	-	80,652
Unexpended Grant - PWA - Rappville Sewerage	27,609	-	-	-	-	-	27,609
Unexpended Grant - Reconnecting NSW Community Events	50,399	-	-	-	-	-	50,399
Unexpended Grant - Sporting Priority Needs Program	1,057,356	(837,201)	-	(220,153)	-	-	2
Unexpended Grant - Multi Sports Community Facility Fund	821,875	(821,875)	-	-	407,795	-	407,795
Unexpended Grant - Public Library Infrastructure Grant 2022/23	173,803	-	-	-	(173,803)	-	-
Unexpended Grant - DPI Fishing Trust - McDonald Park Riparian	8,000	-	(8,000)	-	-	-	-
Unexpended Grant - DPIE - Bushfire Affected Coastal Waterways	8,897	-	(8,897)	-	-	-	-
Unexpended Grant - BLERF - Casino Industrial Precincts	24,418	-	-	-	(3,131)	-	21,287
Unexpended Grant - SES - Unit Building Grant	18,552	-	-	-	-	-	18,552
Unexpended Grant - TINSW - Regional and Local Road Repair Program	1,914,269	-	-	-	(1,050,000)	-	864,269
Unexpended Grant - Fixing Local Roads - Pothole Repair Program	84,261	-	-	-	(84,261)	-	-
Unexpended Grant - Fixing Local Roads - Coraki Ellangowan Rd	1,470,001	-	-	-	(614,526)	-	855,475
Unexpended Grant - NSW Regional Housing Fund - South Casino Sewage Transfer System	1,342,959	-	-	(242,959)	(1,100,000)	-	0
Unexpended Grant - Evans Head Sewage Treatment Project - SSWP412	87,500	-	-	-	262,500	-	350,000
Unexpended Grant - Casino Water Security Project - SSWP410	50,000	-	-	-	-	-	50,000
Unexpended Grant - Casino Sewerage Treatment Plan Business Case	56,241	-	-	(56,240)	-	-	1
Unexpended Grant - Flying Fox Habitat Restoration Grant	58,187	-	-	-	14,989	-	73,176
Unexpended Grant - NRJO Flood Anniversary Events	27,764	-	-	-	(27,764)	-	-
Unexpended Grant - Planning Portal Integration to T1	45,715	-	-	-	-	-	45,715

Richmond Valley Council Quarterly Budget Review Statement for the quarter ended 30 September 2023							
Cash & Investments Budget Review Statement							
	Opening Cash and Investments 1/07/2023	Original Budget Net Transfer to/(from)	Approved Changes Carry-Over from 2022/23	Approved Changes Monthly Adjustments	Recommended Changes for Council Resolution Sep	Interest Earned	Projected Cash and Investments 30/06/2024
Unexpended Contribution - RUCRL Mobile Library Replacement Fund	257,501	36,400	-	-	-	-	293,901
Unexpended Contribution - Hannigan DA 2005/188 Bennis Rd	10,338	-	-	-	-	-	10,338
Unexpended Contribution - Statecover WHS Incentive Works	256,113	(11,200)	(34,557)	-	-	-	210,356
Unexpended Contribution - Fire Fighting Infrastructure	10,000	-	-	-	-	-	10,000
Unexpended Contribution - Broadwater Sugar Mill DA Bridge Approaches	90,000	-	-	-	-	-	90,000
Unexpended Contribution - Casino Healthy Towns	2,700	-	-	-	-	-	2,700
Unexpended Contribution - North Coast Waste Investment Report	35,667	-	-	-	-	-	35,667
Unexpended Contribution - LEMC Technology Improvements from LCC & Kyogle Council	20,000	-	-	-	-	-	20,000
Unexpended Contribution - Broadwater Bridge Maintenance (LCC)	8,838	-	-	-	-	-	8,838
Unexpended Contribution - Pacific Complete Asset Handover	1,819,450	-	-	-	(451,628)	-	1,367,822
Domestic Waste Management	7,137,304	(2,586,801)	(45,000)	(53,329)	10,901	122,100	4,585,175
On-Site Sewerage Fees	217,319	-	-	-	(3,800)	3,700	217,219
Stormwater Management Service Charge	1,095,775	(480,356)	-	-	(5,602)	18,800	628,617
Section 7.11 - Quarry Road Contributions	76,523	6,415	-	-	-	1,300	84,238
Section 7.11 - Rural Development Heavy Haulage	1,825,426	50,788	-	-	(491,294)	31,200	1,416,120
Section 7.12 Development Contributions Plan	1,788,663	88,900	-	-	(52,345)	30,600	1,855,818
Controlled Trust Funds	41,792	-	-	-	-	-	41,792
Bonds & Deposits (General Fund)	494,494	-	-	-	-	-	494,494
Total General Fund External Restrictions	31,985,789	(8,895,028)	(174,983)	(2,112,280)	(5,558,196)	207,700	15,453,003
General Fund - Internal Restrictions							
Employee Leave Entitlements	1,428,544	-	-	-	43,762	24,400	1,496,706
Employee Leave Entitlements - Richmond Upper Clarence Regional Library	52,432	-	-	-	-	900	53,332
Richmond Upper Clarence Regional Library	139,163	(10,284)	(13,300)	(14,590)	(7,897)	2,400	95,492
Unexpended Rates Variation	865,065	(267,110)	(30,000)	(268,063)	(19,321)	-	280,571
Financial Assistance Grant Advance Payment	6,396,721	-	-	-	39,086	-	6,435,807
Insurance Reserve	2,454,597	-	-	-	(82,761)	42,000	2,413,836
Plant Replacement	4,199,348	(336,127)	(77,945)	(784,328)	-	71,900	3,072,847
Real Estate and Infrastructure	3,038,086	(522,685)	-	(25,951)	197,341	52,000	2,738,791
Petersons Quarry	2,502,887	394,642	-	-	(500,642)	42,800	2,439,687
Woodview Quarry	2,439,675	316,501	-	-	-	41,800	2,797,976
Quarry Rehabilitation	514,850	50,000	-	-	-	8,800	573,650
Road Rehabilitation Reserve	2,271,875	312,120	-	-	-	38,900	2,622,895
Northern Rivers Livestock Exchange	160,501	601,347	-	-	-	2,700	764,548
Other Waste Management	4,362,254	581,287	-	-	-	74,700	5,018,241
Other Waste Management - Plant Reserve	1,903,689	(500,364)	-	(159,541)	-	32,600	1,276,384
Rural Road Safety Program	91,103	-	-	-	-	-	91,103
RMS State Roads Maintenance Contract	6,018	-	-	-	-	100	6,118
Public Cemeteries Perpetual Maintenance Reserve	186,256	(14,747)	-	(10,000)	-	3,200	164,709
Northern Rivers Rail Trail Maintenance Reserve	655,011	-	-	-	-	-	655,011
Events Funding	74,692	9,000	-	-	(9,000)	-	74,692
Carry Over Works	3,034,951	(232,548)	(436,309)	(261,886)	932,473	-	3,036,681
Total General Fund Internal Restrictions	36,777,719	381,032	(557,554)	(1,524,359)	593,041	439,200	36,109,079
Total General Fund Restrictions	68,763,508	(8,513,996)	(732,537)	(3,636,639)	(4,965,155)	646,900	51,562,082

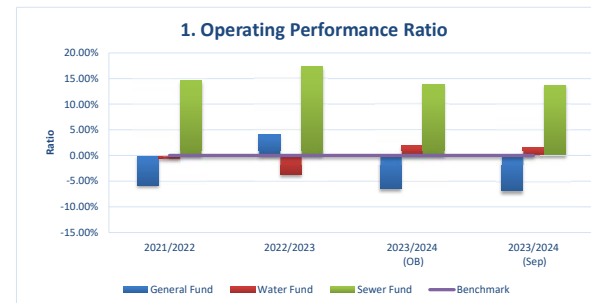
Richmond Valley Council Quarterly Budget Review Statement for the quarter ended 30 September 2023							
Cash & Investments Budget Review Statement							
	Opening Cash and Investments 1/07/2023	Original Budget Net Transfer to/(from)	Approved Changes Carry-Overs from 2022/23	Approved Changes Monthly Adjustments	Recommended Changes for Council Resolution Sep	Interest Earned	Projected Cash and Investments 30/06/2024
Sewerage Fund							
External Restrictions							
Section 64 Contributions	5,738,655	(105,503)	-	-	-	105,503	5,738,655
Infrastructure Replacement	7,432,452	(1,786,521)	(15,000)	(918,561)	1,166,671	136,700	6,015,742
Total Sewerage Fund Restrictions	13,171,107	(1,892,024)	(15,000)	(918,561)	1,166,671	242,203	11,754,397
Water Fund							
External Restrictions							
Section 64 Contributions	2,851,859	138,500	-	-	-	11,500	3,001,859
Infrastructure Replacement	5,483,876	(1,238,670)	-	(869,833)	753,085	22,000	4,150,457
Total Water Fund Restrictions	8,335,735	(1,100,170)	-	(869,833)	753,085	33,500	7,152,317
Total Restrictions (All Funds)	90,270,350	(11,506,190)	(747,537)	(5,425,033)	(3,045,399)	922,603	70,468,795

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023**

Key Performance Indicators Budget Review Statement

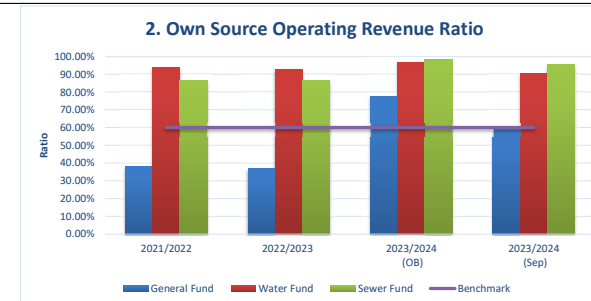
	Current Projection			
	General	Water	Sewerage	
	Fund	Fund	Fund	Total
The Council monitors the following Key Performance Indicators:				
1. Operating Performance Ratio	-6.94%	1.57%	13.71%	-2.87%
Total Continuing Operating Revenue ⁽¹⁾ (excl. Capital Grants & Contributions) - Operating Expenses	(3,396,032)	114,224	1,378,078	(1,903,730)
Total Continuing Operating Revenue ⁽¹⁾ (excl. Capital Grants & Contributions)	48,938,559	7,292,036	10,048,095	66,278,690
⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and net share of interests in joint ventures.				
Prior Periods:				
Original Budget 2023/2024	-6.51%	1.89%	13.91%	-2.45%
2022/2023	4.07%	-3.76%	17.24%	4.94%
2021/2022	-5.83%	-0.63%	14.56%	-2.80%

Purpose: This ratio measures Council's achievement of containing operating expenditure within operating revenue.
Commentary: Council's Operating Performance Ratio is below the benchmark of 0%.
Council obtained a special rate variation over 4 years and has taken steps to address this ratio as part of the current 10 year Long Term Financial Plan.



2. Own Source Operating Revenue Ratio	59.58%	90.34%	95.39%	65.73%
Total Continuing Operating Revenue ⁽¹⁾ (less ALL Grants & Contributions)	48,195,707	6,790,207	10,048,095	65,034,009
Total Continuing Operating Revenue ⁽¹⁾	80,888,550	7,516,081	10,533,363	98,937,994
⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and net share of interests in joint ventures.				
Prior Periods:				
Original Budget 2023/2024	77.67%	96.85%	98.19%	82.09%
2022/2023	37.00%	92.90%	86.57%	45.20%
2021/2022	38.37%	93.58%	86.48%	47.54%

Purpose: This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.
Commentary: Council's Own Source Operating Revenue Ratio is above the benchmark of 60%.
Council obtained a special rate variation over 4 years and this will further support an improvement in this ratio.



Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023

Key Performance Indicators Budget Review Statement

	Current Projection			
	General	Water	Sewerage	
	Fund	Fund	Fund	Total
3. Debt Service Cover Ratio	4.50	0.00	1.19	3.66
Operating Result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation (EBITDA)	11,302,297	2,921,807	2,422,339	16,646,443
Principal Repayments + Borrowing Interest Costs	2,512,444	0	2,035,565	4,548,009
⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and net share of interests in joint ventures.				
Prior Periods:				
Original Budget 2023/2024	1.03	0.00	4.50	1.45
2022/2023	6.51	0.00	2.38	5.11
2021/2022	5.16	0.00	2.14	4.03
Purpose: This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.				
Commentary: Council's Debt Service Cover Ratio (General Fund) is above the benchmark minimum of 2.0, whilst Sewerage Fund is below the benchmark of 2.0. Water Fund is debt free.				

3. Debt Service Cover Ratio

Period	General Fund	Water Fund	Sewerage Fund	Benchmark
2021/2022	5.16	0.00	2.14	2.0
2022/2023	6.51	0.00	2.38	2.0
2023/2024 (OB)	1.03	0.00	4.50	2.0
2023/2024 (Sep)	4.50	0.00	1.19	2.0

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2023**

Contracts & Other Expenses Budget Review Statement

Income & Expenses Budget Review Statement

Part A - Contracts Listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value (exc GST)	Start Date	Duration of Contract	Budgeted (Y/N)
Marathon Modular Pty Ltd	Colley Park Facility Building	\$ 1,175,817.37	13/07/23	18 months	Y
Kyogle Earthworx	Ainsworth Road Embankment & Culvert Work	\$ 595,708.85	21/03/23	12 months	Y
Ennismorefield Landscape Architects	Design of Woodburn Riverside Streetscape	\$ 118,278.00	01/08/23	6 months	Y
Solar Professionals	Supply and Installation of Solar System for Casino Admin Building	\$ 77,580.00	01/09/23	3 months	Y

Notes:

1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
3. Contracts for employment are not required to be included.

Part B - Consultancy & Legal Expenses

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies (including Capital Expenditure)	109,105	Y
Legal Expenses (including Capital Expenditure)	62,636	Y

Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision-making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Comments:

All consultancies and legal expenses incurred to date are within budget allocations. All figures exclude GST.