

Richmond
Valley
Council



ATTACHMENTS

Tuesday, 21 November 2023

UNDER SEPARATE COVER

Ordinary Council Meeting

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Richmond
Valley
Council



MINUTES

**Ordinary Council Meeting
17 October 2023**

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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

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.

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.

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.

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

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

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

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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

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

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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.

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

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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:

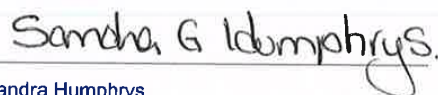
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

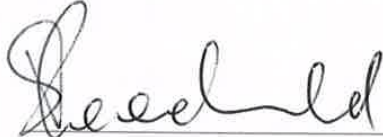
Signed in accordance with a resolution of Council made on 17 October 2023.



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 | 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				
<i>Receipts:</i>				
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
<i>Payments:</i>				
(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				
<i>Receipts:</i>				
–	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
<i>Payments:</i>				
–	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				
<i>Receipts:</i>				
1,000	Proceeds from borrowings		–	4,740
<i>Payments:</i>				
(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

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Richmond Valley Council

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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.

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

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.

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.

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

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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

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

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.

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.

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:			
– Buildings – specialised	C1-7	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:			
– Buildings – specialised	C1-7	(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

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		<u>(2,820)</u>	<u>(4,256)</u>
Gain (or loss) on disposal		<u>(2,551)</u>	<u>(3,915)</u>
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		<u>(6)</u>	<u>(471)</u>
Gain (or loss) on disposal		<u>(6)</u>	<u>1,575</u>
Net gain (or loss) from disposal of assets		<u>(2,557)</u>	<u>(2,340)</u>

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.

B5-1 Material budget variations (continued)

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----
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Statement of cash flows

Cash flows from operating activities	39,233	63,072	23,839	61% F
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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.

Cash flows from investing activities	(47,117)	(53,338)	(6,221)	13% U
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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.

C1-2 Financial investments

\$ '000	2023		2022	
	Current	Non-current	Current	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	<u>(53,492)</u>	<u>(48,587)</u>
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

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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

