

Richmond
Valley
Council



ATTACHMENTS

Tuesday, 19 November 2024

UNDER SEPARATE COVER

Ordinary Council Meeting

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Richmond
Valley
Council



MINUTES

**Ordinary Council Meeting
22 October 2024**

ORDINARY COUNCIL MEETING MINUTES

22 OCTOBER 2024

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22 OCTOBER 2024

**MINUTES OF RICHMOND VALLEY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBERS, 10 GRAHAM PLACE, CASINO
ON TUESDAY, 22 OCTOBER 2024 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 Stephen Morrissey (Deputy Mayor), Cr Sam Cornish, Cr Robert Hayes, Cr Sandra Humphrys, Cr Lyndall Murray, Cr John Walker.

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), Julie Clark (Personal Assistant to the General Manager and Mayor), 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

Ms Jocelyn Reese on behalf of Stop Iron Gates Incorporated, addressed Council in relation to

- Item 14.1 Iron Gates Development: Notice of Intention to Appeal, advocating for Richmond Valley Council to pursue an appeal of the Land and Environment Court's decision on the Iron Gates development.

Mr Doug Luke addressed Council in relation to

- Item 14.1 Iron Gates Development: Notice of Intention to Appeal, speaking against the development. Mr Luke raised concerns about potential impacts on the community and advocated for Council to pursue an appeal of the Land and Environment Court decision.

Dr Richard Gates on behalf of Evans Head Residents for Sustainable Development Incorporated, addressed Council in relation to

- Item 14.1 Iron Gates Development: Notice of Intention to Appeal, raising concerns with the Land and Environment Court decision and advocating for Council to apply for leave of the Court for an extension of time to consider further questions of law arising from the decision that may support an appeal.

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The Mayor thanked Ms Reese, Mr Luke, and Dr Gates for their attendance and address to the meeting.

A full recording of the public address segment is available at:

<https://richmondvalley.nsw.gov.au/council/council-meetings/council-meeting-videos/>

4 APOLOGIES

Nil

5 MAYORAL MINUTES**5.1 MAYORAL MINUTE - HER EXCELLENCY THE HONOURABLE MARGARET BEAZLEY AC KC, GOVERNOR OF NEW SOUTH WALES, AND MR DENNIS WILSON VISIT TO THE RICHMOND VALLEY****RESOLUTION 221024/1**

Moved: Cr Robert Mustow

Seconded: Cr Stephen Morrissey

That Council writes to Her Excellency the Honourable Margaret Beazley AC KC, Governor of New South Wales, and Mr Dennis Wilson to thank them for visiting the Richmond Valley area and showing support and encouragement to our community.

CARRIED

6 CONFIRMATION OF MINUTES**6.1 MINUTES ORDINARY MEETING HELD 20 AUGUST 2024****RESOLUTION 221024/2**

Moved: Cr Sandra Humphrys

Seconded: Cr Sam Cornish

That Council confirms the Minutes of the Ordinary Meeting held on 20 August 2024.

CARRIED

6.2 MINUTES EXTRAORDINARY MEETING HELD 9 OCTOBER 2024**RESOLUTION 221024/3**

Moved: Cr Stephen Morrissey

Seconded: Cr Sam Cornish

That Council confirms the Minutes of the Extraordinary Meeting held on 9 October 2024.

CARRIED

7 MATTERS ARISING OUT OF THE MINUTES**7.1 ORDINARY MEETING MINUTES 20 AUGUST 2024**

Cr Robert Hayes referred to Item 7 of the Minutes, regarding concerns with heavy vehicle movements on McDonald Street Broadwater and current load limits on the Wardell Bridge. He noted that there were plans for further discussions with Transport for NSW, with the outcome to be presented to the next Traffic Committee meeting and requested an update on progress.

The General Manager advised that a date had been set for the first Traffic Committee meeting in the new council term, and that discussions would be had with TfNSW prior to the meeting and that the matter would be addressed at this meeting.

8 DECLARATION OF INTERESTS

Cr Sam Cornish declared a non-pecuniary – insignificant conflict (perceived conflict) in relation to Item 19.7 – Correspondence Submission: Inquiry into Options for Essential Worker Housing in NSW, due to being employed as a NSW “essential worker”.

9 PETITIONS

Nil

10 NOTICE OF MOTION

Nil

11 MAYOR’S REPORT**11.1 MAYORAL ATTENDANCE REPORT 16 AUGUST -15 OCTOBER 2024****RESOLUTION 221024/4**

Moved: Cr Robert Mustow
Seconded: Cr Stephen Morrissey

That Council receives and notes the Mayoral Attendance Report for the period 16 August – 15 October 2024.

CARRIED

12 DELEGATES' REPORTS**12.1 DELEGATES' REPORT AUGUST 2024 - ROUS COUNTY COUNCIL****RESOLUTION 221024/5**

Moved: Cr Sandra Humphrys
Seconded: Cr Robert Mustow

That Council receives and notes the Delegates’ Report – Rous County Council for August 2024.

CARRIED

13 MATTERS DETERMINED WITHOUT DEBATE

13.1 MATTERS TO BE DETERMINED WITHOUT DEBATE

RESOLUTION 221024/6

Moved: Cr Robert Hayes

Seconded: Cr Sandra Humphrys

That item 17.1 identified be determined without debate.

CARRIED

14 GENERAL MANAGER

14.1 IRON GATES DEVELOPMENT: NOTICE OF INTENTION TO APPEAL

EXECUTIVE SUMMARY

The proposed Iron Gates residential development at Evans Head, has a long, complex and controversial history dating back more than 40 years. There have been numerous development applications and legal challenges over that time, however this report focuses on the most recent determination of the Land and Environment Court, which overturned the Northern Region Planning Panel's previous refusal of the development.

Council now has an option to appeal the Land and Environment Court's decision, if it believes there are sufficient questions of law that may be challenged. This report considers the options, relevant legal advice, current and potential costs relating to the matter to support Council's final determination on whether or not it wishes to proceed with an appeal.

MOTION

Moved: Cr John Walker

Seconded: Cr Sandra Humphrys

That Council:

1. Notes the long and complex history of the Iron Gates development and the significant community interest in this matter;
2. Notes the judgement of Preston CJ in *Goldcoral Pty Ltd (Receiver and Manager Appointed) v Richmond Valley Council* regarding this matter and acknowledges the constraints of Section 57 (1) of the *Land and Environment Court Act 1979* in limiting appeal options to questions of law;
3. Further notes the expert legal advice received regarding this matter, concluding that an appeal from the Judgement under s.57(1) of the *Land and Environment Court Act 1979* would not enjoy reasonable prospects of success;
4. Acknowledges the significant expenditure of Council resources in addressing the Land and Environment Court matter and notes the estimated further expenditure and resourcing to pursue an appeal;
5. Having regard to these considerations and noting that a successful appeal of the matter will not preclude future development from occurring on the site, determines not to pursue this matter in the Court of Appeal and advises the Court of this decision;
6. Continues to work with all stakeholders to achieve the best possible outcome for the community from the approved development, in accordance with the development consent conditions.

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22 OCTOBER 2024

AMENDMENT

Moved: Cr Robert Mustow
Seconded: Cr Robert Hayes

That Council:

1. Notes the long and complex history of the Iron Gates development and the significant community interest in this matter;
2. Notes the judgement of Preston CJ in *Goldcoral Pty Ltd (Receiver and Manager Appointed) v Richmond Valley Council* regarding this matter and acknowledges the constraints of Section 57 (1) of the *Land and Environment Court Act 1979* in limiting appeal options to questions of law;
3. Further notes the expert legal advice received regarding this matter, concluding that an appeal from the Judgement under s.57(1) of the *Land and Environment Court Act 1979* would not enjoy reasonable prospects of success;
4. Acknowledges the significant expenditure of Council resources in addressing the Land and Environment Court matter and notes the estimated further expenditure and resourcing to pursue an appeal;
5. Having regard to these considerations and noting that a successful appeal of the matter will not preclude future development from occurring on the site, determines not to pursue this matter in the Court of Appeal and advises the Court of this decision;
6. Continues to work with all stakeholders to achieve the best possible outcome for the community from the approved development, in accordance with the development consent conditions.
7. Investigates options to levy charges to cover all costs associated with the establishment and construction of the development from the developer, and rates and/or charges that can be levied on future residents for ongoing maintenance costs including the bioswales.

FORESHADOWED MOTION

Moved: Cr Lyndall Murray

That Council:

1. Considers instructing its legal counsel to seek a leave of absence or extension of time from the Land and Environment Court to lodge particulars for the appeal, so that Council can complete additional due diligence, given it was under caretaker mode for the majority of time that has lapsed under the current timeline, due to the Local Government Election.
2. Briefs and engages a third party to review the case to underscore the recommendation provided by Jason Lazaurus SC and to consider any other prospective grounds for appeal.

The amendment was put to the vote and carried.

In Favour: Crs Robert Mustow, Stephen Morrissey, Sam Cornish, Robert Hayes and Sandra Humphrys

Against: Crs Lyndall Murray and John Walker

CARRIED 5/2

The amendment became the motion.

The motion was put to the vote and was carried.

RESOLUTION 221024/7

Moved: Cr Robert Mustow

Seconded: Cr Robert Hayes

That Council:

1. Notes the long and complex history of the Iron Gates development and the significant community interest in this matter;
2. Notes the judgement of Preston CJ in *Goldcoral Pty Ltd (Receiver and Manager Appointed) v Richmond Valley Council* regarding this matter and acknowledges the constraints of Section 57 (1) of the *Land and Environment Court Act 1979* in limiting appeal options to questions of law;
3. Further notes the expert legal advice received regarding this matter, concluding that an appeal from the Judgement under s.57(1) of the *Land and Environment Court Act 1979* would not enjoy reasonable prospects of success;
4. Acknowledges the significant expenditure of Council resources in addressing the Land and Environment Court matter and notes the estimated further expenditure and resourcing to pursue an appeal;
5. Having regard to these considerations and noting that a successful appeal of the matter will not preclude future development from occurring on the site, determines not to pursue this matter in the Court of Appeal and advises the Court of this decision;
6. Continues to work with all stakeholders to achieve the best possible outcome for the community from the approved development, in accordance with the development consent conditions.
7. Investigates options to levy charges to cover all costs associated with the establishment and construction of the development from the developer, and rates and/or charges that can be levied on future residents for ongoing maintenance costs including the bioswales.

In Favour: Crs Robert Mustow, Stephen Morrissey, Sam Cornish, Robert Hayes, Sandra Humphrys and John Walker

Against: Cr Lyndall Murray

CARRIED 6/1

15 COMMUNITY SERVICE DELIVERY**15.1 NORTHERN REGIONAL PLANNING PANEL - COUNCIL APPOINTED DELEGATES****EXECUTIVE SUMMARY**

Following the 2024 local government election, Council is required to reconsider its current appointments to the Northern Regional Planning Panel (NRPP). The Regional Planning Panel has five members, three appointed by the NSW Government and two selected by Council. Under the guidelines, at least one of the council members must have expertise in one or more of the following areas: Planning, architecture, heritage, the environment, urban design, land economics, traffic and transport, law, engineering, or tourism. Panel members may only be appointed for up to three years, although members are eligible for re-appointment.

Council's first Panel member role has traditionally been filled by a Councillor, with an alternate/backup Councillor delegate also appointed.

In recent years, Council's second Panel member role has been filled via an expert from Lismore City Council under a reciprocal arrangement whereby an expert from Richmond Valley Council holds a similar role on Lismore's Planning Panel equivalent.

This report seeks to appoint a Councillor delegate, and their alternate, to confirm the continued reciprocal Planning Panel arrangement with Lismore City Council, and to determine appropriate remuneration for Council's Panel members.

RESOLUTION 221024/8

Moved: Cr Robert Mustow

Seconded: Cr Stephen Morrissey

That Council:

1. Appoints a Councillor as one of Council's delegates on the Northern Regional Planning Panel, as well as a second Councillor as the Councillor backup/alternate delegate;
2. Reconfirms its reciprocal Planning Panel arrangement with Lismore City Council by appointing Mr Eber Butron as Council's second (expert) Planning Panel delegate, along with Mr Brendan Logan as his backup/alternate; and
3. Sets remuneration for Councillor attendance at Panel meetings/hearings at:
\$240 per meeting/hearing, plus allowances for travel and meals as per Council's *Payment of Expenses and Provision of Facilities to Councillors*; policy.

CARRIED

The General Manager then called for nominations for the Councillor delegate and alternate positions, with only one nomination being received. Accordingly, Cr Robert Hayes. was appointed as Council's delegate on the Northern Regional Planning Panel.

16 PROJECTS & BUSINESS DEVELOPMENT

Nil

17 ORGANISATIONAL SERVICES**17.1 FINANCIAL ANALYSIS REPORT - AUGUST AND SEPTEMBER 2024****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 31 August and 30 September 2024 is shown below:

Month	Bank Accounts	Term Deposits	Floating Rate Notes	Fixed Rate Bonds	TCorp IM Funds	Total
August	\$20,543,774	\$30,000,000	\$6,750,390	\$4,500,000	\$16,815,504	\$78,609,668
September	\$24,539,992	\$30,000,000	\$6,750,390	\$4,500,000	\$16,956,455	\$82,746,837

The weighted average rate of return on Council's cash and investments at 31 August 2024 was 4.22% which was above the Bloomberg AusBond Bank Bill Index for August of 0.38%, which is Council's benchmark.

The weighted average return on Council's cash and investments for September was 5.89% which was above the Bloomberg AusBond Bank Bill Index for September of 0.36%.

RESOLUTION 221024/9

Moved: Cr Robert Hayes

Seconded: Cr Sandra Humphrys

That Council adopts the Financial Analysis Report detailing the performance of its cash and investments for the months of August and September 2024.

CARRIED

17.2 DRAFT FINANCIAL STATEMENTS 2023/2024**EXECUTIVE SUMMARY**

Council's draft financial statements for the year ended 30 June 2024 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, HLB Mann Judd GCNC will be attending the Ordinary Meeting of Council 19 November 2024 and will provide a presentation on the 2023/2024 financial statements and the final audit report.

Council's operating result from continuing operations for 2023/2024 was a surplus of \$26.955 million, compared to a budgeted surplus of \$12.175 million. Council recorded a deficit before capital grants and contributions of \$14.446 million for 2023/2024, compared to the original budgeted deficit of \$1.628 million.

Council experienced a number of challenges this year with increased depreciation, loss on disposal of assets and the challenges facing the economy as a whole with escalating cost of materials and labour.

Total revenue decreased slightly to \$109.782 million, from \$125.401 million in 2022/2023 with \$41.401 million in capital grants and contributions, which is consistent with the previous year. Council received \$13.329 million in operating grants and contributions during 2023/2024, which was a decrease of \$13.306 million from the previous year which largely comprised of disaster recovery funding.

Total operating expenditure was \$82.827 million, a slight increase from \$81.144 million in the previous year.

Council's overall financial position remains strong with net assets of \$1.163 billion, including cash and cash equivalents of \$82.296 million. Council has met the benchmark in five out of nine of its key performance measure ratios.

RESOLUTION 221024/10

Moved: Cr Sam Cornish

Seconded: Cr Robert Hayes

That Council:

1. Adopts the general purpose financial statements, special purpose financial statements and special schedules for the year ended 30 June 2024.
2. Certifies the following in respect of the general purpose financial statements and special purpose financial statements for the year ended 30 June 2024:
 - (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
 - (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 2024 and:

ORDINARY COUNCIL MEETING MINUTES

22 OCTOBER 2024

- (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 19 November 2024 as the date for the meeting to present the financial statements for the year ended 30 June 2024 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 221024/11**

Moved: Cr Stephen Morrissey

Seconded: Cr Sandra Humphrys

That the following reports submitted for information be received and noted.

CARRIED**19.1 INFRASTRUCTURE RECONSTRUCTION UPDATE****RESOLUTION 221024/12**

Moved: Cr Stephen Morrissey

Seconded: Cr Sandra Humphrys

That Council receives and notes the information provided in the Infrastructure Reconstruction Update.

CARRIED**19.2 DEVELOPMENT APPLICATIONS DETERMINED UNDER THE ENVIRONMENTAL PLANNING AND ASSESSMENT ACT FOR THE PERIOD 1 AUGUST 2024 - 31 AUGUST 2024 AND 1 SEPTEMBER 2024 - 30 SEPTEMBER 2024****RESOLUTION 221024/13**

Moved: Cr Stephen Morrissey

Seconded: Cr Sandra Humphrys

That Council receives and notes the Development Application report for the period 1 August 2024 to 30 September 2024.

CARRIED

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19.3 AUDIT, RISK AND IMPROVEMENT COMMITTEE MINUTES, 28 AUGUST 2024**RESOLUTION 221024/14**

Moved: Cr Stephen Morrissey

Seconded: Cr Sandra Humphrys

That Council receives and notes the Minutes of the Audit, Risk and Improvement Committee held on 28 August 2024.

CARRIED

19.4 CODE OF CONDUCT COMPLAINT STATISTICS**RESOLUTION 221024/15**

Moved: Cr Stephen Morrissey

Seconded: Cr Sandra Humphrys

That Council receives and notes the Code of Conduct complaint statistics for the period 1 September 2023 to 31 August 2024.

CARRIED

19.5 CUSTOMER EXPERIENCE REPORT 1 JULY - 30 SEPTEMBER 2024**RESOLUTION 221024/16**

Moved: Cr Stephen Morrissey

Seconded: Cr Sandra Humphrys

That Council receives and notes the Customer Experience Report for the period 1 July – 30 September 2024.

CARRIED

19.6 GRANT APPLICATION INFORMATION REPORT - AUGUST AND SEPTEMBER 2024**RESOLUTION 221024/17**

Moved: Cr Stephen Morrissey

Seconded: Cr Sandra Humphrys

That Council receives and notes the Grant Application Information Report for the months of August and September 2024.

CARRIED

19.7 CORRESPONDENCE - SUBMISSION: INQUIRY INTO OPTIONS FOR ESSENTIAL WORKER HOUSING IN NSW**RESOLUTION 221024/18**

Moved: Cr Stephen Morrissey

Seconded: Cr Sandra Humphrys

That Council receives and notes Richmond Valley Council's Submission - Inquiry into provision of

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ORDINARY COUNCIL MEETING MINUTES

22 OCTOBER 2024

essential worker housing in NSW - September 2024.

CARRIED

20 QUESTIONS ON NOTICE

Nil

21 QUESTIONS FOR NEXT MEETING (IN WRITING)

Nil

The Meeting closed at 7.25 pm.

The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 19 November 2024.

.....
CHAIRPERSON

Office of Local Government



Councillor conduct and meeting practices

A new framework

September 2024

olg.nsw.gov.au



Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Councillor conduct and meeting practices

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More information

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The need for change – returning local democracy to councils

Strong and thriving communities need effective local government. No other level of government is as close to the issues and people.

Effective local government comes when councillors are visibly in control of their councils. How councillors act and how appropriately and transparently decisions are made at meetings is critical in demonstrating to the community that their elected representatives understand the consequences of their decisions, and then make the best possible decisions they can for their community as a whole.

Unfortunately, the existing councillor conduct framework is not delivering on the need for transparency or the necessary degree of respect in the community for the role that councillors have.

Closed council briefing sessions are being used to make decisions away from the public view. Council debates on issues are too often personal slanging matches, rather than forums for robust but respectful discussions on what is best for the community.

Similarly, we have seen a growth in the number of complaints, often over trivial issues. Data from the Office of Local Government (OLG) has shown there has been 4289 complaints over the last 3 years (2020/21 to 2022/23) through the code of conduct process. Overall:

- 420 were referred for preliminary enquiries and then discontinued
- 136 were investigated as potential pecuniary interest matters
- 102 were investigated as potential misconduct (not pecuniary interest)
- 36 related to public interest disclosures, and
- 2 related to political donations

But of these thousands of complaints, in the years since 2020/21 OLG has:

- taken action against 14 councillors by way of a suspension or reprimand
- referred 4 councillors to the NSW Civil and Administrative Tribunal (NCAT) for misconduct, and
- disqualified and dismissed one councillor on the basis of Independent Commission Against Corruption (ICAC) recommendations

The volume of frivolous complaints is crowding out the ability of the OLG and the sector to adequately deal with councillors who abuse their office or cause serious governance problems. It is critical the framework that governs both the behaviour and meeting practices of councillors ensures the community can observe and comment on the behaviour of councillors, instead of inhibiting the operation and function of local democracy.

The weaknesses of existing frameworks

The simple, but compelling premise is local councils should be accountable to their community with council staff being accountable to their councillors, through the General Manager. The best way to achieve this aim is for councils to provide strong and effective representation, leadership, planning and decision making. Unfortunately, this simple concept has been lost.

How councillors behave, how they deliberate and the responsibilities they hold should be modelled on how members of Parliament are expected to behave and act. As the governing body, councillors should act fairly, ethically and without bias in the interests of the local community, and they should be responsible employers and provide a consultative and supportive working environment for staff. A criticism made about the current framework for councillor conduct or meeting practices is that they do not reflect local government's status as an independent third tier of government: it allows an unelected State Government official to determine penalties and guilt thus undermining the status of local government.

While most local councils and local councillors do the right thing with the best intent, there are some councillors who are not so motivated. In these cases, the current councillor behavioural framework, as implemented in NSW, does not facilitate the best outcomes or resolve issues.

In relation to complaint management, it is not considered acceptable to create better complaint management pathways for the processing of code of conduct complaints. The current code of conduct simply enables too many complaints about councillors, all too often for political or vexatious reasons.

It is for this reason that the Government has embarked upon a new approach that refocuses the limited resources of the State on those concerns that matter most: serious misbehaviours and attempts by councillors to enrich themselves through their office.

Weaknesses of the current framework include:

- The councillor conduct framework distracts from, rather than enhances, robust democratic debate. Complaints are weaponised for political reasons, or to silence dissent from other elected representatives.
- Councillors and community members report dissatisfaction with the process for resolving code of conduct complaints – being expensive, overly legal, prone to political sparring and not timely, with average timeframes exceeding 12 months and more than 24 months if they are then referred to OLG for further investigation.
- Issues are not being addressed and resolved at the local level – instead complaints are escalated unnecessarily to the State Government to resolve because of the view that public censure from the local council is not a 'strong enough' punishment.
- Communities and councillors report that council decision making is not transparent – with decisions being seen as made behind closed doors, information not being provided or withheld, too much use of closed to the public briefings or councils going into closed sessions for no adequate rationale.
- Bad councillor behaviour is not considered to have been addressed quickly enough and when sanctions are imposed it is too late or of little consequence.
- There is a lack of clarity around OLG's role as the sector regulator – taking too long to resolve matters and not focussing on the important financial and government concerns in the sector, instead spending time focussed on individual councillor behaviour.
- OLG reports challenges in relying on the reports of council conduct reviewers – investigations into councillors need to be done afresh, the process is cumbersome with multiple feedback loops and serious sanctions can only come from suspensions handed down by NCAT.

With so much focus on the bad behaviour of a limited number of councillors there is not enough attention given to the good work that councillors do. The role of a councillor is a noble public service, and the local government behavioural framework should support those who seek to do the right thing and punish those that are not so motivated.

Options for a better approach

Improving the councillor conduct framework and the meeting practices of councils can be achieved but will require changes to the Local Government Act 1993 (the Local Government Act), as well as updating the various regulations, codes and policies that apply. Some of the work to update the regulations and codes can be done quickly, while others requiring legislative change will take some time.

This paper provides an overview of the proposed new approach to both the councillor conduct framework and meeting practices. The proposals are to:

- Make OLG directly responsible for dealing with pecuniary interest and significant non-pecuniary conflicts of interest, with sanctions (suspensions and loss of pay) being determined by an appropriate tribunal or body,
- Refer behavioural based concerns about councillor conduct to a State-wide panel of experienced councillors to judge their peers,
- Reset the code of conduct to be similar to Parliamentary Codes, making it clear the expected patterns of councillor behaviour,
- Ensure the community can observe local democratic processes by banning closed to the public briefing sessions, while at the same time restoring the dignity and prestige of the council chamber.

These changes are only proposed for councillors and there is no change proposed for the code of conduct for Local Government staff. Feedback from stakeholders is that the existing code of conduct of staff remains fit for purpose and is largely effective.

Seeking your views

This discussion paper has been prepared to seek the views of the community, key stakeholders and the local government sector about the proposed changes.

Submissions will be accepted to **COB Friday 15 November 2024**.

All input received through this consultation process **may be made publicly available**. Please let us know in your submission if you **do not want** your name and personal details published.

As part of the consultation process, we may need to share your information with people outside OLG, including other public authorities and government agencies. We may also use your email to send you notifications about further feedback opportunities or the outcome of the consultation.

There may also be circumstances when OLG is required by law to release information (for example, in accordance with the requirements of the Government Information (Public Access) Act 2009). There is a privacy policy located on OLG's website that explains how some data is automatically collected (such as your internet protocol (IP) address) whenever you visit OLG's website. The link to that policy is <https://www.olg.nsw.gov.au/about-us/privacy-policy/>.

Further information about how to make a submission is provided at section 7 of this paper.

What are the principles of change?

In preparing the proposed reforms the following principles have guided the discussion and the intent of the changes:

- **Council leadership and decision making is paramount** – it is critical that the sector, as the third tier of government, is given independence to make decisions in the best interests of the community
- **Freedom of speech** – as elected officials, councillors have the constitutional right and democratic responsibility to speak freely about issues affecting their local community and to advocate for the interests of that community
- **Transparency and accountability** – as a democracy councils need to hear, consider and debate issues in an open manner
- **Significant penalties should only be imposed by a judicial or quasi-judicial body** – to ensure procedural fairness and thorough testing of allegations, significant penalties should be given by bodies such as the NSW Civil and Administrative Tribunal
- **A strong and proportionate local government regulator** – the role of OLG should be to create the framework for local government, ensure councils, joint organisations (JOs), and county councils have the capacity to operate within the framework so that the regulator intervenes as rarely as needed
- **Subsidiarity** – decisions are made at the level closest to those impacted by those decisions
- **Justice is timely and proportionate** – where allegations are made, they should be heard, tested and dealt with as quickly as possible.

Question

Are we missing anything in the principles of change?

Potential changes to the code of conduct and oath of office

The key proposed reform for the councillor behavioural framework is to move to a streamlined, aspirational Code of Conduct. This is equivalent to the Code of Conduct framework for NSW Members of Parliament available [here](#) and [here](#).

The aspirational Code of Conduct would clearly and succinctly outline the behavioural expectations of local councillors (approximately 2-3 pages) in easy-to-understand language. It would then be supported by a clearer framework and definitions for misbehaviour of elected officials.

The aspirational Code of Conduct would not set out the definitions of misbehaviour as these would be legislated as explained in later sections of this discussion paper.

Separating the behavioural expectations in a Code of Conduct from definitions of misbehaviour reflects a positive approach to councillor behaviour. The separation also recognises that the majority of councillors want to do the right thing and they should have easy access to the standards expected of them.

The revamped Code of Conduct could also be aligned to the Oath of Office for local councillors ensuring that the behavioural standards and expectations are clear and understood when a councillor takes office. The existing framework can make it difficult to understand the behavioural expectations and standards upon councillors.

Importantly, the revamped Code of Conduct will not seek to restrain the ability of a councillor to speak publicly on matters pertaining to their council, even when that councillor is disagreeing with, or being critical of, the decisions of the majority.

It is proposed to make the new Code of Conduct an aspirational code of expected behaviours instead of enforceable for local councillors.

Question

What are the key elements of an aspirational Code of Conduct that should be enshrined?

Question

What are your views about aligning the Oath of Office to the revamped Code of Conduct?

Potential changes to the definitions and assessment of councillor misbehaviour

The current Local Government Act defines councillor misconduct as a breach of the Local Government Act or other regulatory provisions, which includes the Code of Conduct. This means that it is difficult for the average person to understand the definition of misconduct as they need to reference several other regulatory instruments and policy documents to determine what constitutes.

It is proposed in the revised framework that misbehaviour will be more clearly defined and articulated within the Local Government Act, with the reference to regulations and other statutory instruments only for further enunciation or explanation.

These definitions, which are described in later sections would cover:

- Pecuniary conflicts of interests, (for example decisions that financially benefit the councillor or a close associate),
- Significant non-pecuniary conflicts of interests (for example where a councillor participates in a decision and a direct advantage/disadvantage is created for a person or company the councillor is friendly with or associated with), and
- Councillor misbehaviour in public office (for example, poor conduct in meetings leading to exclusion by the Mayor or Chair of the Committee).

This will make clearer to all participants in the local government sector what is considered misbehaviour by a local councillor.

The definitions of misbehaviour do not change the other legislative requirements. Communities, residents, workers and fellow councillors expect their elected officials to act in an appropriate and ethical way, including observing workplace health and safety, environmental and criminal laws. If there is an offence or complaint under these other laws, people should

seek redress from the appropriate regulator including SafeWork, Independent Commission Against Corruption or the NSW Police.

The behavioural standards in the revamped Code of Conduct will reinforce the expectation that councillors are community leaders and therefore exemplars of good behaviour. As community leaders it is also expected councillors will meet legislative obligations. Therefore, misbehaviour only needs to be defined as those issues which go to the nature of councillors as elected officials, being conflicts of interest or misbehaviour in public office.

These are the expectations that are upon councillors because of the public trust that is placed in them as elected officials. In this way it more closely reflects, with appropriate adjustments the framework that applies to other elected officials in other levels of Government.

Conflicts of interest

The first proposed limb of the revised misbehaviour definition is a councillor's failure to manage a conflict of interest.

Management of conflicts of interest is important to ensure that councillors act and are seen to act in the public good, not for private benefit or personal gain. Conflicts of interest arise when there is a conflict, perception or potential of a conflict between an official's private interests and public duty.

The test for pecuniary interests is quite clear as it is an objective test; would a councillor or one of their close associates (spouse, family members), receive a financial benefit as a result of a decision. However, testing whether there is a non-pecuniary conflict of interest is more challenging.

Pecuniary interests

It is proposed to align the definition of pecuniary interests for NSW councillors with those that are utilised and defined for NSW members of parliament, requiring disclosure of the following interests:

- Real property – property in which councillors have an ‘interest’
- Sources of income – all income over \$500 other than salary of office
- Gifts – all gifts of cumulative value of more than \$500
- Contributions to travel – of value of more than \$250 (including flight upgrades)
- Interests and positions in corporations – eg stocks and shares, directorships
- Positions in unions and professional or business organisations
- Debts – of cumulative value of more than \$500, excluding home loans or debts for goods and services disposed of within a year
- Dispositions of property
- Engagement to provide a service involving use of a councillor’s position and
- Discretionary disclosures.

It is proposed that the interests for disclosure by the councillor are similarly extended to the interest of a spouse or de facto partner, relative, or partner or employer, or a company or other body of which the councillor, or their nominee, partner or employer, is a shareholder or member. This extends only to the extent the councillor is aware or should be aware of such interests.

It is proposed there remains an absolute prohibition on a councillor being involved in any matter before council where a pecuniary conflict of interest exists, unless otherwise determined via regulation.

It is also proposed to give extended investigation powers to OLG to investigate and request information on corporate structures such as trust or companies to

determine underlying beneficial ownership and interests.

OLG, as the agency responsible for investigating alleged breaches of pecuniary interests, needs clear powers to compel the production of information and/or records, to ensure that pecuniary interest returns are provided and made publicly available. If there is non-compliance with an OLG direction, which may include the requirement to make a declaration, remedies such as penalty infringement notices (PIN) should be available to ensure cooperation with investigative processes.

Question

Is the proposed pecuniary interest framework appropriate? Is anything missing?

Non-pecuniary interests

A conflict of interest does not necessarily have to be financial in nature. It could also arise from familial or personal relationships, affiliations or memberships. It is equally important that such conflicts are managed appropriately to ensure that decision making is seen to be transparent and remains in the public interest.

An interested and informed observer should be confident a decision made by a councillor is free from bias or a reasonable apprehension of bias. This means that any concerns about a potentially significant conflict of interest should be declared and appropriately managed.

The nature and breadth of non-pecuniary interests naturally means that the framework for management of such interests is more nuanced, with the management approach often dependent upon the individual circumstances of the case.

It is also important to recognise that councillors, as representatives of their community, reside within their community, so memberships of clubs, congregational

memberships etc should not automatically be seen as conflicts of interest.

If a decision of a councillor directly advantages (or disadvantages) a particular individual or organisation the councillor is friendly with or associates with, then that can be a conflict that should be publicly declared, if the councillor considered it of minor consequence, it wasn't controversial, or the councillor did not hold the casting vote.

Alternatively, if a decision of a councillor directly advantages (or disadvantages) a particular individual or organisation the councillor is friendly with or associates with, then that can be a conflict requiring the councillor to recuse themselves from being involved in the decision-making process if there was a major advantage or disadvantage (or potential for), if it was controversial or the vote of the councillor was critical.

The appropriate test for whether a non-pecuniary interest should be declared is based on an objective test, not in the mind of the individual who is subject to the conflict of interest. The test is whether a reasonable and informed person would perceive that the councillor could be influenced by a private interest when carrying out their official functions in relation to a matter.

Whether the councillor abstains themselves from a decision, or decides to participate, the continued and timely disclosure of interests is critical. Disclosure ensures the community is aware of any potential conflicts and how the councillor is managing and responding to the issue.

Councillors should remain as vigilant about disclosure of non-pecuniary interests as they are about pecuniary interests.

Question

Do you agree with the principles of what constitutes a significant or major non-pecuniary interest?

Property developers and real estate agents

The NSW Government has made a commitment to ensure the conflicts of interest that exist between a councillors' public duties to make decisions on behalf of communities and the private interests that exist in securing a profit as a developer or real estate agent are addressed. A simple change to ban developers or real estate agents from being councillors is not possible as it infringes the right to political free speech implied by the Australian Constitution.

Ordinarily conflicts of interest are managed through declarations and withdrawing from decision making. However, in the case of property development and real estate interests, where so much of what a council does is related to land and the potential for speculation in the changes of land value arising from planning, development and infrastructure decisions, it can be impossible to isolate the precise interests that would drive a councillor's decision.

Without some way of managing these conflicts, the community confidence that planning, development and infrastructure decisions are taken transparently in the public interest will erode. Given the importance of planning, development and infrastructure decisions to resolving the housing crisis, driving the move to net zero through the electrification of the economy and building community resilience to disasters, it is critical to restore confidence.

To address this concern, an alternative means of managing the inherent conflict of councillors undertaking real estate and development business activity is being considered which involves requiring councillors to divest themselves from real estate or development business activities and contractual obligations.

Legislation is being drafted that will:

- identify how developers and real estate agents are identified,
- create the obligation to divest and not enter into real estate or development business arrangements through contracts,
- establish the penalties, including disqualification, where a councillor engages in contractual arrangements with real estate agents or developers,
- ensure there are exemptions so councillors can buy and sell their own property using a real estate agent, and
- create transitional arrangements for the introduction of the new obligations.

Question

Are there any other specific features that should be included to address concerns about councillors undertaking real estate and development business activities?

Councillor misbehaviour in public office

The third proposed component of a revised definition of misconduct is misbehaviour in public office.

Misbehaviour in public office would cover behaviour which is inconsistent or outside of the norms of behaviour expected from a councillor, particularly given their role as a community leader. Given the discussion is about behaviour rather than action, there is a much greater degree of interpretation, and it is appropriate that councillors judge their fellow councillors on whether they could be considered to have misbehaved.

There would be three limbs to this proposed misbehaviour definition being conduct that:

- Is unbecoming of a councillor
- Brings council into disrepute; and/or
- Is assessed as being outside the norms and expectations of a sitting councillor.

The first two tests of this framework are established legal concepts with existing case law and precedents.

Unbecoming conduct means behaviour more serious than slight, and of a material and pronounced character. It means conduct morally unfitting and unworthy, rather than merely inappropriate or unsuitable, misbehaviour which is more than opposed to good taste or propriety. Conduct unbecoming refers to the conduct that is contrary to the public interests, or which harms his/her standing of the profession in the eyes of the public. Examples can be referenced in *Oei v The Australian Golf Club [2016] NSWSC 846*.

To bring something into disrepute is to lower the reputation of the profession or organisation in the eyes of ordinary members of the public to a significant extent. It is a higher threshold than the test of bringing an individual into disrepute - (*Zubkov v FINA (2007) CAS 2007/A/1291*).

The third limb of the misbehaviour definition allows consideration of behaviours and actions of a sitting councillor which are considered egregious or problematic that are otherwise not captured by the other elements of the definitions.

As this is a test of appropriate behaviour, the determination of whether the misbehaviour occurred would be undertaken by the peers of the councillor. This would involve the formation of an 'Local Government Privileges Committee' (Privileges Committee) of senior and experienced mayors and ex-mayors from across NSW to meet and assess the complaints made against councillors. The Privileges Committee would be supported by OLG, but decisions would be made by the mayors or ex-mayors on the Privileges Committee who would draw on their expertise as mayors, as well as having served at least two council terms as a councillor.

There would also be an opportunity to apply these principles to poor behaviour in meetings, particularly where a councillor has failed to comply with the directions given by the mayor or Privileges Committee Chair.

Question

Is this the appropriate threshold to face a Privileges Committee?

Question

How else can complaints be minimised?

Addressing inappropriate lobbying

A number of investigations by the Independent Commission Against Corruption (ICAC) has led to recommendations to put in place measures to address concerns about lobbying of councillors. ICAC has been concerned about councillors having relationships with development applicants that pose a conflict of interest, concerns with councillors meeting with development applicants in private settings to discuss their applications, and concerns about councillors receiving gifts and inducements as part of lobbying activities to improperly influence council decision-making.

Lobbying is an important feature of democratic representative government, and all councillors get lobbied by residents, businesses and community groups. However, inappropriate lobbying that isn't declared presents certain risks and can lead to corrupt behaviour or improper decision-making. On the recommendation of ICAC to address these risks, OLG is developing lobbying guidelines and a model policy on lobbying for councils to adopt that will:

- address how professional lobbyists are identified and the obligations on councils and councillors if they met a professional lobbyist,
- set out inappropriate behaviours when being lobbied,
- identify steps to be taken to ensure transparency,
- require council officials to report inappropriate or corrupt lobbying behaviours to the councils general manager.

The development of lobbying guidelines and a model policy on lobbying will ensure councillors and councils understand these risks and have effective controls in place to address them.

Question

What key features should be included in lobbying guidelines and a model policy?

Dispute resolution and penalty framework

Consistent with the principles outlined earlier, it is proposed that there be a significant change to the dispute resolution and penalties framework for misbehaviour.

While the overall intent is to reduce the weaponisation of the complaints process and reduce the number of complaints, there is also a need for more timely resolution of matters and ensure that the limited investigation and regulator resources are directed to the more significant misbehaviour matters.

There is also an opportunity to bring the dispute resolution framework more into line with that used in other levels of government.

The approach being proposed is to create clear separation between the process for consideration of conflicts of interest and the processes for consideration of misbehaviour. This has the benefit of removing general managers from being central to the complaint process.

Under the reforms, the investigation of serious conflicts of interest would be put entirely into the hands of OLG. The approach also removes the existing 'two step' process of referrals to conduct reviewers and then OLG.

There would be no investigations of misbehaviour, instead councillors would be required to demonstrate to their peers why their actions, which may have led to the complaint, were appropriate to the circumstances.

To implement these new approaches, changes to the systems and structures of investigation and complaints handling are needed.

Abolishing the 'two step process'

The existing process for complaints is set out in the Procedures for the Administration of the Model Code of Conduct.

In simple terms, the complaint process involves the general manager or the mayor receiving a complaint, determining whether the complaint is valid and referring the matter to a complaints coordinator within the council, who will in turn appoint an external conduct reviewer. Once the conduct reviewer investigates the issue, interviews the complainant and the subject of the complaint, as well as any other relevant people, provides a report to the council and the council makes a decision, many months can pass.

As it currently stands, if OLG, receives a referral following the council consideration of a complaint, they are then expected to rely on the investigation report of the conduct reviewer to make an assessment. However, investigation reports prepared by conduct reviewers may satisfy the evidentiary standard required for a councillor to be censured but may not satisfy the higher evidentiary standard required to support disciplinary action under the misbehaviour provisions under the Local Government Act, such as suspension or disqualification. OLG's experience is that rarely can it rely on these reports and must instead recommence an investigation process if it decides to pursue the matter.

Instead of this existing two-step process:

- Complaints about conflict of interest matters would be made directly to OLG, and
- Complaints about misbehaviour would be made directly to the Local Government Privileges Committee via a dedicated webform.

Under the proposed approach, there would be no role for privately hired investigators to determine whether the Code of Conduct has been breached.

Giving OLG the power to issue penalty infringement notices

In order to ensure information is provided to OLG more effectively, it is proposed to enable OLG the discretion to issue penalty infringement notices (PINs) for minor or insignificant breaches of the conflicts of interest declarations. The PINs would be primarily utilised in circumstances where the breach is considered minor or administrative in nature – for example an inadvertent failure to lodge a return of interests.

This change to PINs is designed to allow a quick process for dealing with minor matters to free up limited regulatory resources while still ensuring that sanction for important matters is provided.

Like all other PIN provisions in other NSW legislations there would be the ability for the PIN to be appealed or special circumstances to be considered. Where the breach was considered more serious in nature then it can be referred to an appropriate tribunal or body for more significant punishment.

Question

What level of PIN is appropriate?

NSW Local Government Privileges Committee

Along with the PIN framework, it is also proposed to create a Local Government Privileges Committee (Privileges Committee) to examine all allegations of misbehaviour in public office. This would replace the existing code of conduct review framework and instead aim to provide a speedy process for resolution and assessment of behavioural complaints against councillors. It also allows for the sector to better govern itself. The Privileges Committee would only examine issues of misbehaviour, not conflicts of interest.

The Privileges Committee would be made up by a group of experienced mayors and ex-mayors from across NSW to ensure that a variety of perspectives and experiences are considered. The Privileges Committee would be supported by a small Secretariat from OLG who could be delegated the power by the Privileges Committee to dismiss matters that are vexatious, trivial, where the Privileges Committee lacks jurisdiction, or where there is an alternative remedy available.

The Privileges Committee process would be paid for by either individual councillors or their councils, dependent on the outcome.

Penalties that could be imposed by the Privileges Committee are as follows:

- Censure of the councillor
- Warning of the councillor
- Where referred following misbehaviour in a council meeting, a potential loss of sitting fees
- Referral to an appropriate tribunal or body for more serious sanction, including suspension or disallowance.

As noted above if the breach is deemed serious then the Privileges Committee would have the power to refer a matter to the OLG for preparation of a brief for an appropriate tribunal or body.

Question

Are the penalties proposed appropriate, and are there any further penalties that should be considered?

Referral of significant sanctions to appropriate tribunal or body

Under the existing processes for consideration of complaints, OLG, in particular the Departmental Chief Executive (or their delegate), can suspend a councillor for between 1-3 months with a consequential loss of sitting fees. This creates the situation where a public servant is sitting in judgement on an elected official. Where a greater suspension is appropriate, the Departmental Chief Executive may refer the matter to an appropriate tribunal or body.

To remedy the concerns about whether it is appropriate for an unelected official to stand in judgment on an elected councillor, it is proposed that any significant sanction, such as suspension, significant fine or disqualification from office, can only be undertaken by an appropriate tribunal or body.

This reduces the existing power of the Departmental Chief Executive to impose penalties. It reflects the principle that significant sanctions, including suspension, should only be imposed by a judicial or quasi-judicial body. It also removes the dual roles of the head of OLG, meaning OLG's focus is on preparing the brief of evidence for consideration by the appropriate tribunal or body.

The role of the appropriate tribunal or body would therefore be to look at all serious misconduct matters that have either been referred by the Privileges Committee, appeals from PINs or referrals of conflict of interest matters from the OLG.

Question

Are the existing sanctions available under the Local Government Act sufficient?

Question

Should decisions on sanctions for councillors be made by the Departmental Chief Executive or a formal tribunal with independent arbitrators and a hearing structure?

Restoring dignity to council meetings

A council chamber is a chamber of democracy, and the mayor as figurehead represents the authority of that council.

Unfortunately, many council meetings are conducted without the appropriate level of dignity or reverence for tradition that suggests the importance of the debate and the need for civility. Councillors are not expected to agree with each other, in fact debate is encouraged, but the debate should be fair and respectful.

A council meeting, and the council chamber itself, should see meetings conducted with dignity. Unfortunately, there are too many examples where the dignity of council meetings has been lost, either because councillors are not appropriately reverential and respectful, or the manner of debate is lowered by inappropriate chamber design or meeting practices.

Proposed reforms to the Model Code of Meeting Practice

To restore the prestige and dignity of the council chamber reforms to the meeting code of practice are being developed to support the mayor in exercising their statutory responsibility to preside at meetings and to ensure meetings are conducted in an orderly and dignified manner.

The proposed reforms will confer the power on mayors to expel councillors for acts of disorder and to remove the councillor's entitlement to receive a fee for the month in which they have been expelled from a meeting.

As a further deterrent against disorderly conduct, councillors will also be required to apologise for an act of disorder at the meeting at which it occurs and, if they fail to comply at that meeting, at each subsequent meeting until they comply. Each failure to apologise becomes an act of misbehaviour and will see the councillor lose their entitlement to receive their fee for a further month.

To provide a check against misuse of the power of expulsion and subsequent loss of entitlement of a fee, councillors will be entitled to a right of review.

Councillors will also be expected to stand, where able to do so, when addressing a meeting and when the mayor enters the chamber.

The proposed reforms will also expand the grounds for mayors to expel members of the public from the chamber for acts of disorder and enable the issuing of a PIN where members of the public refuse to leave a meeting after being expelled.

Question

Are there any other powers that need to be granted to the mayor or chair of the relevant meeting to deal with disorderly behaviour?

Banning briefing sessions

A practice has recently developed in local government where councillors receive briefings from staff that are closed to the public.

As an example, development applications should be considered in the public domain. However, councillors receive private briefings from the council planners before they are dealt with in the public forum of a council or committee meeting. Consequently, members of the public impacted by the council's decision have no idea what the councillors have been told or what has been discussed.

To promote transparency and address the corruption risks identified by the Independent Commission Against Corruption (ICAC) that can arise from a lack of transparency, it is proposed that councils will no longer be permitted to hold pre-meeting briefing sessions in the absence of the public.

Any material provided to councillors, other than the mayor, that will affect or impact or be taken into account by councillors in their deliberations or decisions made on behalf of the community must be provided to them in either a committee meeting or council meeting. This restriction will not apply to mayors. As the leader of the organisation, the mayor needs to have candid conversations with the general manager outside of formal meetings.

To further promote transparency, the proposed reforms will also extend the period that recordings of council and committee meetings must be maintained on a council's website.

Question

Are there any other measures needed to improve transparency in councillor deliberations and decision making?

How to provide feedback?

This discussion paper has been released through the Office of Local Government's communication channels and on the Government's Have your Say Website.

You can make submissions on this proposed framework by **COB Friday 15 November 2024**. Further information is available on OLG website at <https://www.olg.nsw.gov.au/councils/misconduct-and-intervention/councillor-conduct-framework/>.

Submissions can be made online here - <https://www.olg.nsw.gov.au/councils/misconduct-and-intervention/councillor-conduct-framework/>

OR

in writing to: councillorconduct@olg.nsw.gov.au

OR

Locked Bag 3015 NOWRA NSW 2541

Submissions must be clearly labelled "Councillor Conduct Framework Review"

Please direct any inquiries to the OLG's Strategic Policy Unit at councillorconduct@olg.nsw.gov.au or on (02) 4428 4100.

Next Steps

Feedback from this consultation process will be carefully analysed and incorporated to finalise the revised councillor conduct framework.

OLG will then look to finalise necessary draft legislation, regulations and materials for implementation of the revised model over the coming year. Consultation will continue with the local government on the implementation of the revised framework.

Information about the progress of the Councillor Conduct Framework Review will be available on the [OLG website](#).

Office of Local Government

olg.nsw.gov.au





**Proposed Bridge Names within
The Richmond Valley
Local Government Area**

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Love where we live and work



Hansens Bridge - Unnamed Bridge ID 10009 – The Gap Road, The Gap

The proposed bridge name for unnamed bridge ID 10009 located on The Gap Road, The Gap is ‘Hansens Bridge’ named after Neil Hansen who passed away in 2009.

Neil Hansen moved to the area in 1978, where he used to maintain the grounds at the Country Club Rural Fire Station.

He would mow all the grounds, keeping it weeded while also cleaning the station.

When Neil visited relatives in Woodburn he would help wash and polish the fire trucks.

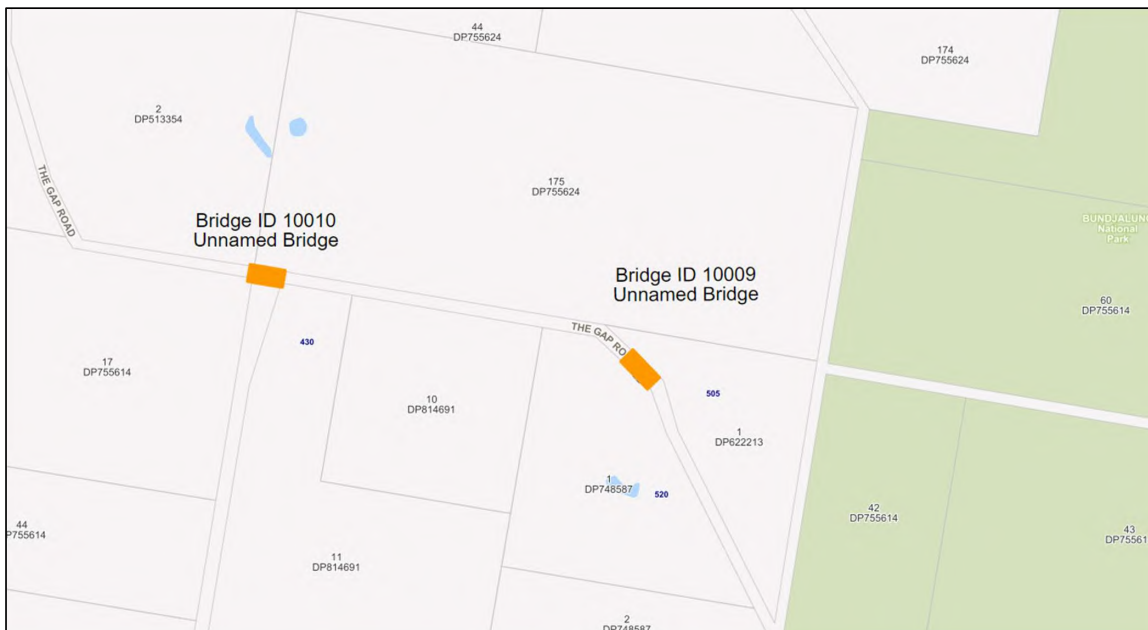
Neil spent many hours assisting the RFS. Neil received many certificates of appreciation from the Country Club Estate RFS and four certificates from the Woodburn Brigade.



Image 1



Image 2



Map 1 - Asset ID 10009 & 10010

Monaghans Bridge - Unnamed Bridge ID 10010 – The Gap Road, The Gap

The proposed name for unnamed bridge with asset ID of 10010 is Monaghans Bridge. It is named after Reg Monaghan who passed away many years ago, he was the landowner for over 50 years and his property was adjacent to the bridge and the creek flowed through his property.

The property is still family owned.

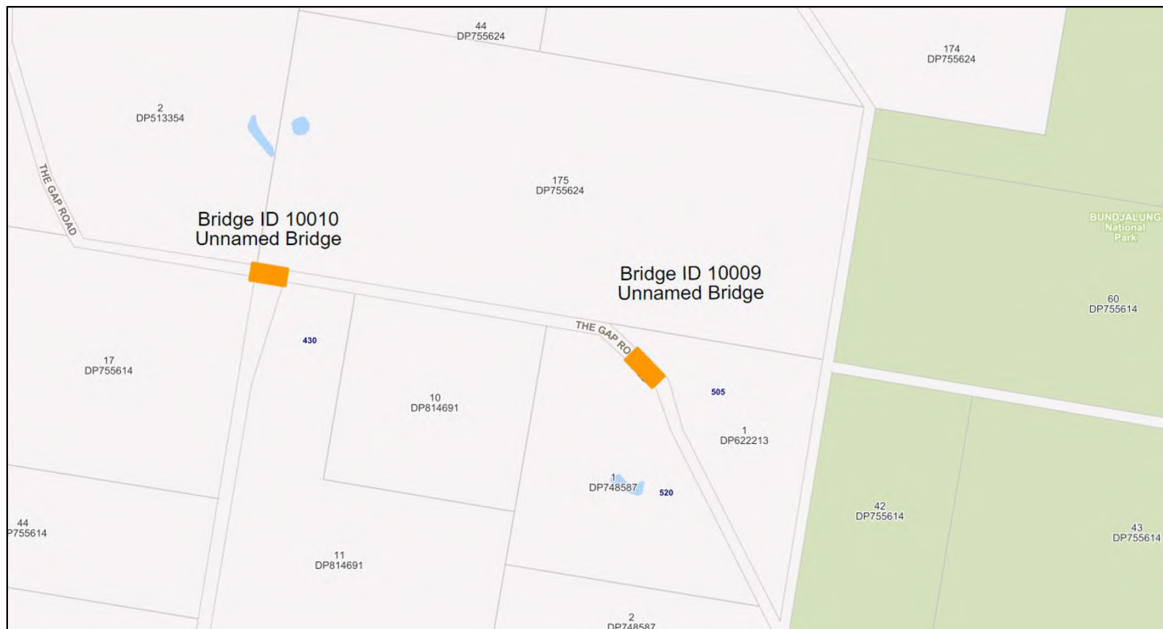
Reg Worked also on the Gap Road in his younger days and owned Woodburn Butchery until sold to Morgan Brothers.



Image 3



Image 4



Map 2 - Asset ID 10009 & 10010

Whiteside Bridge - Unnamed Bridge ID 10029 – Old Tenterfield Road, Wyan

The proposed name for unnamed bridge with asset ID 10029 is Whiteside Bridge, is named after Alexander Whiteside.

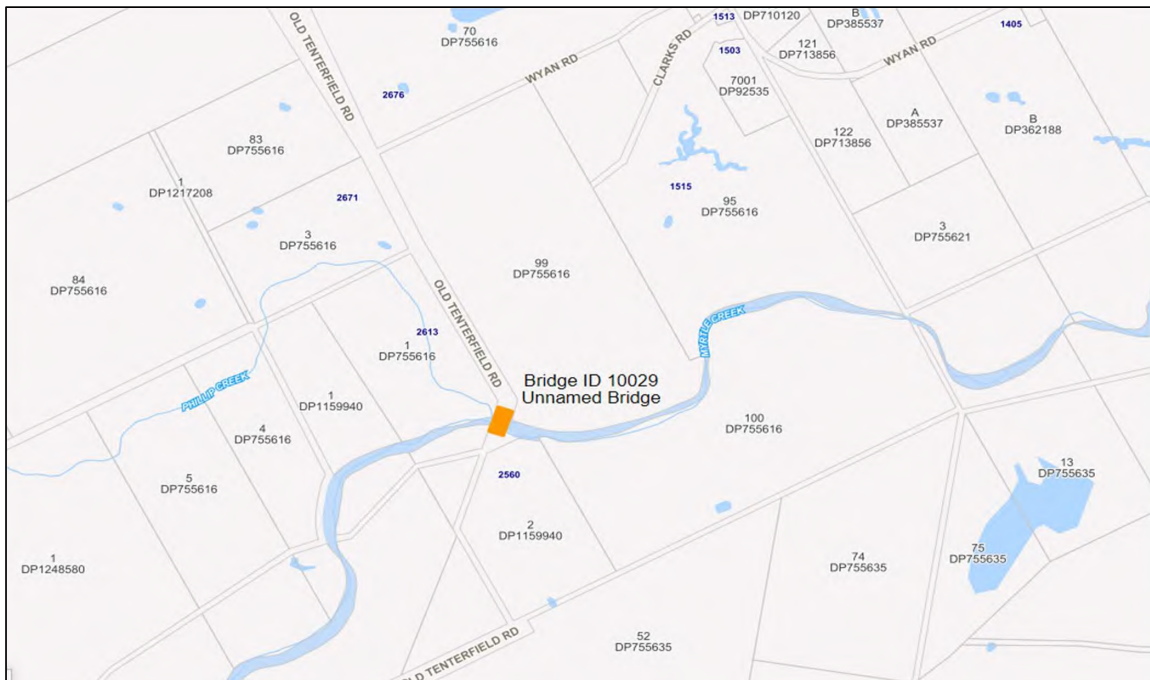
Alexander Whiteside was a historical property owner in the vicinity of the unnamed bridge as shown on the historical parish map of Hogarth, County of Richmond, edition 3 dated 1906.



Image 5



Image 6



Map 3 - Asset ID 10029

Trustums Bridge - Unnamed Bridge ID 10063 – Manifold Road, Bentley

The unnamed bridge with asset ID 10063 has a proposed name of Trustums Bridge.

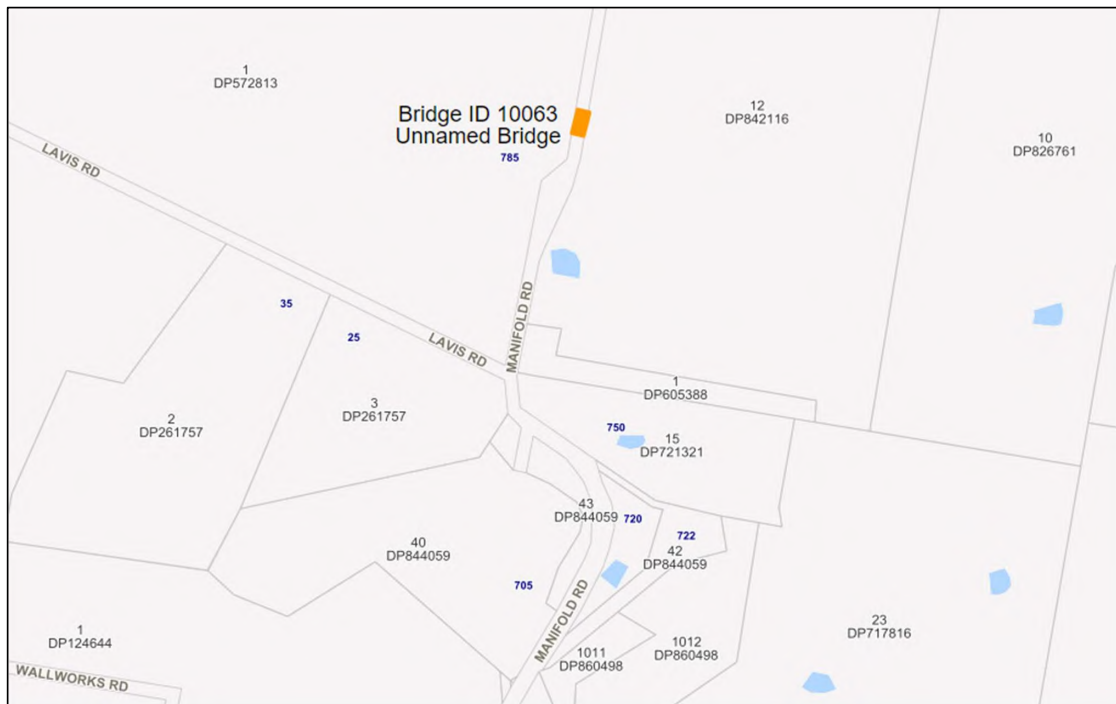
The Trustums family have been long term residents of the Bentley and North Casino area for over 50 years, contributing to the community in many ways by being a part of numerous community-based organisations.



Image 7 –



Image 8



Map 4 - Asset ID 10063

One Tree Crossing – Major Culvert ID 13423 – Manifold Road, North Casino

The unnamed major culvert with asset ID 13423 is proposed to be named One Tree Crossing.

In the early days there was a large Tree on the property owned by the Cole family at 455 Manifold Road.

This tree was the focal point for drovers to stop and rest their herd. Part of the tree could still be seen up to 6 years ago.

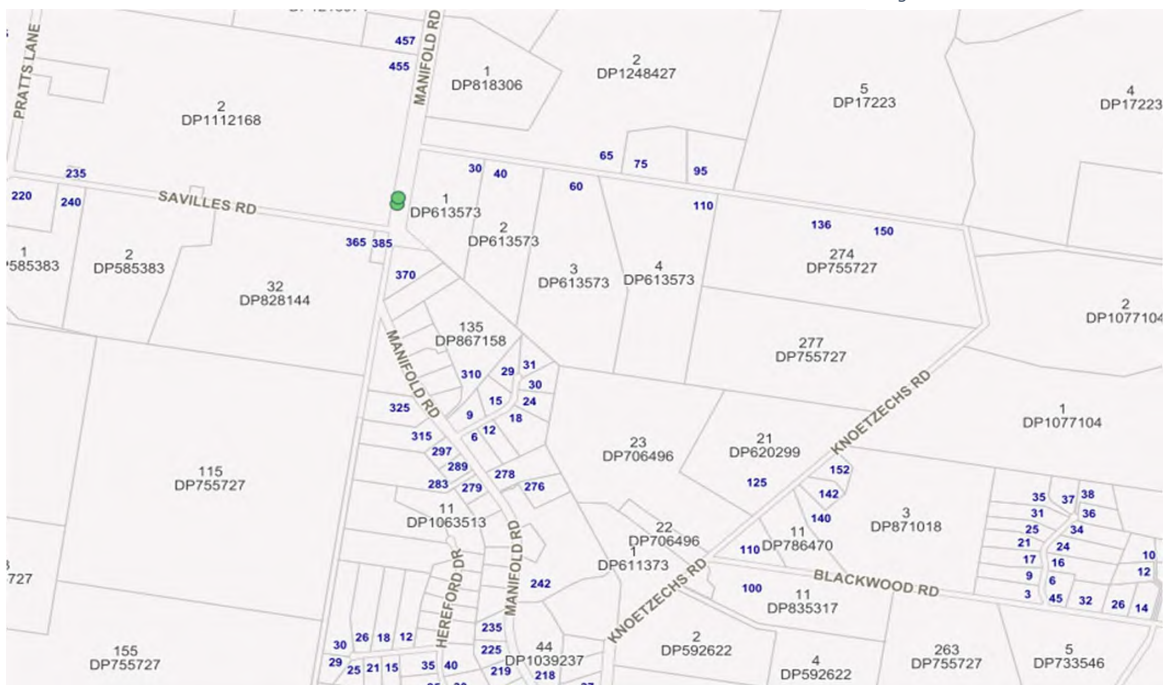
It was such a prominent fixture that a school nearby on Manifold Road was named One Tree School and there was also a dip on the corner of Manifold Road & Savilles Road that was called One Tree Dip.



Image 9



Image 10



Map 5 - Asset ID 13423

Nowlans Bridge - Bridge ID 10070 – Gores Road, Spring Grove



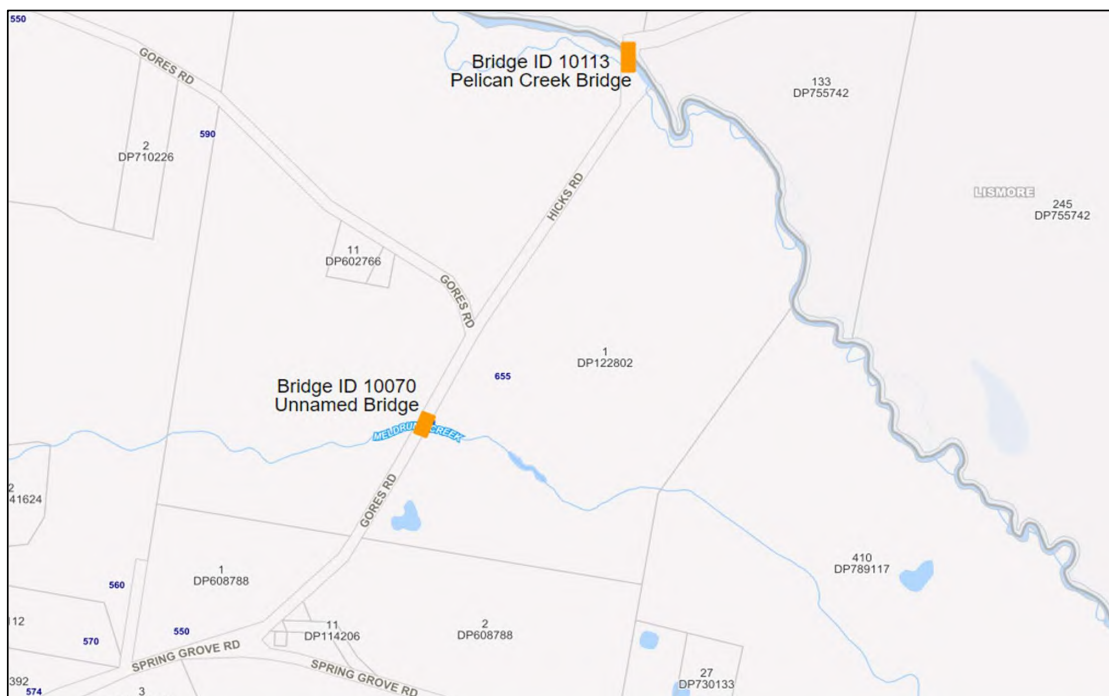
Image 11



Image 12

Nowlans Bridge is the proposed bridge name for the unnamed bridge along Gores Road, Naughtons Gap.

The Nowlan family’s ownership of land in Spring Grove dates back to 17 October 1908, when Henry Nowlan purchased at auction the first block of land. To this day, generations of Nowlan families have continued to reside and/or own property along Gores Road, Spring Grove



Map 6 - Asset ID 10070

Olivers Bridge Unnamed Bridge ID 10114 – Gores Road, Naughtons Gap



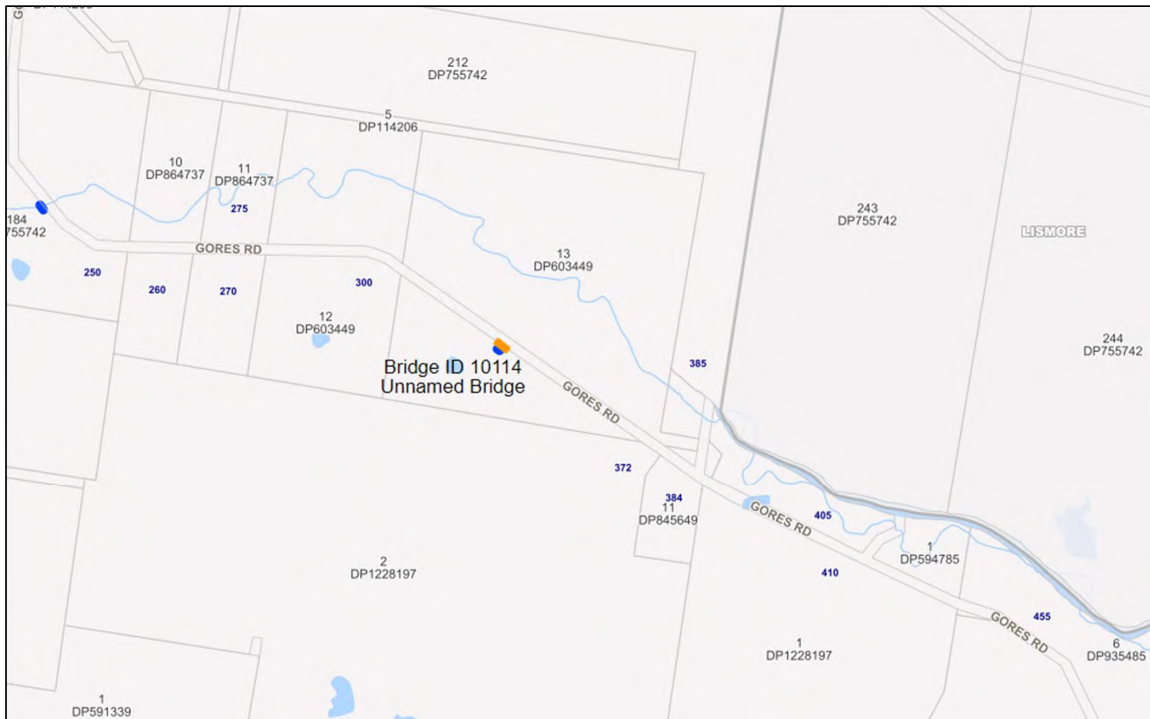
Image 13



Image 14

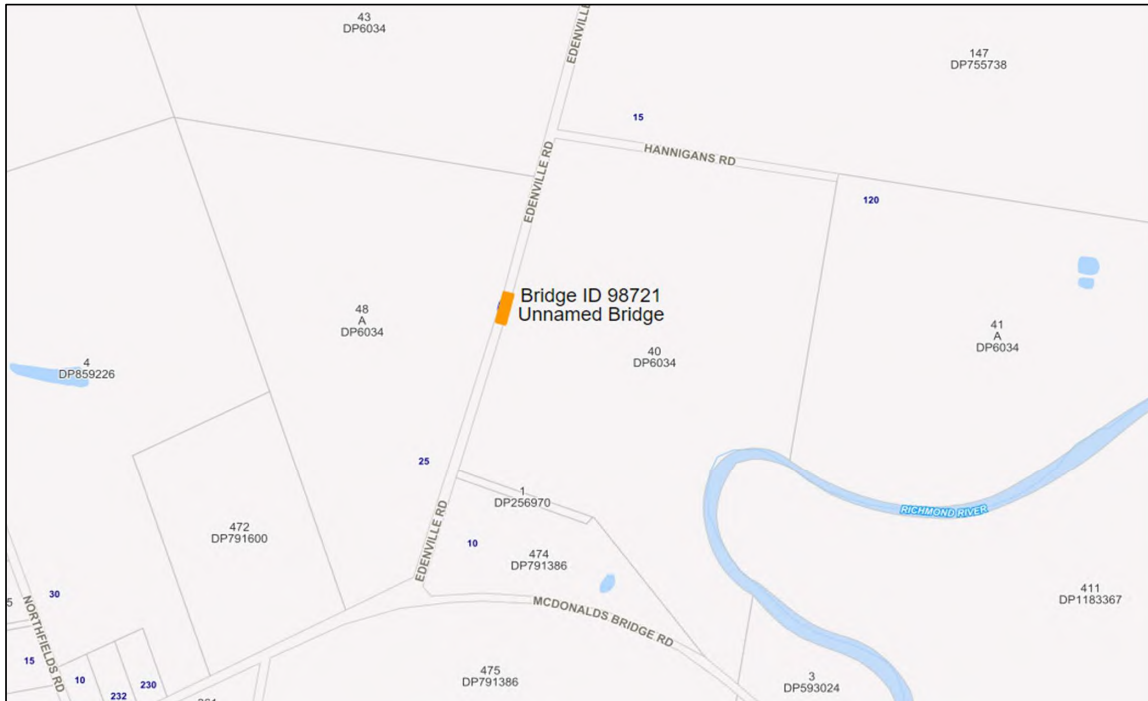
Olivers Bridge is the proposed bridge name for the unnamed bridge along Gores Road, Naughtons Gap.

The name Olivers Bridge is derived from a historical landowner in the vicinity of the bridge, Oliver Nowlan. The Nowlan family’s ownership of land in Spring Grove dates back to 17 October 1908, when Henry Nowlan purchased at auction the first block of land. To this day, generations of Nowlan families have continued to reside and/or own property along Gores Road, Spring Grove



Map 7 - 10114

Watsons Bridge - Unnamed Bridge ID 98721 – Edenville Road, Stratheden



Map 8 - Asset ID 98721

The proposed bridge name for the unnamed bridge with asset ID 98721 is Watsons Bridge, derived from the Watson Family who operate a multi-generational dairy farming business on the farmland that surrounds the bridge.

John and Barbara Watson purchased the farm, in the early 1970s, situated at 25 Edenville road Stratheden.

The farm surrounds the bridge on Edenville road.

Following the purchase of the farm they constructed a new dairy and with their herd of Red Poll cattle commenced supplying milk to the farmer owned co-op Norco.

Following the passing of John & Barbara, the operation of the dairy farm has been continued by other members of the family.



Image 15



Image16



Proposed Road Names within The Richmond Valley Local Government Area

Contents

Metcalf Road, HOGARTH RANGE.....	2
Cardow Lane, WEST CORAKI.....	2
Jefferies Street and Morton Street, CORAKI	3

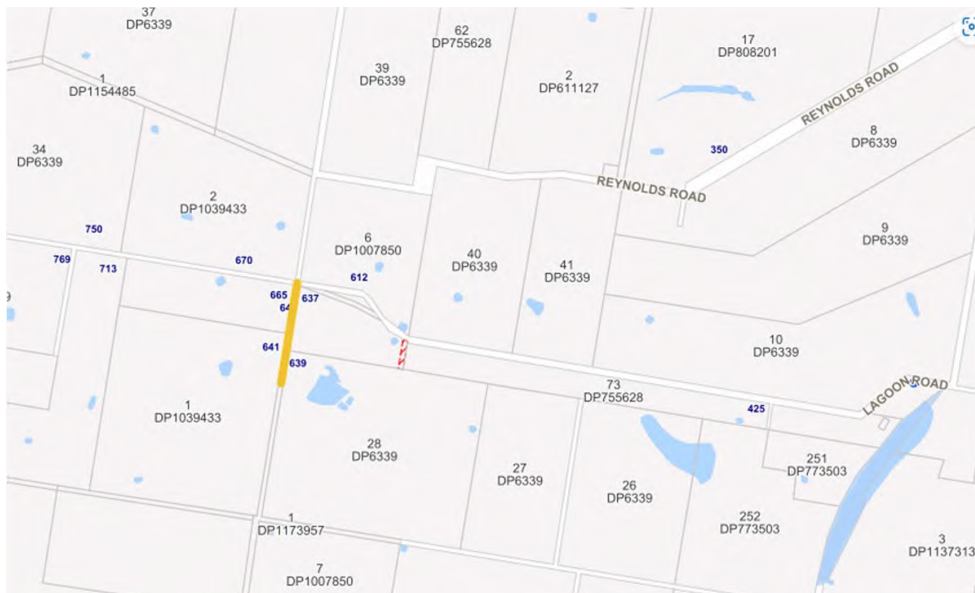
Metcalf Road, HOGARTH RANGE

This existing unnamed road requires formal naming for addressing purposes. Adjoining Ainsworth Road, Hogarth Range running parallel to Middle Creek and stretches for a total of 2.5km in length. The suggested road name is a commemorative name for the landholder 'Roy Metcalf' who owned adjoining property on the road for 33 years. Roy passed away in May 2023, and his partner still resides at the property today.



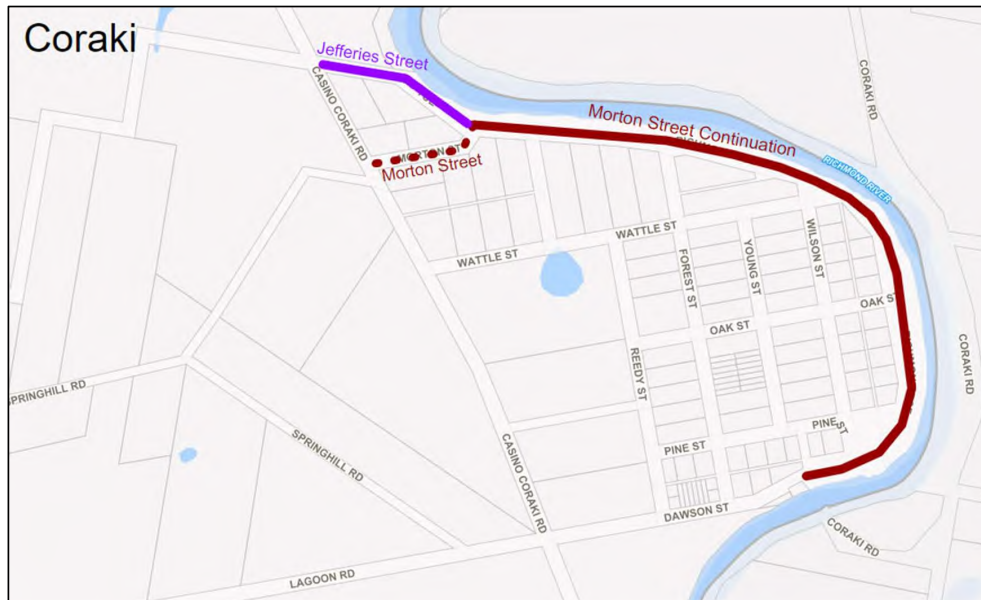
Cardow Lane, WEST CORAKI

The existing unnamed lane requires formal naming for addressing purposes, the lane adjoining Lagoon Road begins at Lot 1 DP 1173957 and stretches for approximately 445 metres in length. The suggested road name is derived from a historical landowner.



Jefferies Street and Morton Street, CORAKI

Richmond Terrace North, Coraki is being renamed due to the duplication of the road name. Jefferies and Morton Street have been pre-approved by the GNB. Both names are historical names from the old parish maps. Jefferies Street will rename a section of Richmond Terrace located from Casino Coraki Road to the intersection of Morton Street. Morton Street will continue from the intersection around to Dawson Street, renaming majority of Richmond Terrace North.



Site inspection of the continuation of Morton Street





ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

This report documents Richmond Valley Council's financial performance throughout the 2023-2024 financial year.



Richmond Valley Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Richmond Valley Council

General Purpose Financial Statements

for the year ended 30 June 2024

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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 2024

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 2024.

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

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 2024

Statement by Councillors and Management

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 22 October 2024.



Robert Mustow
Mayor
22 October 2024



Stephen Morrissey
Deputy Mayor
22 October 2024



Vaughan Macdonald
General Manager
22 October 2024



Hayley Martin
Responsible Accounting Officer
22 October 2024

Richmond Valley Council | Income Statement | for the year ended 30 June 2024

Richmond Valley Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
	Income from continuing operations			
32,584	Rates and annual charges	B2-1	32,419	30,842
17,662	User charges and fees	B2-2	16,476	16,929
132	Other revenues	B2-3	87	3,678
11,590	Grants and contributions provided for operating purposes	B2-4	13,329	26,635
13,778	Grants and contributions provided for capital purposes	B2-4	41,401	41,303
1,463	Interest and investment income	B2-5	3,134	2,069
1,878	Other income	B2-6	2,936	3,945
79,087	Total income from continuing operations		109,782	125,401
	Expenses from continuing operations			
24,996	Employee benefits and on-costs	B3-1	26,293	24,060
19,798	Materials and services	B3-2	25,254	31,574
982	Borrowing costs	B3-3	933	1,030
18,576	Depreciation, amortisation and impairment of non-financial assets	B3-4	23,370	19,593
2,560	Other expenses	B3-5	2,611	2,330
–	Net loss from the disposal of assets	B4-1	4,366	2,557
66,912	Total expenses from continuing operations		82,827	81,144
12,175	Operating result from continuing operations		26,955	44,257
12,175	Net operating result for the year attributable to Council		26,955	44,257
(1,628)	Net operating result for the year before grants and contributions provided for capital purposes		(14,446)	2,954

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 2024

Richmond Valley Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		26,955	44,257
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	185,104	62,252
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	(36,700)	897
Total items which will not be reclassified subsequently to the operating result		148,404	63,149
Total other comprehensive income for the year		148,404	63,149
Total comprehensive income for the year attributable to Council		175,359	107,406

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

Richmond Valley Council | Statement of Financial Position | as at 30 June 2024

Richmond Valley Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	37,600	55,497
Investments	C1-2	33,446	27,338
Receivables	C1-4	12,037	9,677
Inventories	C1-5	2,261	2,274
Contract assets and contract cost assets	C1-6	4,146	5,557
Other	C1-8	356	361
Total current assets		89,846	100,704
Non-current assets			
Investments	C1-2	11,250	7,750
Receivables	C1-4	1,655	1,263
Inventories	C1-5	1,374	1,154
Infrastructure, property, plant and equipment (IPPE)	C1-7	1,110,949	930,309
Right of use assets	C2-1	699	1,029
Total non-current assets		1,125,927	941,505
Total assets		1,215,773	1,042,209
LIABILITIES			
Current liabilities			
Payables	C3-1	12,692	12,625
Contract liabilities	C3-2	9,108	10,434
Lease liabilities	C2-1	114	377
Borrowings	C3-3	3,893	3,524
Employee benefit provisions	C3-4	5,029	4,621
Provisions	C3-5	-	1,725
Total current liabilities		30,836	33,306
Non-current liabilities			
Payables	C3-1	615	470
Contract liabilities	C3-2	256	121
Lease liabilities	C2-1	260	436
Borrowings	C3-3	14,646	15,938
Employee benefit provisions	C3-4	205	189
Provisions	C3-5	5,038	3,191
Total non-current liabilities		21,020	20,345
Total liabilities		51,856	53,651
Net assets		1,163,917	988,558
EQUITY			
Accumulated surplus		460,852	433,897
IPPE revaluation reserve	C4-1	703,065	554,661
Council equity interest		1,163,917	988,558
Total equity		1,163,917	988,558

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 2024

Richmond Valley Council

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		433,897	554,661	988,558	389,640	491,512	881,152
Net operating result for the year		26,955	-	26,955	44,257	-	44,257
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	-	185,104	185,104	-	62,252	62,252
- Impairment (loss) reversal relating to IPP&E	C1-7	-	(36,700)	(36,700)	-	897	897
Other comprehensive income		-	148,404	148,404	-	63,149	63,149
Total comprehensive income		26,955	148,404	175,359	44,257	63,149	107,406
Closing balance at 30 June		460,852	703,065	1,163,917	433,897	554,661	988,558

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 2024

Richmond Valley Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
32,584	Rates and annual charges		31,398	32,182
17,662	User charges and fees		15,570	18,239
1,463	Interest received		3,001	1,793
25,368	Grants and contributions		54,077	66,794
–	Bonds, deposits and retentions received		–	291
2,162	Other		582	5,675
<i>Payments:</i>				
(24,996)	Payments to employees		(26,709)	(23,627)
(19,950)	Payments for materials and services		(25,463)	(34,776)
(982)	Borrowing costs		(829)	(914)
–	Bonds, deposits and retentions refunded		(340)	–
(2,560)	Other		(1,799)	(2,585)
30,751	Net cash flows from operating activities	G1-1	49,488	63,072
Cash flows from investing activities				
<i>Receipts:</i>				
3,173	Sale of real estate assets		–	–
508	Proceeds from sale of IPPE		832	269
–	Deferred debtors receipts		4	–
<i>Payments:</i>				
–	Purchase of investments		(3,480)	(657)
–	Acquisition of term deposits		(5,000)	(4,000)
(41,110)	Payments for IPPE		(58,043)	(48,950)
(2,768)	Purchase of real estate assets		(336)	–
(40,197)	Net cash flows from investing activities		(66,023)	(53,338)
Cash flows from financing activities				
<i>Receipts:</i>				
2,600	Proceeds from borrowings		2,600	–
<i>Payments:</i>				
(3,599)	Repayment of borrowings		(3,523)	(3,371)
–	Principal component of lease payments		(439)	(438)
(999)	Net cash flows from financing activities		(1,362)	(3,809)
(10,445)	Net change in cash and cash equivalents		(17,897)	5,925
55,497	Cash and cash equivalents at beginning of year		55,497	49,572
45,052	Cash and cash equivalents at end of year	C1-1	37,600	55,497
44,696	plus: Investments on hand at end of year	C1-2	44,696	35,088
89,748	Total cash, cash equivalents and investments		82,296	90,585

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

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 22 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The 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 *Local Government (General) Regulation 2021* (Regulation), 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 2023/2024 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 2024 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 2024.

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

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Strengthening our role in the region	6,875	4,220	3,903	4,113	2,972	107	6,316	1,665	46,198	39,243
Creating great places to live	65,724	70,917	62,515	55,235	3,209	15,682	41,117	49,218	1,045,243	881,815
Protecting our unique environment	9,594	17,182	10,978	15,874	(1,384)	1,308	574	8,525	18,145	12,054
Delivering for our community	27,589	33,082	5,431	5,922	22,158	27,160	6,723	8,530	106,187	109,097
Total functions and activities	109,782	125,401	82,827	81,144	26,955	44,257	54,730	67,938	1,215,773	1,042,209

B1-2 Components of functions or activities

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

Strengthening our role in the region

- Rebuild and reconnect communities
- Establish the Richmond Valley as a regional growth centre
- Grow and diversify our economy

Creating great places to live

- Celebrate our local identity and lifestyle
- Live sustainably in a changing climate
- Provide infrastructure that meets community needs

Protecting our unique environment

- Preserve native bushland and biodiversity
- Maintain healthy rivers, beaches and waterways
- Manage waste responsibly

Delivering for our community

- Lead and advocate for our community
- Manage resources responsibly
- Provide great service

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

\$ '000	2024	2023
Ordinary rates		
Residential	10,529	10,085
Farmland	3,229	3,117
Business	2,219	2,110
Less: pensioner rebates (mandatory)	(360)	(369)
Rates levied to ratepayers	15,617	14,943
Pensioner rate subsidies received	198	203
Total ordinary rates	15,815	15,146
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	5,361	5,077
Stormwater management services	206	202
Water supply services	1,819	1,722
Sewerage services	8,159	7,736
Waste management services (non-domestic)	1,257	1,158
Less: pensioner rebates (mandatory)	(442)	(440)
Annual charges levied	16,360	15,455
Pensioner annual charges subsidies received:		
– Water	76	76
– Sewerage	74	74
– Domestic waste management	94	91
Total annual charges	16,604	15,696
Total rates and annual charges	32,419	30,842

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

Material accounting policy information

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

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

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 2024

B2-2 User charges and fees

\$ '000	Timing	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)			
Water supply services	1	5,630	4,727
Sewerage services	1	1,627	1,540
Waste management services (non-domestic)	1	31	37
Total specific user charges		7,288	6,304
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Planning and building regulation	2	541	564
Private works – section 67	1	212	170
Regulatory/ statutory fees	2	141	135
Registration fees	2	224	211
Total fees and charges – statutory/regulatory		1,118	1,080
(ii) Fees and charges – other (incl. general user charges (per s608))			
Aerodrome	2	14	16
Caravan park	2	102	85
Cemeteries	2	337	419
Transport for NSW works (state roads not controlled by Council)	1	4,599	4,352
Northern Rivers Livestock Exchange	2	290	1,789
Waste disposal tipping fees	2	2,073	2,073
Casino showground	2	18	17
Richmond Upper Clarence Regional Library	2	23	22
Sports grounds	2	27	24
Other	2	587	748
Total fees and charges – other		8,070	9,545
Total other user charges and fees		9,188	10,625
Total user charges and fees		16,476	16,929
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		12,099	10,826
User charges and fees recognised at a point in time (2)		4,377	6,103
Total user charges and fees		16,476	16,929

Material accounting policy information

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay 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 2024

B2-3 Other revenues

\$ '000	Timing	2024	2023
Fines	2	68	81
Insurance claims recoveries	2	11	3,162
Other	2	8	435
Total other revenue		87	3,678
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		-	-
Other revenue recognised at a point in time (2)		87	3,678
Total other revenue		87	3,678

Material accounting policy information for other revenue

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

Statutory fees 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 2024

B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	289	1,057	–	–
Financial assistance – local roads component	2	61	550	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	4,017	4,478	–	–
Financial assistance – local roads component	2	1,751	1,919	–	–
Amount recognised as income during current year		6,118	8,004	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Bushfire and emergency services	2	1,740	1,375	15	246
Energy saving certificate	1	3	–	–	–
Economic Development	2	–	–	–	–
LIRS subsidy	2	1	1	–	–
Library – Richmond Upper Clarence Regional	2	615	536	9	193
Natural disaster funding	1	629	12,483	13,729	11,406
Northern Rivers Livestock Exchange	2	–	–	1	219
Public Halls	1	–	–	13	101
Sewerage (excl. section 64 contributions)	2	28	3	1,779	411
Sporting grounds, parks and facilities	1	89	82	10,350	7,633
Strategic planning	2	187	17	–	–
Street lighting	2	96	94	–	–
Transport (roads to recovery)	2	1,002	1,002	–	–
Transport (other roads and bridges funding)	1	1,070	1,439	12,561	13,592
Tourism & Events	2	270	405	–	1,039
Waste and sustainability	1	200	146	78	–
Water supplies (excl. section 64 contributions)	2	22	7	199	112
Other specific grants and contributions	2	1,230	1,023	940	646
Total special purpose grants and non-developer contributions – cash		7,182	18,613	39,674	35,598
Non-cash contributions					
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	2	–	–	675	3,543
Bushfire and Emergency Services	2	29	18	8	70
Sporting grounds	2	–	–	–	–
Public Halls	2	–	–	–	–
Total other contributions – non-cash		29	18	683	3,613
Total special purpose grants and non-developer contributions (tied)		7,211	18,631	40,357	39,211
Total grants and non-developer contributions		13,329	26,635	40,357	39,211
Comprising:					
– Commonwealth funding		7,120	9,006	6,155	2,435
– State funding		5,316	14,570	32,918	32,827
– Other funding		893	3,059	1,284	3,949
		13,329	26,635	40,357	39,211

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B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
G3						
S 7.11 – contributions towards amenities/services		2	–	–	116	225
S 7.12 – fixed development consent levies		2	–	–	294	794
S 64 – water supply contributions		2	–	–	199	323
S 64 – sewerage service contributions		2	–	–	435	750
Total developer contributions			–	–	1,044	2,092
Total contributions			–	–	1,044	2,092
Total grants and contributions			13,329	26,635	41,401	41,303
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			1,991	11,903	36,731	32,732
Grants and contributions recognised at a point in time (2)			11,338	14,732	4,670	8,571
Total grants and contributions			13,329	26,635	41,401	41,303

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 2024	Operating 2023	Capital 2024	Capital 2023
Unspent funds at 1 July	3,145	5,661	28,445	19,007
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-	2,243	2,592
Add: Funds received for the provision of goods and services in a future period	664	741	10,090	12,913
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	(1,841)	(3,257)	(13,252)	(6,067)
Unspent funds at 30 June	1,968	3,145	27,526	28,445

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

\$1,169 NRRRI Phase 1 Dairy Flat
 \$2,732 Regional and Local Roads Repair Fund (RLRRP)
 \$1,437 Community Assets Program - NRLX Effluent Management
 \$1,045 Community Assets Program - Casino Footbridge
 \$822 Flood Recovery Grant
 \$13,000 Developer contributions
 \$1,400 Pacific Complete Contributions

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include 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.

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

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B2-4 Grants and contributions (continued)

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 2024

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	88	29
– Cash and investments	3,046	2,040
Total interest and investment income (losses)	3,134	2,069
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
General Council cash and investments	3,134	2,069
Total interest and investment income	3,134	2,069

Material accounting policy information

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

B2-6 Other income

\$ '000	Notes	2024	2023
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		1,516	2,326
Room/Facility Hire		292	193
Total other lease income		1,808	2,519
Total rental income	C2-2	1,808	2,519
Fair value increment on investments			
Fair value increment on investments through profit and loss		1,128	1,351
Total Fair value increment on investments		1,128	1,351
Total other income		2,936	3,945

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

\$ '000	2024	2023
Salaries and wages	20,428	18,702
Employee leave entitlements (ELE)	4,433	4,044
Superannuation	2,565	2,265
Workers' compensation insurance	455	494
Fringe benefit tax (FBT)	115	103
Payroll tax	142	73
Training costs (other than salaries and wages)	238	191
Other	338	211
Total employee costs	28,714	26,083
Less: capitalised costs	(2,421)	(2,023)
Total employee costs expensed	26,293	24,060

Material accounting policy information

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	2024	2023
Raw materials and consumables		18,915	26,111
Audit Fees	F2-1	96	105
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	222	217
Advertising		81	99
Bank charges		80	79
Electricity and heating		1,150	858
Insurance		1,006	845
Internal Audit		15	12
Street lighting		208	198
Subscriptions and publications		170	169
Telephone and communications		392	444
Valuation fees		85	74
IT expenses		1,214	1,025
Postage, printing & stationary		283	320
Other expenses		228	261
Legal expenses:			
– Legal expenses: other		590	273
Expenses from leases of low value assets		519	484
Total materials and services		25,254	31,574

Material accounting policy information

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

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on leases		17	17
Interest on loans		827	1,002
Total interest bearing liability costs		844	1,019
Total interest bearing liability costs expensed		844	1,019
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	89	11
Total other borrowing costs		89	11
Total borrowing costs expensed		933	1,030

Material accounting policy information

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

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant & Equipment	C1-7	2,315	2,147
Land	C1-7	449	388
Infrastructure	C1-7	20,061	16,174
Right of use assets	C2-1	330	327
Other assets	C1-7	83	83
Reinstatement, rehabilitation and restoration assets	C1-7,C3-5	132	474
Total depreciation and amortisation costs		23,370	19,593
Impairment / revaluation decrement of IPPE			
Infrastructure:			
– Buildings – specialised	C1-7	–	(87)
– Roads		38,814	(1,515)
– Bridges		(2,114)	669
– Water supply network		–	36
Total gross IPPE impairment / revaluation decrement costs		36,700	(897)
Amounts taken through revaluation reserve	C1-7	(36,700)	897
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	–
Total depreciation, amortisation and impairment for non-financial assets		23,370	19,593

Material accounting policy information**Depreciation and amortisation**

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

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 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	2024	2023
Impairment of receivables			
Other		21	–
Total impairment of receivables	C1-4	21	–
Other			
Contributions/levies to other levels of government			
Election expenses		–	–
– Emergency services levy (includes FRNSW, SES, and RFS levies)		109	63
– NSW fire brigade levy		135	131
– NSW rural fire service levy		1,400	1,399
– Waste levy		289	31
Donations, contributions and assistance to other organisations (Section 356)		657	706
Total other expenses		2,611	2,330

Material accounting policy information

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 2024

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

\$ '000	Notes	2024	2023
Infrastructure, property, plant and equipment			
Proceeds from disposal	C1-7	832	269
Less: carrying amount of assets sold/written off		<u>(5,169)</u>	<u>(2,820)</u>
Gain (or loss) on disposal		<u>(4,337)</u>	<u>(2,551)</u>
Gain (or loss) on disposal of assets held for sale			
Less: carrying amount of assets sold/written off	C1-5	<u>(29)</u>	<u>(6)</u>
Gain (or loss) on disposal		<u>(29)</u>	<u>(6)</u>
Net gain (or loss) from disposal of assets		<u>(4,366)</u>	<u>(2,557)</u>

Material accounting policy information

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

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
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Revenues

Operating grants and contributions 11,590 13,329 1,739 15% **F**

Council's grants and contributions were over budget by \$1,739,000 (15%). 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 includes natural disaster funding of \$629,000 received as a result of the February 2022 flood event for emergency and immediate reconstruction works.

Capital grants and contributions 13,778 41,401 27,623 200% **F**

Council's grants and contributions were over budget by \$27,623,000 (200%). 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 includes natural disaster funding of \$13,729,000 received as a result of the February 2022 flood event for emergency and immediate reconstruction works, along with \$6,000,000 in other roads and bridges grant funding towards betterment projects and rural and local road repair works.

Interest and investment revenue 1,463 3,134 1,671 114% **F**

Council's interest and investment revenue was over budget by \$1,671,000 (114%). This was mainly due to consistently high term deposit rates within the economy along with high levels of cash available to be investment. The original budget is slightly conservative due to the continued level of uncertainty in the economy.

Other income 1,878 2,936 1,058 56% **F**

Council's other income was over budget by \$1,058,000 (56%). This was mainly due to favourable fair value gains on Council's investments held with NSW Treasury Corporation of \$1,128,000.

Expenses

Materials and services 19,798 25,254 (5,456) (28)% **U**

Materials and services were over budget \$5,456,000 (28%). This is largely attributed to additional maintenance works being undertaken on Council's assets and road network, funded from unspent funding from previous years in internal cash reserves, along with an increase in contract costs for works with an offsetting income item, such as Councils maintenance contract with TfNSW for state highways. Further contributing towards this increase is the cost of living pressure facing the economy as a whole such as the increasing costs of services.

Depreciation, amortisation and impairment of non-financial assets 18,576 23,370 (4,794) (26)% **U**

Depreciation was over budget by \$4,794,000 (26%). Councils asset are indexed annually in between comprehensive revaluations, in accordance with Australian Accounting Standards to record the fair value of assets, the rates of which are unknown at the time of budget setting. The past 3 years has seen significantly higher rates of indexation than has been applied in the past. Along with a significant number of asset renewals, Council has also revised the remaining useful life of the Casino Sewerage Treatment Plant which has resulted in an additional \$2.68m in depreciation for the year ended 30 June 2024.

Richmond Valley Council | Notes to the Financial Statements 30 June 2024

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
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Net losses from disposal of assets	-	4,366	(4,366)	∞ U
The net profit or loss on 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 \$4,366,000, details of which are disclosed in note B4.				

Statement of cash flows

Cash flows from operating activities	30,751	49,488	18,737	61% F
Net cashflows from operating activities were over budget by \$18,737,000 (61%). This was mainly attributed to grants and contributions received being over budget by \$28,709,000 as well as payments for materials and services being over budget by \$5,513,000.				

Cash flows from investing activities	(40,197)	(66,023)	(25,826)	64% U
Council's cashflows from investing activities were over budget by \$25,826,000 (64%). This is largely due to an increase in the capital expenditure of \$16,933,000 relating to payments for IPPE along with an increase of \$8,480,000 in investments.				

Richmond Valley Council | Notes to the Financial Statements 30 June 2024

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

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	6,183	8,542
Cash equivalent assets		
– Deposits at call	31,417	46,955
Total cash and cash equivalents	37,600	55,497
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	37,600	55,497
Balance as per the Statement of Cash Flows	37,600	55,497

Material accounting policy information

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	2024		2023	
	Current	Non-current	Current	Non-current
Financial assets at fair value through the profit and loss				
Managed funds	16,446	–	15,338	–
Total	16,446	–	15,338	–
Debt securities at amortised cost				
Long term deposits	17,000	–	12,000	–
Government and semi-government bonds	–	4,500	–	2,000
NCD's, FRN's (with maturities > 3 months)	–	6,750	–	5,750
Total	17,000	11,250	12,000	7,750
Total financial investments	33,446	11,250	27,338	7,750
Total cash assets, cash equivalents and investments	71,046	11,250	82,835	7,750

Material accounting policy information

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

Financial assets

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

Classification

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

- amortised cost
- fair value through profit 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	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	82,296	90,585
Less: Externally restricted cash, cash equivalents and investments	<u>(49,786)</u>	<u>(53,492)</u>
Cash, cash equivalents and investments not subject to external restrictions	32,510	37,093

External restrictions

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

Specific purpose unexpended loans – general	1,052	–
Bonds and deposits	535	536
Specific purpose unexpended grants – general fund	9,142	8,871
Specific purpose unexpended grants – water fund	125	–
Specific purpose unexpended grants – sewer fund	327	–
Developer contributions – general	3,478	3,690
Developer contributions – water fund	3,203	2,852
Developer contributions – sewer fund	6,480	5,739
Specific purpose unexpended grants (recognised as revenue) – general fund	4,048	6,390
Water fund	6,056	5,534
Sewer fund	6,141	8,919
Domestic waste management	4,912	7,137
Stormwater management	1,330	1,096
Other	<u>2,957</u>	<u>2,728</u>
Total external restrictions	49,786	53,492

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	2024	2023
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(b) Internal allocations**Internal allocations**

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

Plant and vehicle replacement	2,388	4,199
Real estate and infrastructure	4,288	3,038
Employees leave entitlement	1,631	1,481
Carry over works	3,780	3,035
Northern Rivers Livestock Exchange	–	160
Insurance	1,848	2,455
Other waste management	4,382	6,266
Petersons quarry	1,449	2,503
Public cemeteries perpetual maintenance	114	186
Quarry rehabilitation	634	515
Richmond Upper Clarence Regional Library	44	139
TfNSW state road maintenance contract	6	6
Road rehabilitation	2,649	2,272
Rural road safety program	121	91
Unexpended rates variations	833	865
Financial Assistance Grant Advance Payment	5,767	6,397
Woodview quarry	1,693	2,440
Northern Rivers Rail Trail Maintenance	640	655
Event Funding	43	75

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

\$ '000	2024	2023
Total internal allocations	32,310	36,778

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

\$ '000	2024	2023
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	200	315

C1-4 Receivables

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Rates and annual charges	2,813	546	2,573	518
Interest and extra charges	111	6	105	5
User charges and fees	6,006	584	5,184	462
Accrued revenues				
– Interest on investments	499	–	373	–
Bank guarantees	712	553	102	311
Deferred debtors	2	5	11	–
Government grants and subsidies	507	–	365	–
Net GST receivable	1,095	–	544	–
Other debtors	407	–	519	–
Total	12,152	1,694	9,776	1,296
Less: provision for impairment				
Rates and annual charges	(29)	(17)	(26)	(16)
User charges and fees	(75)	(21)	(61)	(16)
Other debtors	(11)	(1)	(12)	(1)
Total provision for impairment – receivables	(115)	(39)	(99)	(33)
Total net receivables	12,037	1,655	9,677	1,263

Material accounting policy information

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

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, 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 2024

C1-5 Inventories

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
(i) Inventories at cost				
Real estate for resale	1,064	1,374	977	1,154
Stores and materials	1,197	–	1,297	–
Total inventories	2,261	1,374	2,274	1,154

Externally restricted assets

There are no restrictions applicable to the above assets.

(i) Other disclosures

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
(a) Details for real estate development				
Residential - undeveloped	–	–	–	–
Industrial/commercial	1,064	1,374	977	1,154
Total real estate for resale	1,064	1,374	977	1,154

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

Material accounting policy information**Raw materials and stores, work in progress and finished goods**

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

Land held for resale

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

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

C1-6 Contract assets and Contract cost assets

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Contract assets	4,146	–	5,557	–
Total contract assets and contract cost assets	4,146	–	5,557	–

Contract assets

Government Grants & Subsidies - Natural Disaster Funding (Capital Only)	1,891	–	5,335	–
Government Grants & Subsidies - Other capital grants	2,255	–	222	–
Total contract assets	4,146	–	5,557	–

Material accounting policy information**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.

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period									At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals 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	32,976	–	32,976	24,703	11,293	–	(319)	–	(859)	–	(11,159)	–	56,635	–	56,635
Plant and equipment	32,885	(17,207)	15,678	3,172	2,113	–	(841)	(2,190)	–	–	31	–	35,235	(17,272)	17,963
Office equipment	1,467	(1,310)	157	2	7	–	(4)	(50)	–	–	–	–	1,402	(1,290)	112
Furniture and fittings	1,560	(1,166)	394	60	35	–	(20)	(75)	–	–	–	–	1,490	(1,096)	394
Land:															
– Crown land	27,549	–	27,549	–	–	–	–	–	–	–	–	1,097	28,646	–	28,646
– Operational land	28,447	–	28,447	2	–	–	–	–	–	–	44	720	29,213	–	29,213
– Community land	10,929	–	10,929	–	–	–	–	–	–	–	–	477	11,406	–	11,406
– Land under roads (post 30/6/08)	908	–	908	–	–	–	–	–	–	–	–	–	908	–	908
Land improvements – non-depreciable	6,954	–	6,954	–	–	–	–	–	–	–	–	446	7,400	–	7,400
Land improvements – depreciable	21,830	(4,001)	17,829	368	1,700	58	(370)	(449)	–	–	157	1,100	24,867	(4,474)	20,393
Infrastructure:															
– Buildings – specialised	93,478	(24,428)	69,050	473	1,136	220	(88)	(1,406)	–	–	887	4,426	101,055	(26,357)	74,698
– Other structures	30,140	(4,430)	25,710	–	124	–	(16)	(666)	–	–	–	1,605	32,175	(5,418)	26,757
– Roads	383,023	(137,606)	245,417	6,164	382	3,661	(348)	(7,489)	–	(38,814)	1,754	72,883	427,890	(144,280)	283,610
– Bridges	117,551	(45,472)	72,079	309	–	26	–	(1,377)	–	2,114	–	28,711	141,352	(39,490)	101,862
– Footpaths	20,795	(3,908)	16,887	100	82	–	(84)	(318)	–	–	20	5,550	23,682	(1,445)	22,237
– Bulk earthworks (non-depreciable)	75,750	–	75,750	–	–	–	(9)	–	–	–	–	53,703	129,444	–	129,444
– Stormwater drainage	72,258	(13,718)	58,540	19	314	–	(42)	(610)	–	–	–	2,958	76,204	(15,025)	61,179
– Water supply network	117,831	(35,473)	82,358	491	158	–	(611)	(1,934)	–	–	563	4,049	123,957	(38,883)	85,074
– Sewerage network	184,878	(72,664)	112,214	1,749	357	341	(390)	(5,067)	–	–	1,179	5,619	195,198	(79,196)	116,002
– Other open space/recreational assets	37,948	(8,315)	29,633	777	1,091	–	(2,329)	(1,194)	–	–	6,524	1,760	44,964	(8,702)	36,262
Other assets:															
– Library books	1,114	(765)	349	–	103	–	(18)	(83)	–	–	–	–	1,073	(722)	351
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):															
– Quarry assets	203	(174)	29	–	–	–	(9)	(3)	–	–	–	–	195	(178)	17
– Tip assets	5,928	(5,456)	472	–	43	–	–	(129)	–	–	–	–	5,971	(5,585)	386
Total infrastructure, property, plant and equipment	1,306,402	(376,093)	930,309	38,389	18,938	4,306	(5,498)	(23,040)	(859)	(36,700)	–	185,104	1,500,362	(389,413)	1,110,949

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

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

By aggregated asset class	At 1 July 2022		Asset movements during the reporting period										At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals 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:															
– 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
– Crown land	29,517	–	29,517	–	–	–	–	–	–	–	–	(1,968)	27,549	–	27,549
– 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 14):															
– 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).

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

Material accounting policy information

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 Climate Change, Energy, the Environment and 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.

Change in remaining useful life of Casino Sewage Treatment Plant

Council is currently in the development and planning phase of a proposed replacement of the Casino Sewerage Treatment Plant. The existing facility was constructed in 1932 and has received minor augmentation over the past 90 years, however, is now aged and at capacity. The proposed plan for replacement has the new plant being commissioned in 2027/2028 pending external funding availability and therefore, the existing STP will be retained and operational until this time. As such, Council has revised the useful life of the existing plant at 1 July 2023, to be 5 years in line with the current project plan, the result of which is an increase in depreciation across the 2024-2028 years as seen in the table below.

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

\$ '000	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028
Previous Depreciation	226	190	193	197	201
Current Depreciation	2,909	3,056	3,180	3,310	3,445
Increase	2,683	2,866	2,987	3,113	3,244

Impairment

Infrastructure, property, plant and equipment were assessed for impairment at 30 June 2024. 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 initial impairment value of \$29.1 million relating directly to the natural disaster. Council are now 2 years into the expected 5 year recovery process and with further clarity around damage as essential public asset reconstruction submissions have been finalised, an additional \$36,700,026 in impairment has been raised for roads and bridges.

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 - \$49,949,082

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 - \$39,283

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.

Land Improvements - depreciable

Total remaining impairment - \$0

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 required new turf with the existing surface extensively damaged, which has now been completed.

Sewer Infrastructure

Total remaining impairment - \$806,499

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.

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

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.

C1-8 Other

Other assets

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Prepayments	356	—	361	—
Total other assets	356	—	361	—

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
2024			
Opening balance at 1 July	702	327	1,029
Depreciation charge	(241)	(89)	(330)
Balance at 30 June	461	238	699
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

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
2024					
Cash flows	114	260	–	374	374
2023					
Cash flows	377	436	–	813	813

(c) Income Statement

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

\$ '000	2024	2023
Interest on lease liabilities	34	34
Depreciation of right of use assets	660	327
Expenses relating to leases of low-value assets	519	484
	1,213	845

(d) Statement of Cash Flows

Total cash outflow for leases	439	438
	439	438

(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.

Material accounting policy information

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	2024	2023
(i) Assets held as property, plant and equipment		
Council leases out two of its quarries and the Northern Rivers Livestock Exchange. 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)	1,808	2,519
Total income relating to operating leases for Council assets	1,808	2,519

(ii) Maturity analysis of contractual lease 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	1,305	792
1–2 years	1,333	809
2–3 years	1,363	827
3–4 years	1,393	845
4–5 years	1,423	864
> 5 years	5,520	3,768
Total undiscounted lease payments to be received	12,337	7,905

Material accounting policy information

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

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

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

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

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

\$ '000	2024		2023	2023
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	2,518	–	2,827	–
Goods and services – capital expenditure	6,546	–	4,856	–
Accrued expenses:				
– Salaries and wages	–	–	840	–
– Other expenditure accruals	796	–	881	–
Security bonds, deposits and retentions	1,120	–	1,460	–
Bank guarantees	712	554	–	413
Prepaid rates and annual charges and user charges and fees	1,000	61	1,761	57
Total payables	12,692	615	12,625	470

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

\$ '000	2024	2023
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	1,120	1,460
Total payables	1,120	1,460

Material accounting policy information

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.

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C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	9,051	–	10,283	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	12	79	89	–
Unexpended capital contributions (to construct Council controlled assets)	(i)	–	141	–	121
Unexpended operating contributions (received prior to performance obligation being satisfied)	(ii)	–	36	36	–
Total grants received in advance		9,063	256	10,408	121
User fees and charges received in advance:					
Funds received in advance of services provided		45	–	26	–
Total user fees and charges received in advance		45	–	26	–
Total contract liabilities		9,108	256	10,434	121

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.

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

\$ '000	2024	2023
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	12,321	4,290
Operating contributions (received prior to performance obligation being satisfied)	11	56
Total revenue recognised that was included in the contract liability balance at the beginning of the period	12,332	4,346

Significant changes in contract liabilities

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

NRLX Effluent Management System \$1,437

Dairy Flat Culverts \$1,169

Casino Suspension Bridge \$1,046

Halsteads Drive Stage 3 \$946

Albert Park Stopover \$601

Colley Park Netball Clubhouse \$554

Thearles Canal Culverts \$432

Material accounting policy information

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.

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C3-3 Borrowings

\$ '000	2024		2023	2023
	Current	Non-current	Current	Non-current
Loans – secured ¹	3,893	14,646	3,524	15,938
Total borrowings	3,893	14,646	3,524	15,938

(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.

(a) Changes in liabilities arising from financing activities

\$ '000	2023		2024
	Opening Balance	Cash flows	Closing balance
Loans – secured	19,462	(923)	18,539
Lease liability (Note C2-1b)	813	(439)	374
Total liabilities from financing activities	20,275	(1,362)	18,913

\$ '000	2022		2023
	Opening Balance	Cash flows	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

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	500	500
Credit cards/purchase cards	71	71
Total financing arrangements	571	571
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	1	6
Total drawn financing arrangements	1	6
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	500	500
– Credit cards/purchase cards	70	65
Total undrawn financing arrangements	570	565

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

Material accounting policy information

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.

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C3-3 Borrowings (continued)

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.

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C3-4 Employee benefit provisions

\$ '000	2024		2023	2023
	Current	Non-current	Current	Non-current
Annual leave	2,274	–	2,092	–
Long service leave	2,728	205	2,509	189
Other leave	27	–	20	–
Total employee benefit provisions	5,029	205	4,621	189

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	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,203	1,782
	2,203	1,782

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

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C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	5,038	1,725	3,191
Sub-total – asset remediation/restoration	–	5,038	1,725	3,191
Total provisions	–	5,038	1,725	3,191

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	4,916	4,916
Changes to provision:		
– Revised discount rate	16	16
– Revised costs	17	17
Unwinding of discount	88	88
Other	1	1
Total other provisions at end of year	5,038	5,038
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

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	
		2024	2023
Landfills - Nammoona	2026	4,700	4,582
Quarries - Petersons		0	0
Quarries - Woodview	2035	338	333
Balance at end of reporting period		5,038	4,916

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Material accounting policy information

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

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

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

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C3-5 Provisions (continued)

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 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 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	22,364	1,894	8,161
User charges and fees	8,215	6,285	1,976
Interest and investment revenue	2,177	366	591
Other revenues	69	–	18
Grants and contributions provided for operating purposes	13,279	22	28
Grants and contributions provided for capital purposes	38,530	452	2,419
Other income	2,936	–	–
Total income from continuing operations	87,570	9,019	13,193
Expenses from continuing operations			
Employee benefits and on-costs	23,039	1,598	1,656
Materials and services	15,538	5,218	4,498
Borrowing costs	500	–	433
Depreciation, amortisation and impairment of non-financial assets	16,269	1,955	5,146
Other expenses	2,611	–	–
Net losses from the disposal of assets	3,449	611	306
Total expenses from continuing operations	61,406	9,382	12,039
Operating result from continuing operations	26,164	(363)	1,154
Net operating result for the year	26,164	(363)	1,154
Net operating result attributable to each council fund	26,164	(363)	1,154
Net operating result for the year before grants and contributions provided for capital purposes	(12,366)	(815)	(1,265)

Richmond Valley Council | Notes to the Financial Statements 30 June 2024

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	23,346	4,328	9,926
Investments	25,368	5,056	3,022
Receivables	8,161	1,764	2,112
Inventories	2,261	-	-
Contract assets and contract cost assets	4,146	-	-
Other	356	-	-
Total current assets	63,638	11,148	15,060
Non-current assets			
Investments	11,250	-	-
Receivables	746	416	493
Inventories	1,374	-	-
Infrastructure, property, plant and equipment	895,876	89,651	125,422
Right of use assets	699	-	-
Total non-current assets	909,945	90,067	125,915
Total assets	973,583	101,215	140,975
LIABILITIES			
Current liabilities			
Payables	12,516	100	76
Contract liabilities	9,108	-	-
Lease liabilities	114	-	-
Borrowings	2,220	-	1,673
Employee benefit provision	5,029	-	-
Total current liabilities	28,987	100	1,749
Non-current liabilities			
Payables	590	25	-
Contract liabilities	256	-	-
Lease liabilities	260	-	-
Borrowings	8,410	-	6,236
Employee benefit provision	205	-	-
Provisions	5,038	-	-
Total non-current liabilities	14,759	25	6,236
Total liabilities	43,746	125	7,985
Net assets	929,837	101,090	132,990
EQUITY			
Accumulated surplus	384,464	27,625	48,763
Revaluation reserves	545,373	73,465	84,227
Council equity interest	929,837	101,090	132,990
Total equity	929,837	101,090	132,990

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	2024	2024
		Net profit/(loss)	Net assets
North East Weight of Loads Group (NEWLOG)	Enforcement of load weights carried by heavy vehicles. Joint venture	(130)	685

Reasons for non-recognition

Council's share of NEWLOG net assets is 14.4%. Council does not control the operations of NEWLOG and considers its 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 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	37,600	55,497	37,600	55,497
Receivables	13,692	10,940	13,846	11,072
Investments				
– Debt securities at amortised cost	28,250	19,750	28,250	19,750
Fair value through profit and loss				
Investments				
– Held for trading	16,446	15,338	15,337	14,330
Total financial assets	95,988	101,525	95,033	100,649
Financial liabilities				
Payables	13,307	13,095	13,307	13,095
Loans/advances	18,539	19,462	17,912	18,407
Total financial liabilities	31,846	32,557	31,219	31,502

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	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	823	905
Impact of a 10% movement in price of investments		
– Equity / Income Statement	1,645	1,533

(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 rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
2024				
Gross carrying amount	2,814	545	–	3,359
2023				
Gross carrying amount	2,573	518	–	3,091

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	12,773	–	–	–	1,860	14,633
Expected loss rate (%)	0.67%	0.00%	0.00%	0.00%	1.19%	0.74%
ECL provision	86	–	–	–	22	108
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

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	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	1,120	-	-	-	1,120	13,307
Borrowings	4.68%	-	4,701	11,702	5,086	21,489	18,539
Total financial liabilities		1,120	4,701	11,702	5,086	22,609	31,846
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

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	
		2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements									
Financial assets C1-2									
At fair value through profit or loss									
		30/06/24	30/06/23	16,446	15,337	–	–	16,446	15,337
Total financial assets				16,446	35,087	–	–	16,446	35,087
Infrastructure, property, plant and equipment C1-7									
Land:									
– Crown Land									
		30/06/23	30/06/23	–	–	28,646	27,548	28,646	27,548
– Operational Land									
		30/06/23	30/06/23	–	–	29,213	28,447	29,213	28,447
– Community Land									
		30/06/23	30/06/23	–	–	11,406	10,929	11,406	10,929
– Land Under Roads (post 30/06/08)									
		30/06/23	30/06/23	–	–	908	374	908	374
Land Improvements – non depreciable									
		30/06/20	30/06/20	–	–	7,400	6,954	7,400	6,954
Land Improvements – depreciable									
		30/06/20	30/06/20	–	–	20,393	17,829	20,393	17,829
Buildings – Specialised									
		30/06/20	30/06/20	–	–	74,698	69,050	74,698	69,050
Other Structures									
		30/06/20	30/06/20	–	–	26,757	25,710	26,757	25,710
Infrastructure:									
– Roads									
		30/06/24	30/06/18	–	–	283,610	245,417	283,610	245,417
– Bridges									
		30/06/24	30/06/18	–	–	101,862	72,079	101,862	72,079
– Footpaths									
		30/06/24	30/06/18	–	–	22,237	16,888	22,237	16,888
– Bulk Earthworks (non depreciable)									
		30/06/24	30/06/18	–	–	129,444	75,750	129,444	75,750
– Stormwater Drainage									
		30/06/18	30/06/18	–	–	61,179	58,540	61,179	58,540
– Water Supply Network									
		30/06/22	30/06/22	–	–	85,074	82,358	85,074	82,358
– Sewerage Network									
		30/06/22	30/06/22	–	–	116,002	112,214	116,002	112,214
– Swimming Pools									
		30/06/20	30/06/20	–	–	–	–	–	–
– Other Open Space/Recreational Assets									
		30/06/20	30/06/20	–	–	36,262	29,633	36,262	29,633
– Library Books									
		30/06/24	30/06/23	–	–	351	349	351	349
Total infrastructure, property, plant and equipment				–	–	1,035,442	880,069	1,035,442	880,069

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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)	\$17,000,000
Floating Rate Notes	\$6,750,390
Treasury Bond	\$4,500,000
NSW Treasury Corporation - Medium Term Growth Fund	\$13,027,453
NSW Treasury Corporation - Long Term Growth Fund	\$3,418,814

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)

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'.

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)

E2-1 Fair value measurement (continued)

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.

In between comprehensive revaluations, these assets are indexed each year in line with the NSW non-residential construction index. There has been no change to the valuation process during the reporting period.

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.

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.

E2-1 Fair value measurement (continued)

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

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	Operational Land		Community Land		Land under Roads post 30/6/08		Land improv-ements non-depreciable	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	28,447	26,700	10,929	11,639	908	374	6,954	6,397
Total gains or losses for the period								
Revaluation increments to equity (ARR)	720	1,695	477	(710)	–	534	446	557
Other movements								
Purchases (GBV)	2	44	–	–	–	–	–	–
Transfers from/(to) Capital Work in Progress	44	8	–	–	–	–	–	–
Closing balance	29,213	28,447	11,406	10,929	908	908	7,400	6,954

\$ '000	Land improv-ements depreciable		Buildings specialised		Other structures		Roads	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	17,829	15,278	69,050	61,835	25,710	23,586	245,417	213,572
Total gains or losses for the period								
Revaluation increments to equity (ARR)	1,100	1,295	4,426	5,327	1,605	2,003	72,883	19,753
Impairment loss recognised in equity	–	–	–	87	–	–	(38,814)	1,516
Other movements								
Transfers from/(to) another asset class	–	–	–	–	–	4	–	–
Purchases (GBV)	2,068	1,180	1,609	1,950	124	298	6,544	6,234
Disposals (WDV)	(370)	(96)	(88)	(1,078)	(16)	(24)	(348)	(338)
Depreciation and impairment	(449)	(388)	(1,406)	(1,293)	(666)	(602)	(7,488)	(6,870)
Transfers from/(to) Capital Work in Progress	157	560	887	1,286	–	445	1,755	243
Reinstatement costs for impaired assets	58	–	220	936	–	–	3,661	11,307
Closing balance	20,393	17,829	74,698	69,050	26,757	25,710	283,610	245,417

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E2-1 Fair value measurement (continued)

\$ '000	Bridges		Footpaths		Bulk earthworks (non-depreciable)		Stormwater drainage	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	72,080	66,606	16,887	15,738	75,750	69,229	58,540	53,517
Total gains or losses for the period								
Revaluation increments to equity (ARR)	28,711	6,070	5,550	1,313	53,703	5,890	2,958	4,535
Impairment loss recognised in equity	2,113	(669)	-	-	-	-	-	-
Other movements								
Purchases (GBV)	309	385	182	72	-	647	333	1,048
Disposals (WDV)	-	(205)	(84)	(19)	(9)	(16)	(42)	(1)
Depreciation and impairment	(1,377)	(1,271)	(318)	(294)	-	-	(610)	(559)
Transfers from/(to) Capital Work in Progress	-	243	20	77	-	-	-	-
Reinstatement costs for impaired assets	26	921	-	-	-	-	-	-
Closing balance	101,862	72,080	22,237	16,887	129,444	75,750	61,179	58,540

\$ '000	Water supply network		Library books		Sewerage network		Other open space/ recreation	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	82,358	77,467	349	346	112,214	104,880	29,632	25,216
Total gains or losses for the period								
Revaluation increments to equity (ARR)	4,049	5,839	-	-	5,619	8,037	1,760	2,085
Impairment loss recognised in equity	-	(36)	-	-	-	-	-	-
Other movements								
Transfers from/(to) another asset class	-	-	-	-	-	-	-	(4)
Purchases (GBV)	649	660	103	99	2,106	1,122	1,868	2,379
Disposals (WDV)	(611)	(182)	(18)	(13)	(390)	(94)	(2,329)	(539)
Depreciation and impairment	(1,934)	(1,806)	(83)	(83)	(5,067)	(2,504)	(1,194)	(976)
Transfers from/(to) Capital Work in Progress	563	358	-	-	1,179	289	6,525	1,471
Reinstatement costs for impaired assets	-	58	-	-	341	484	-	-
Closing balance	85,074	82,358	351	349	116,002	112,214	36,262	29,632

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E2-1 Fair value measurement (continued)

\$ '000	Crown Land		Total	
	2024	2023	2024	2023
Opening balance	27,549	29,517	896,832	817,443
Revaluation increments to equity (ARR)	1,097	(1,968)	185,104	62,255
Impairment loss recognised in equity	-	-	(36,701)	898
Purchases (GBV)	-	-	21,286	19,119
Disposals (WDV)	-	-	(5,170)	(2,820)
Depreciation and impairment	-	-	(22,907)	(18,793)
Transfers from/(to) Capital Work in Progress	-	-	11,161	5,024
Reinstatement costs for impaired assets	-	-	4,306	13,706
Closing balance	28,646	27,549	1,053,911	896,832

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 8.5% of salaries for the year ending 30 June 2024 (increasing to 9% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$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 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

Description of the extent to which Council can be liable to the plan for other 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 2024 was \$123,915.31. The last formal valuation of the Scheme was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

E3-1 Contingencies (continued)

The amount of past service contributions included in the total employer contribution advised above is \$48,046.61. Council's expected contribution to the plan for the next annual reporting period is \$72,865.61.

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

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

* excluding 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 0.48% as at 30 June 2024.

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

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

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

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. 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 2024.

(ii) Native Title & Aboriginal Land Claims

Council currently has five claims determined within our Local Government Area by consent. The land affected by the determinations are primarily Crown Land. Council must ensure compliance with all requirements of native title legislation prior to undertaking any work on land for which it is the Crown Land manager. A large number of Aboriginal Land Claims on Crown Land remain undetermined within the Local Government Area. Council must ensure that any work undertaken on lands subject to undetermined Aboriginal Land Claim does no impact on the inchoate interest of the applicant and land council.

(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 2024 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	2024	2023
Compensation:		
Short-term benefits	1,618	1,382
Post-employment benefits	146	128
Other long-term benefits	48	42
Total	1,812	1,552

Other transactions with KMP and their related parties

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments
\$ '000			
2024			
Employee expenses relating to close family members of KMP	1	117	-
2023			
Employee expenses relating to close family members of KMP	1	107	-

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	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	47	46
Councillors' fees	153	148
Other Councillors' expenses (including Mayor)	22	24
Total	222	218

F1-3 Other related parties

\$ '000	Ref	Transactions during the year	Outstanding balances including commitments
2024			
NEWLOG	1	38	-
2023			
NEWLOG	1	36	-

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	2024	2023
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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	96	100
Other assurance services	-	5

Remuneration for audit and other assurance services	96	105
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Total Auditor-General remuneration	96	105
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Total audit fees	96	105
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G Other matters**G1-1 Statement of Cash Flows information****(a) Reconciliation of Operating Result**

\$ '000	2024	2023
Net operating result from Income Statement	26,955	44,257
Add / (less) non-cash items:		
Depreciation and amortisation	23,370	19,593
(Gain) / loss on disposal of assets	4,366	2,557
Non-cash capital grants and contributions	(712)	(3,631)
Losses/(gains) recognised on fair value re-measurements through the P&L: – Investments classified as 'at fair value' or 'held for trading'	(1,128)	(1,351)
Unwinding of discount rates on reinstatement provisions	104	116
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(2,778)	1,261
Increase / (decrease) in provision for impairment of receivables	22	(76)
(Increase) / decrease of inventories	100	(422)
(Increase) / decrease of other current assets	5	159
(Increase) / decrease of contract asset	1,411	(2,910)
Increase / (decrease) in payables	(309)	(2,780)
Increase / (decrease) in other accrued expenses payable	(925)	322
Increase / (decrease) in other liabilities	(244)	1,294
Increase / (decrease) in contract liabilities	(1,191)	4,993
Increase / (decrease) in employee benefit provision	424	183
Increase / (decrease) in other provisions	18	(493)
Net cash flows from operating activities	49,488	63,072
 (b) Non-cash investing and financing activities		
Bushfire grants	37	88
Other dedications	675	3,543
Estimated future reinstatement costs	88	11
Total non-cash investing and financing activities	800	3,642

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
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Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Buildings	27	887
Infrastructure – other	7,301	8,322
Plant and equipment	260	1,760
Total commitments	7,588	10,969

These expenditures are payable as follows:

Within the next year	7,588	10,969
Total payable	7,588	10,969

Details of capital commitments

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

- Colley Park Facility Building \$27
- Replacement Trucks \$260
- Naughtons Gap Landslip Remediation \$5,095
- Thearles Canal (Woodburn-Coraki Rd) \$470
- Albert Park Carpark Construction \$396
- Reynolds Rd Bridge & Lollback Creek Bridge Replacement \$314
- Northern Reservoir Telemetry Tower \$226
- Casino Showground Upgrade \$146
- Casino Swimming Pool \$132
- Dairy Flat Culvert Construction \$128
- Nammoona Cell 6 Construction \$124

G3 Statement of developer contributions

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
Infrastructure	-	-	-	-	-	-	-	-	-	
Community Services	-	-	-	-	-	-	-	-	-	
Recreation & Civil Facilities	-	-	-	-	-	-	-	-	-	
Rural Heavy Haulage	1,825	116	-	-	95	(683)	-	1,353	-	
Quarry Roads	77	-	-	-	4	(10)	-	71	-	
Bushfire	-	-	-	-	-	-	-	-	-	
S7.11 contributions – under a plan	1,902	116	-	-	99	(693)	-	1,424	-	
S7.12 levies – under a plan	1,789	294	-	-	114	(143)	-	2,054	-	
Total S7.11 and S7.12 revenue under plans	3,691	410	-	-	213	(836)	-	3,478	-	
S64 contributions	8,590	635	-	-	458	-	-	9,683	-	
Total contributions	12,281	1,045	-	-	671	(836)	-	13,161	-	

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.

G3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
CONTRIBUTION PLAN NUMBER 2 – EX RRSC									
Quarry Roads	77	-	-	-	4	(10)	-	71	-
Rural Heavy Haulage	1,825	116	-	-	95	(683)	-	1,353	-
Total	1,902	116	-	-	99	(693)	-	1,424	-

S7.12 Levies – under a plan

CONTRIBUTION PLAN NUMBER 1 – Richmond Valley Council									
Section 7.12 Levies	1,789	294	-	-	114	(143)	-	2,054	-
Total	1,789	294	-	-	114	(143)	-	2,054	-

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	<u>(11,187)</u>	(16.63)%	4.94%	(2.80)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	67,253				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	<u>53,924</u>	49.63%	45.20%	47.54%	> 60.00%
Total continuing operating revenue ¹	108,654				
3. Unrestricted current ratio					
Current assets less all external restrictions	<u>47,434</u>	2.95x	2.85x	2.98x	> 1.50x
Current liabilities less specific purpose liabilities	16,070				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	<u>13,116</u>	2.68x	5.11x	4.03x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,895				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	<u>3,430</u>	9.62%	9.19%	10.73%	< 10.00%
Rates and annual charges collectable	35,666				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	<u>54,600</u>	11.09	12.33	11.40	> 3.00
Monthly payments from cash flow of operating and financing activities	4,925	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

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(20.46)%	4.07%	(2.38)%	(3.76)%	(10.80)%	17.24%	> 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	40.19%	37.00%	94.74%	92.90%	81.19%	86.57%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.95x	2.85x	111.48x	91.47x	8.61x	9.98x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	2.48x	6.51x	∞	∞	2.11x	2.38x	> 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	3.97%	3.21%	19.72%	20.02%	20.11%	20.38%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	11.00 months	11.51 months	7.62 months	10.44 months	14.42 months	19.91 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

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

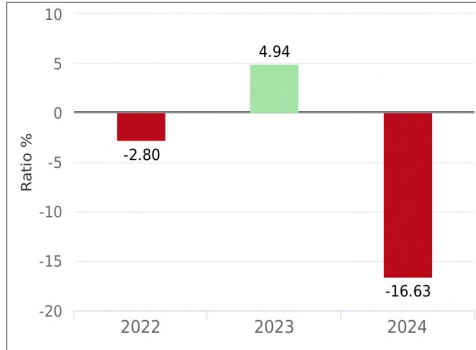
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2023/24 result

2023/24 ratio (16.63)%

Council's operating performance ratio has decreased to -16.63% for 2023/2024. This ratio excludes fair value gains on investments and capital grants and contributions, both of which increased from 2022/2023. This has led to Council's operating income decreasing comparatively to last year for the purpose of this ratio. In addition, Council's operating expenditure increased comparative to 2022/2023 after the net losses from the disposal of assets are excluded.

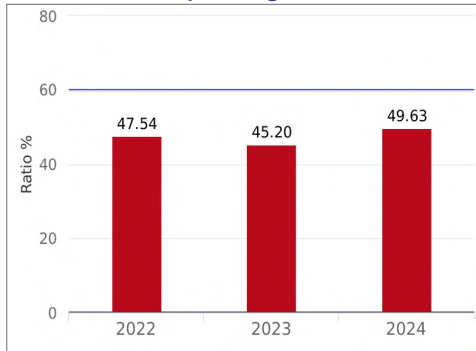
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2023/24 result

2023/24 ratio 49.63%

Council's own source operating revenue ratio has increased slightly to 49.63%, remaining below the benchmark of 60%. This is largely due to a decrease in overall grants and contributions in comparison to previous years.

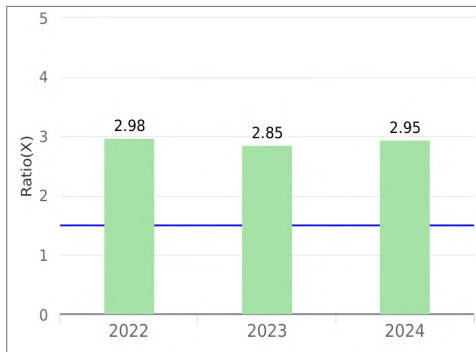
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2023/24 result

2023/24 ratio 2.95x

Council's unrestricted current ratio has increased to 2.95 and remains well above the benchmark of 1.50 and consistent with previous years.

Benchmark: — > 1.50x

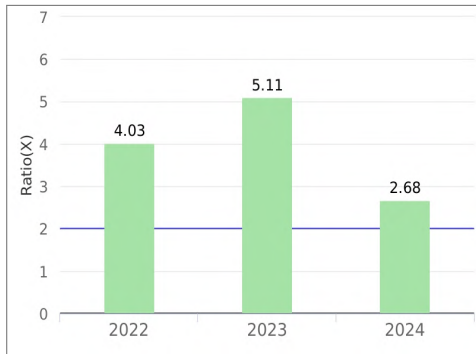
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 2.68x

Council's debt service cover ratio has decreased to 2.68 and remains above the benchmark of >2.0. This is due to a decrease in the operating result in comparison to previous years, meaning there was less cash available to service the repayment of debt.

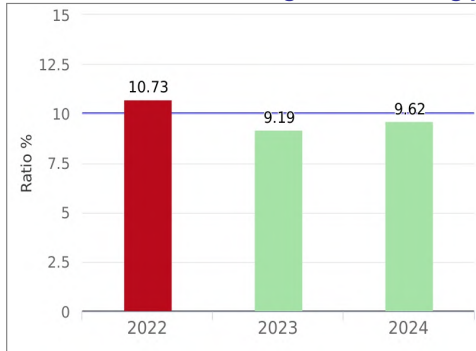
Benchmark: — > 2.00x

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 2023/24 result

2023/24 ratio 9.62%

Council's rates and annual charges outstanding percentage has increased slightly to 9.62% but remains below the benchmark of 10%. 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.

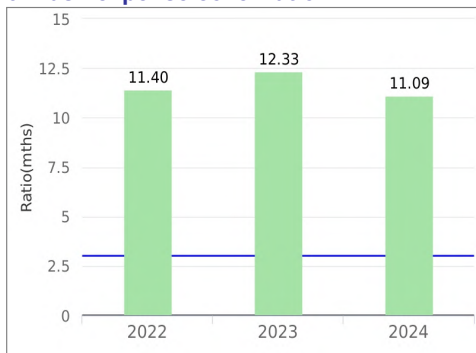
Benchmark: — < 10.00%

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 2023/24 result

2023/24 ratio 11.09 months

Council's cash expense cover ratio has slightly decreased to 11.09. This illustrates Council continues to hold 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

Hayley Martin

Auditors

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

Elected members**MAYOR**

Robert Mustow

Councillors

Stephen Morrissey
Sam Cornish
Robert Hayes
Sandra Humphrys
Lyndall Murray
John Walker

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 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



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

23 October 2024
SYDNEY



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

Contact: Quentin Wong
Phone no: 02 9275 7454
Our ref: R008-2124742775-7336

23 October 2024

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2024
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 2024 as required by section 415 of the *Local Government Act 1993* (the Act).

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

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

INCOME STATEMENT

Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	32.4	30.8	↑ 5.2
Grants and contributions revenue	54.7	67.9	↓ 19.4
Operating result from continuing operations	27.0	44.3	↓ 39.1
Net operating result before capital grants and contributions	(14.4)	3.0	↓ 580.0

Rates and annual charges revenue (\$32.4 million) increased by \$1.6 million (5.2 per cent) in 2023–24 largely due to a rate peg increase of 3.7 per cent.

Grants and contributions revenue (\$54.7 million) decreased by \$13.2 million (19.4 per cent) in 2023–24 largely due to:

- decrease of \$1.4 million of grants recognised from Transport for NSW
- decrease of \$9.5 million of grants recognised from natural disaster funding
- receiving 85 per cent of the financial assistance grants for 2024–25 in advance (100 per cent in 2022–23).

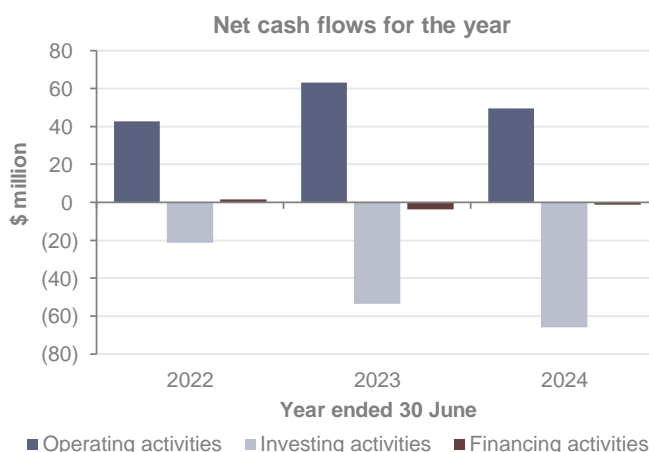
Council’s operating result from continuing operations (\$27.0 million including depreciation, amortisation and impairment expense of \$23.4 million) was \$17.3 million lower than the 2022–23 result. This is mainly due to:

- decrease of \$13.2 million in grants and contributions revenue described above
- decrease of \$3.6 million in other revenues
- decrease of \$1.0 million in other income.

The net operating result before capital grants and contributions of \$(14.4 million) was \$17.4 million lower than the 2022–23 result.

STATEMENT OF CASH FLOWS

Net cash provided by operating activities decreased by \$13.6 million (21.6 per cent). This relates to the decrease in grants and contributions revenue offset by a decrease in materials and services expenditure. Net cash used in investing activities increased by \$12.7 million (23.8 per cent). The majority of this increase relates to increase in capital expenditure of \$9.0 million. Net cash used in financing activities decreased by \$2.4 million (63.2 per cent). This is due to the cash receipts from borrowings of \$2.6 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	82.3	90.6	Externally restricted cash and investments decreased by \$3.7 million, primarily due to decreases in specific purpose unexpended grants, domestic waste management and sewer fund.
Restricted and allocated cash, cash equivalents and investments:			Balances are internally allocated due to Council policy or decisions for forward plans, including the capital works program. Internally allocated cash and investments has decreased by \$4.5 million.
• External restrictions	49.8	53.5	
• Internal allocations	32.3	36.8	

Debt

At 30 June 2024, Council had:

- \$18.5 million in secured loans (\$19.5 million in 2022–23)
- \$0.5 million in approved overdraft facility with \$0 drawn down
- \$0.1 million in credit card facility with \$0.001 million used.

PERFORMANCE

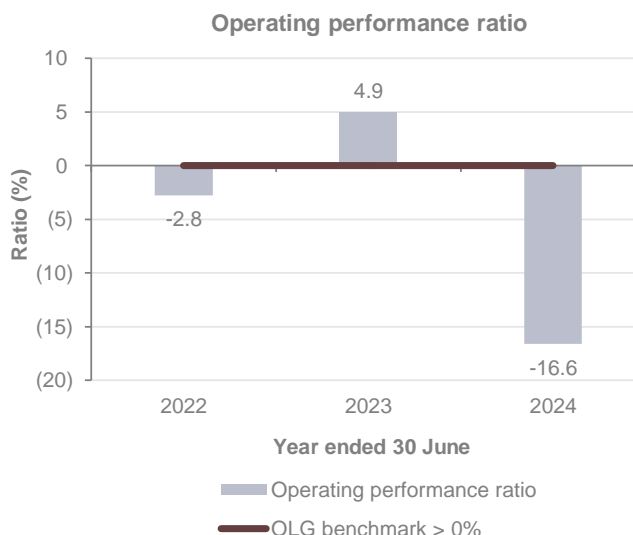
Performance measures

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

Operating performance ratio

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

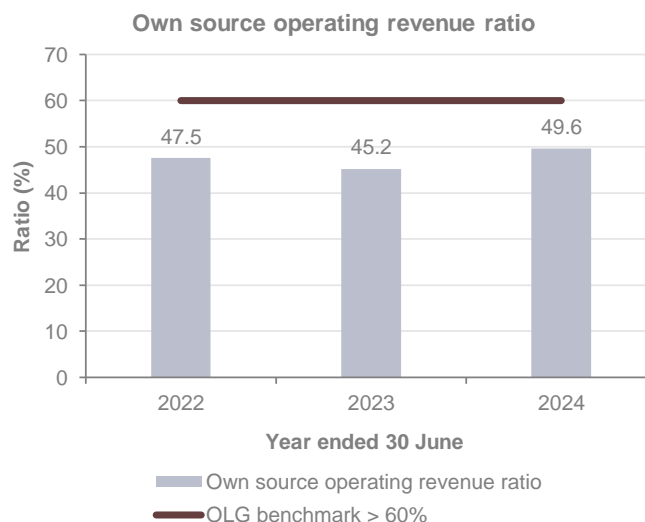
The ‘operating performance ratio’ measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

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

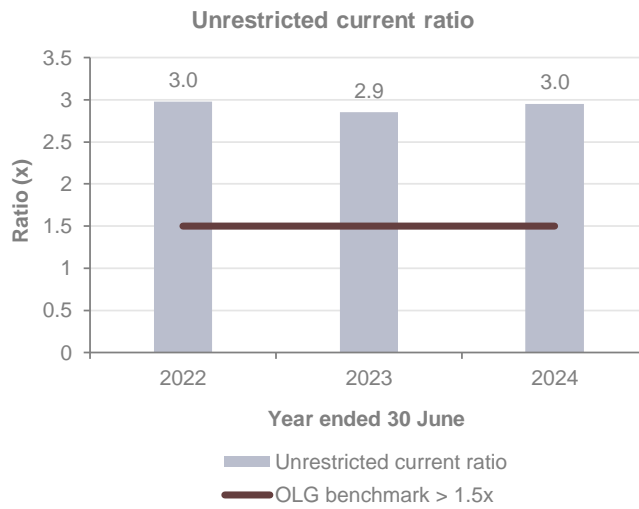
The ‘own source operating revenue ratio’ measures council’s fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

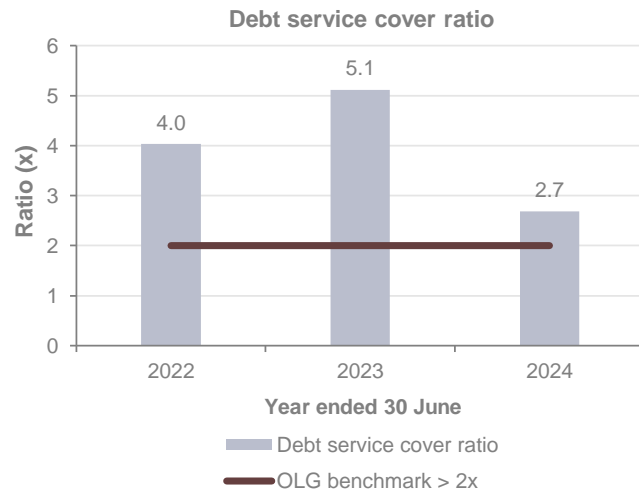
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

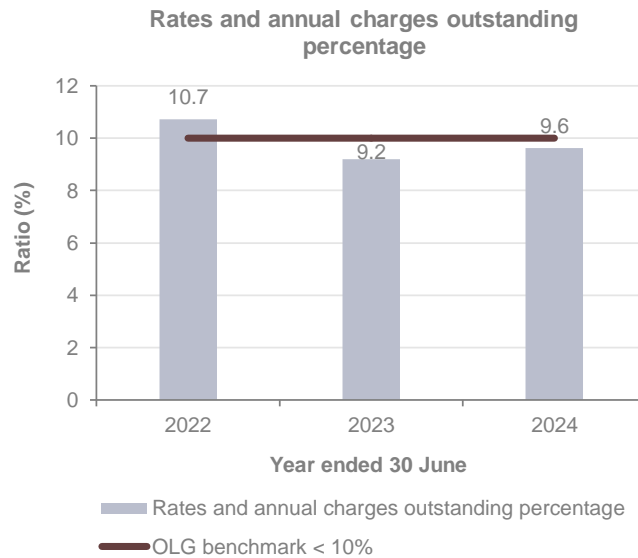
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

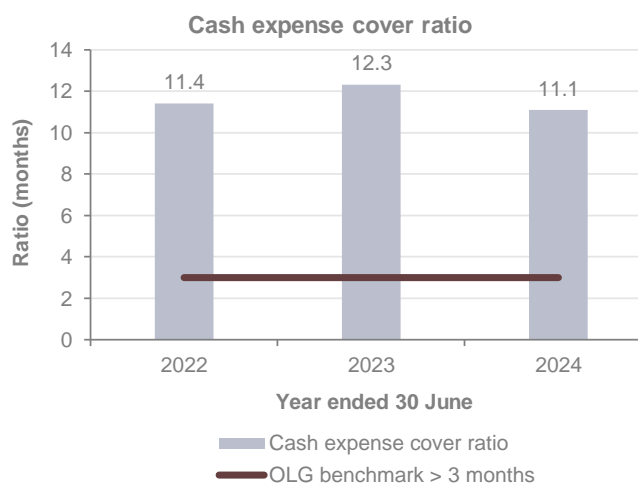
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$38.4 million of infrastructure, property, plant and equipment during the 2023–24 financial year. This was mainly spent on roads, repairing assets damaged by natural disasters and plant and equipment. A further \$18.9 million was spent on new assets including:


- \$11.3 million on capital work in progress
- \$2.1 million on plant and equipment
- \$1.7 million on land improvements - depreciable.

OTHER MATTERS

Legislative compliance

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

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



Quentin Wong

Delegate of the Auditor-General for New South Wales

Richmond Valley Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Richmond Valley Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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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 2024

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 Climate Change, Energy, the Environment and Water's (DCCEEW) *Regulatory and assurance framework for local water utilities, July 2022*

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

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

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

Signed in accordance with a resolution of Council made on 22 October 2024.



Robert Mustow
Mayor
22 October 2024



Stephen Morrissey
Deputy Mayor
22 October 2024



Vaughan Macdonald
General Manager
22 October 2024



Hayley Martin
Responsible Accounting Officer
22 October 2024

Richmond Valley Council | Income Statement of water supply business activity | for the year ended 30 June 2024

Richmond Valley Council

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Income from continuing operations			
Access charges		1,894	1,784
User charges		6,063	5,169
Interest and investment income		366	356
Fees		222	167
Grants and contributions provided for operating purposes		22	7
Total income from continuing operations		8,567	7,483
Expenses from continuing operations			
Employee benefits and on-costs		1,598	1,300
Materials and services		3,833	3,334
Depreciation, amortisation and impairment		1,955	1,814
Water purchase charges		1,385	1,314
Net loss from the disposal of assets		611	182
Calculated taxation equivalents		35	37
Total expenses from continuing operations		9,417	7,981
Surplus (deficit) from continuing operations before capital amounts		(850)	(498)
Grants and contributions provided for capital purposes		452	564
Surplus (deficit) from continuing operations after capital amounts		(398)	66
Surplus (deficit) from all operations before tax		(398)	66
Surplus (deficit) after tax		(398)	66
Plus opening accumulated surplus		27,988	27,885
Plus adjustments for amounts unpaid:			
– Taxation equivalent payments		35	37
Closing accumulated surplus		27,625	27,988
Return on capital %		(0.9)%	(0.6)%
Calculation of dividend payable:			
Surplus (deficit) after tax		(398)	66
Less: capital grants and contributions (excluding developer contributions)		(452)	(241)
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 2024

Richmond Valley Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	8,161	7,733
User charges	1,779	1,551
Fees	197	230
Interest and investment income	591	568
Grants and contributions provided for operating purposes	28	–
Other income	18	3
Total income from continuing operations	10,774	10,085
Expenses from continuing operations		
Employee benefits and on-costs	1,656	1,486
Borrowing costs	433	517
Materials and services	4,498	3,619
Depreciation, amortisation and impairment	5,146	2,575
Net loss from the disposal of assets	306	95
Calculated taxation equivalents	74	40
Total expenses from continuing operations	12,113	8,332
Surplus (deficit) from continuing operations before capital amounts	(1,339)	1,753
Grants and contributions provided for capital purposes	2,419	1,537
Surplus (deficit) from continuing operations after capital amounts	1,080	3,290
Surplus (deficit) from all operations before tax	1,080	3,290
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(438)
Surplus (deficit) after tax	1,080	2,852
Plus opening accumulated surplus	47,609	44,279
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	74	40
– Corporate taxation equivalent	–	438
Closing accumulated surplus	48,763	47,609
Return on capital %	(0.7)%	1.9%
Calculation of dividend payable:		
Surplus (deficit) after tax	1,080	2,852
Less: capital grants and contributions (excluding developer contributions)	(2,419)	(787)
Surplus for dividend calculation purposes	–	2,065
Potential dividend calculated from surplus	–	1,032

Richmond Valley Council | Income Statement of Petersons Quarry | for the year ended 30 June 2024

Richmond Valley Council

Income Statement of Petersons Quarry

for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
Income from continuing operations		
Fees	860	1,290
Interest and investment income	117	99
Other income	20	454
Total income from continuing operations	997	1,843
Expenses from continuing operations		
Materials and services	135	122
Depreciation, amortisation and impairment	15	14
Calculated taxation equivalents	3	5
Total expenses from continuing operations	153	141
Surplus (deficit) from continuing operations before capital amounts	844	1,702
Surplus (deficit) from continuing operations after capital amounts	844	1,702
Surplus (deficit) from all operations before tax	844	1,702
Less: corporate taxation equivalent (25%) [based on result before capital]	(211)	(426)
Surplus (deficit) after tax	633	1,276
Plus opening accumulated surplus	3,108	2,853
Plus/less: prior period adjustments	-	(432)
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	3	5
– Corporate taxation equivalent	211	426
Less:		
– Dividend paid	(1,916)	(1,020)
Closing accumulated surplus	2,039	3,108
Return on capital %	40.8%	83.7%

Richmond Valley Council | Income Statement of Woodview Quarry | for the year ended 30 June 2024

Richmond Valley Council

Income Statement of Woodview Quarry

for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
Income from continuing operations		
Fees	668	1,049
Interest and investment income	123	88
Other income	5	52
Total income from continuing operations	796	1,189
Expenses from continuing operations		
Borrowing costs	14	11
Materials and services	130	113
Depreciation, amortisation and impairment	9	8
Calculated taxation equivalents	13	15
Total expenses from continuing operations	166	147
Surplus (deficit) from continuing operations before capital amounts	630	1,042
Surplus (deficit) from continuing operations after capital amounts	630	1,042
Surplus (deficit) from all operations before tax	630	1,042
Less: corporate taxation equivalent (25%) [based on result before capital]	(158)	(261)
Surplus (deficit) after tax	472	781
Plus opening accumulated surplus	2,768	2,070
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	13	15
– Corporate taxation equivalent	158	261
Less:		
– Dividend paid	(1,412)	(359)
Closing accumulated surplus	1,999	2,768
Return on capital %	30.8%	50.2%

Richmond Valley Council | Statement of Financial Position of water supply business activity | as at 30 June 2024

Richmond Valley Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	4,328	5,175
Investments	5,056	3,211
Receivables	1,764	1,676
Total current assets	11,148	10,062
Non-current assets		
Receivables	416	375
Infrastructure, property, plant and equipment	89,651	87,090
Total non-current assets	90,067	87,465
Total assets	101,215	97,527
LIABILITIES		
Current liabilities		
Payables	100	110
Total current liabilities	100	110
Non-current liabilities		
Payables	25	27
Total non-current liabilities	25	27
Total liabilities	125	137
Net assets	101,090	97,390
EQUITY		
Accumulated surplus	27,625	27,988
Revaluation reserves	73,465	69,402
Total equity	101,090	97,390

Richmond Valley Council | Statement of Financial Position of sewerage business activity | as at 30 June 2024

Richmond Valley Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	9,926	11,821
Investments	3,022	2,837
Receivables	2,112	2,093
Total current assets	15,060	16,751
Non-current assets		
Receivables	493	471
Infrastructure, property, plant and equipment	125,422	118,379
Total non-current assets	125,915	118,850
Total assets	140,975	135,601
LIABILITIES		
Current liabilities		
Payables	76	94
Borrowings	1,673	1,584
Total current liabilities	1,749	1,678
Non-current liabilities		
Borrowings	6,236	7,909
Total non-current liabilities	6,236	7,909
Total liabilities	7,985	9,587
Net assets	132,990	126,014
EQUITY		
Accumulated surplus	48,763	47,609
Revaluation reserves	84,227	78,405
Total equity	132,990	126,014

Richmond Valley Council | Statement of Financial Position of Petersons Quarry | as at 30 June 2024

Richmond Valley Council

Statement of Financial Position of Petersons Quarry

as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
ASSETS		
Current assets		
Investments	1,449	2,503
Total current assets	1,449	2,503
Non-current assets		
Infrastructure, property, plant and equipment	2,067	2,033
Total non-current assets	2,067	2,033
Total assets	3,516	4,536
Net assets	3,516	4,536
EQUITY		
Accumulated surplus	2,039	3,108
Revaluation reserves	1,477	1,428
Total equity	3,516	4,536

Richmond Valley Council | Statement of Financial Position of Woodview Quarry | as at 30 June 2024

Richmond Valley Council

Statement of Financial Position of Woodview Quarry

as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
ASSETS		
Current assets		
Investments	1,693	2,440
Total current assets	1,693	2,440
Non-current assets		
Infrastructure, property, plant and equipment	2,090	2,099
Total non-current assets	2,090	2,099
Total assets	3,783	4,539
LIABILITIES		
Non-current liabilities		
Provisions	337	333
Total non-current liabilities	337	333
Total liabilities	337	333
Net assets	3,446	4,206
EQUITY		
Accumulated surplus	1,999	2,768
Revaluation reserves	1,447	1,438
Total equity	3,446	4,206

Note – Material accounting policy information

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

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

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

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993* (Act), the *Local Government (General) Regulation 2022* (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 – Material accounting policy information (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 Climate Change, Energy, the Environment & Water – 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 – Material accounting policy information (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 4.30% at 30/6/24.

(iii) Dividends

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

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 2024, the Statement of Financial Position of each Declared Business Activity as at 30 June 2024 and the Material accounting policy information note.

The Declared Business Activities of the Council are:

- water supply
- sewerage
- Petersons 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 2024, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Material accounting policy information note and the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



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

23 October 2024
SYDNEY

Richmond Valley Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Richmond Valley Council

Special Schedules

for the year ended 30 June 2024

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Richmond Valley Council | Permissible income for general rates | for the year ended 30 June 2024

Richmond Valley Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	15,624	16,311
Plus or minus adjustments ²	b	1	33
Notional general income	c = a + b	15,625	16,344
Permissible income calculation			
Percentage increase	d	3.70%	4.60%
Plus percentage increase amount ³	f = d x (c + e)	578	752
Sub-total	g = (c + e + f)	16,203	17,096
Plus (or minus) last year's carry forward total	h	22	(86)
Sub-total	j = (h + i)	22	(86)
Total permissible income	k = g + j	16,225	17,010
Less notional general income yield	l	16,311	17,020
Catch-up or (excess) result	m = k - l	(86)	(10)
Plus income lost due to valuation objections claimed ⁴	n	-	4
Carry forward to next year ⁶	p = m + n + o	(86)	(6)

Notes

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

Richmond Valley Council | Permissible income for general rates | for the year ended 30 June 2024



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 2025.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2024.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

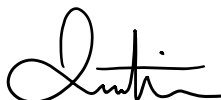
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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



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

23 October 2024
SYDNEY

Richmond Valley Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2023/24 Required maintenance ^a \$ '000	2023/24 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Buildings – specialised	175	175	402	639	74,699	101,055	48.1%	36.9%	14.6%	0.4%	0.0%
	Sub-total	175	175	402	639	74,698	101,055	48.1%	36.9%	14.6%	0.4%	0.0%
Other structures	Other structures	8	8	10	11	26,757	32,175	88.9%	9.0%	2.0%	0.1%	0.0%
	Sub-total	8	8	10	11	26,757	32,175	88.9%	9.0%	2.0%	0.1%	0.0%
Roads	Sealed roads	45,646	45,646	2,086	2,462	266,215	384,173	71.2%	19.5%	6.8%	1.5%	1.1%
	Unsealed roads	4,475	4,475	1,149	2,107	17,393	43,717	11.5%	45.5%	31.3%	10.7%	1.0%
	Bridges	7,645	7,645	73	89	101,863	141,353	16.5%	53.0%	18.4%	11.8%	0.2%
	Footpaths	30	30	45	262	22,238	23,682	92.7%	5.5%	1.4%	0.5%	0.0%
	Bulk earthworks	–	–	–	–	129,444	129,444	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	57,796	57,796	3,353	4,920	537,153	722,369	62.7%	23.7%	9.2%	3.8%	0.6%
Water supply network	Water supply network	852	852	537	590	85,074	123,957	37.8%	26.5%	32.9%	2.6%	0.2%
	Sub-total	852	852	537	590	85,074	123,957	37.8%	26.5%	32.9%	2.6%	0.2%
Sewerage network	Sewerage network	7,498	7,498	1,401	1,368	116,002	195,198	29.0%	25.7%	34.7%	7.9%	2.7%
	Sub-total	7,498	7,498	1,401	1,368	116,002	195,198	29.0%	25.7%	34.7%	7.9%	2.7%
Stormwater drainage	Stormwater drainage	1,770	1,770	197	292	61,179	76,204	38.6%	38.6%	16.5%	6.1%	0.2%
	Sub-total	1,770	1,770	197	292	61,179	76,204	38.6%	38.6%	16.5%	6.1%	0.2%

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Richmond Valley Council

Report on infrastructure assets as at 30 June 2024 (continued)

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2023/24 Required maintenance ^a \$ '000	2023/24 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Open space / recreational assets	Other Open Space/Recreation	92	92	150	122	36,262	44,964	82.7%	13.3%	3.2%	0.5%	0.3%
	Sub-total	92	92	150	122	36,262	44,964	82.7%	13.3%	3.2%	0.5%	0.3%
	Total – all assets	68,191	68,191	6,050	7,942	937,125	1,295,922	54.0%	25.4%	15.8%	4.0%	0.8%

(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 2024

Infrastructure asset performance indicators (consolidated) ^(*)

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ⁽¹⁾	<u>34,787</u>	61.29%	182.51%	125.26%	> 100.00%
Depreciation, amortisation and impairment	<u>56,761</u>				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	<u>68,191</u>	6.86%	3.86%	6.01%	< 2.00%
Net carrying amount of infrastructure assets	<u>993,760</u>				
Asset maintenance ratio					
Actual asset maintenance	<u>7,942</u>	131.27%	177.87%	162.32%	> 100.00%
Required asset maintenance	<u>6,050</u>				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	<u>68,191</u>	5.26%	2.79%	4.21%	
Gross replacement cost	<u>1,295,922</u>				

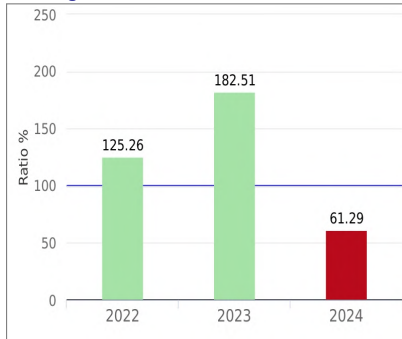
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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 2024

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

Commentary on result

23/24 ratio 61.29%

Council's building and infrastructure renewal ratio decreased to 61.29%. This is largely due to a number of new assets being constructed as Council has been successful in receiving capital grants over the past couple of years, along with an revised increase in impairment of infrastructure assets due to disaster restoration works.

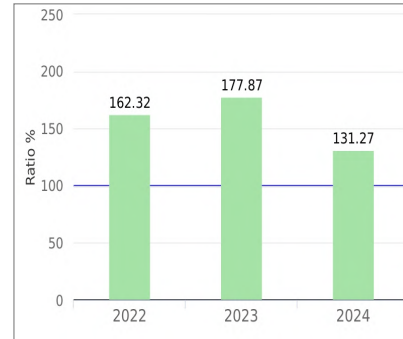
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result

23/24 ratio 131.27%

Council's asset maintenance ratio has decreased slightly to 131.27, however remains above the benchmark of 100%.

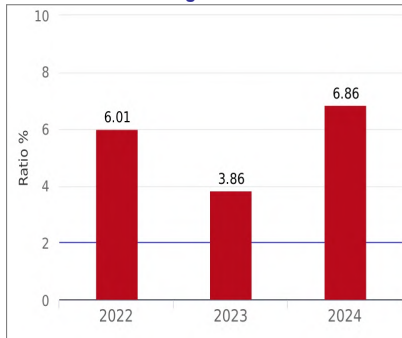
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result

23/24 ratio 6.86%

Council's infrastructure backlog ratio has increased to 6.86. This is due to a revised amount of impairment of infrastructure assets due to disaster restoration works.

Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result

23/24 ratio 5.26%

Council's outstanding renewals ratio is 5.26%. This is an increase from the previous year due to a revised amount of impairment of infrastructure assets due to disaster restoration works.

Richmond Valley Council | Report on infrastructure assets as at 30 June 2024

Richmond Valley Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	57.34%	182.94%	∞	0.00%	∞	∞	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	7.55%	3.78%	1.00%	0.96%	6.46%	6.40%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	145.53%	214.57%	109.87%	111.45%	97.64%	93.71%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	6.13%	2.85%	0.69%	0.67%	3.84%	3.89%	

(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 2024 to 31 October 2024



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5. Environmentally Sustainable Investment Performance Report for the Period Ending 31 October 2024 Relative To 30 September 2024



1. Portfolio Valuation As At 31 October 2024

	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+	13,157,000.00	13,157,000.00	13,157,000.00	16.89%	4.23%	
CBA General Fund Bk Acct RVC At Call	S&P ST A1+	545,153.05	545,153.05	545,153.05	0.70%	3.35%	
CBA Trust Acct RVC At Call	S&P ST A1+	87,050.17	87,050.17	87,050.17	0.11%	3.05%	
MACQ 940323454 At Call	Moodys A2	2,007,877.10	2,007,877.10	2,007,877.10	2.58%	4.65%	
NAB Business Cheque Acct RVC At Call	S&P ST A1+	24.71	24.71	24.71	0.00%	0.00%	
		15,797,105.03	15,797,105.03	15,797,105.03	20.28%		0.86%
Floating Rate Note							
Auswide 1.5 17 Mar 2026 FRN	Moodys Baa2	1,000,000.00	1,000,000.00	1,000,000.00	1.28%	5.08%	
Auswide 1.6 22 Mar 2027 FRN	Moodys Baa2	1,500,000.00	1,500,000.00	1,500,000.00	1.93%	4.90%	
CACU 1.7 21 Sep 2026 FRN	S&P BBB-	1,750,000.00	1,750,000.00	1,750,000.00	2.25%	5.93%	
MACQ 0.48 09 Dec 2025 FRN	Moodys A2	1,000,390.00	1,000,390.00	1,000,390.00	1.28%	5.33%	
MYS 0.65 16 Jun 2025 FRN	Moodys Baa2	1,500,000.00	1,500,000.00	1,500,000.00	1.93%	5.03%	
		6,750,390.00	6,750,390.00	6,750,390.00	8.66%		0.46%
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	2.57%	1.10%	
JUDO 6.4 26 Sep 2025 Fixed	S&P BBB-	1,500,000.00	1,500,000.00	1,500,000.00	1.93%	6.40%	
BOQ 4.7 27 Jan 2027 Fixed	S&P BBB+	1,000,000.00	1,000,000.00	1,000,000.00	1.28%	5.60%	
		4,500,000.00	4,500,000.00	4,500,000.00	5.78%		0.25%
Unit Trust							
NSWTC Long Term Growth Fund UT		3,000,000.00	3,559,102.14	3,559,102.14	4.57%	-4.92%	
NSWTC Medium Term Growth Fund UT		11,005,029.35	13,300,362.28	13,300,362.28	17.07%	-7.44%	
		14,005,029.35	16,859,464.42	16,859,464.42	21.64%		-1.49%



1. Portfolio Valuation As At 31 October 2024

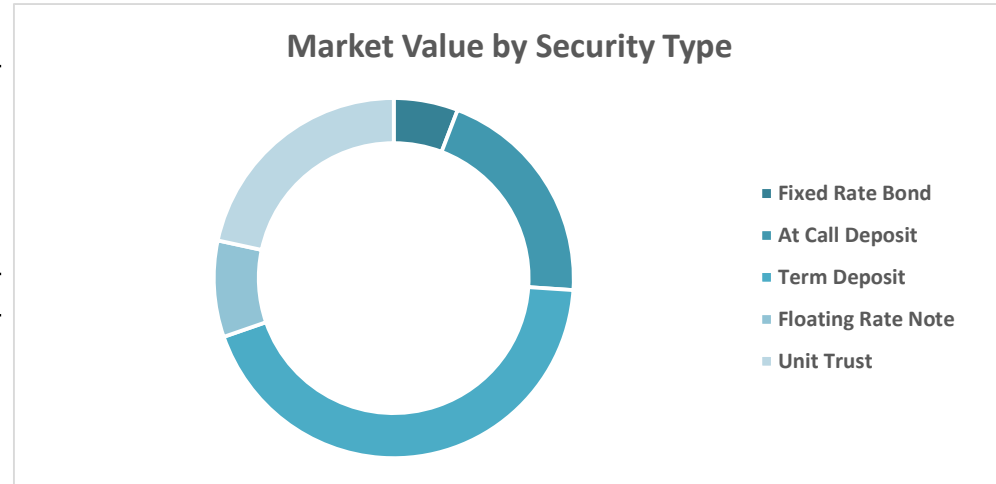
Term Deposit

AMP 5 28 Jan 2025 153DAY TD	Moody's ST P-2	1,000,000.00	1,000,000.00	1,000,000.00	1.28%	5.00%
BOQ 5.15 07 Nov 2024 183DAY TD	S&P ST A2	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.15%
BOQ 5.05 31 Mar 2025 181DAY TD	S&P ST A2	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.05%
CCU 5.5 05 Dec 2024 366DAY TD	Moody's ST P-3	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.50%
ING 5.41 21 Nov 2024 366DAY TD	S&P ST A1	1,000,000.00	1,000,000.00	1,000,000.00	1.28%	5.41%
ING 5.22 22 Jan 2025 366DAY TD	S&P ST A1	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.22%
ING 5.31 04 Jun 2025 365DAY TD	S&P ST A1	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.31%
JUDO 5.2 07 Nov 2024 183DAY TD	S&P ST A2	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.20%
JUDO 5.45 02 Dec 2024 367DAY TD	S&P ST A2	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.45%
JUDO 5 25 Feb 2025 180DAY TD	S&P ST A2	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.00%
JUDO 5.05 10 Apr 2025 182DAY TD	S&P ST A2	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.05%
NAB 4.95 28 Nov 2024 92DAY TD	S&P ST A1+	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	4.95%
NAB 5 30 Jan 2025 121DAY TD	S&P ST A1+	3,000,000.00	3,000,000.00	3,000,000.00	3.85%	5.00%
NAB 5.30 30 Jan 2025 184DAY TD	S&P ST A1+	3,000,000.00	3,000,000.00	3,000,000.00	3.85%	5.30%
NAB 5 27 Feb 2025 120DAY TD	S&P ST A1+	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.00%
NAB 5 04 Mar 2025 184DAY TD	S&P ST A1+	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.00%
RCU 5.3 11 Dec 2024 181DAY TD	Unrated ST UR	2,000,000.00	2,000,000.00	2,000,000.00	2.57%	5.30%
		34,000,000.00	34,000,000.00	34,000,000.00	43.64%	2.26%
Portfolio Total		75,052,524.38	77,906,959.45	77,906,959.45	100.00%	2.33%



2. Portfolio Valuation By Categories As At 31 October 2024

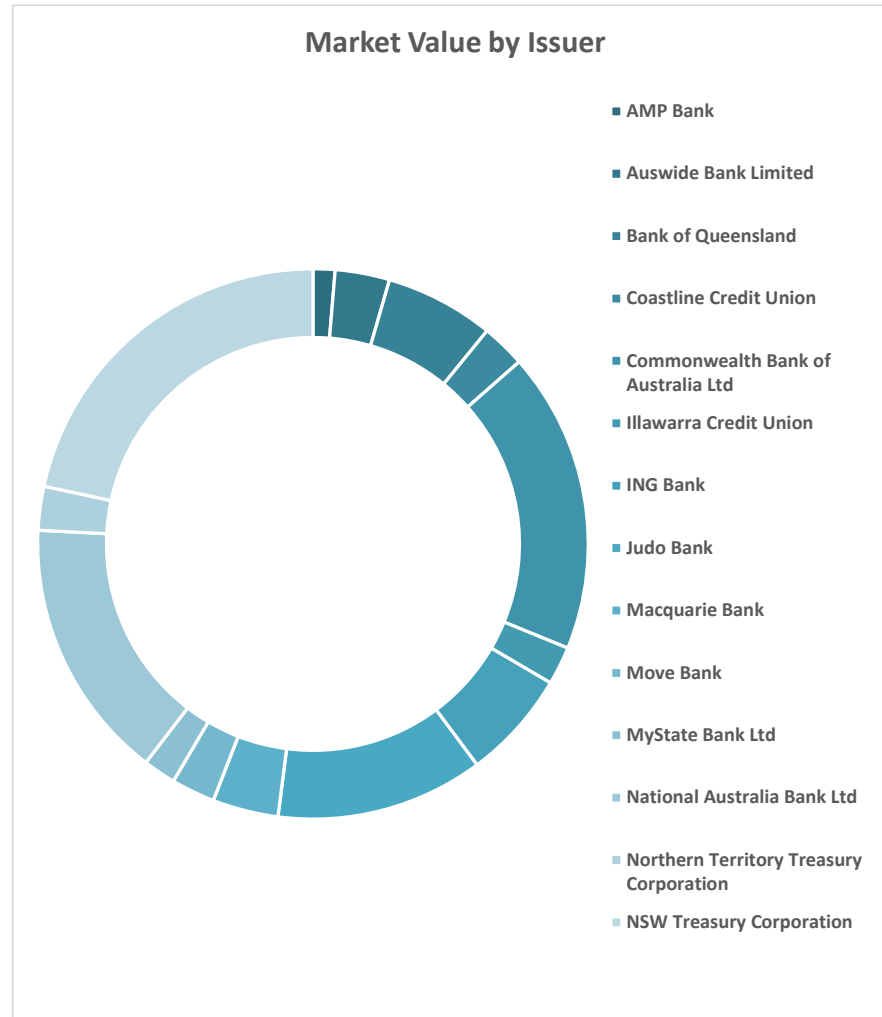
Security Type	Market Value	% Total Value
Fixed Rate Bond	4,500,000.00	5.78%
At Call Deposit	15,797,105.03	20.28%
Term Deposit	34,000,000.00	43.64%
Floating Rate Note	6,750,390.00	8.66%
Unit Trust	16,859,464.42	21.64%
Portfolio Total	77,906,959.45	100.00%





2. Portfolio Valuation By Categories As At 31 October 2024

Issuer	Market Value	% Total Value
AMP Bank	1,000,000.00	1.28%
Auswide Bank Limited	2,500,000.00	3.21%
Bank of Queensland	5,000,000.00	6.42%
Coastline Credit Union	2,000,000.00	2.57%
Commonwealth Bank of Australia Ltd	13,789,203.22	17.70%
Illawarra Credit Union	1,750,000.00	2.25%
ING Bank	5,000,000.00	6.42%
Judo Bank	9,500,000.00	12.19%
Macquarie Bank	3,008,267.10	3.86%
Move Bank	2,000,000.00	2.57%
MyState Bank Ltd	1,500,000.00	1.93%
National Australia Bank Ltd	12,000,024.71	15.40%
Northern Territory Treasury Corporation	2,000,000.00	2.57%
NSW Treasury Corporation	16,859,464.42	21.64%
Portfolio Total	77,906,959.45	100.00%



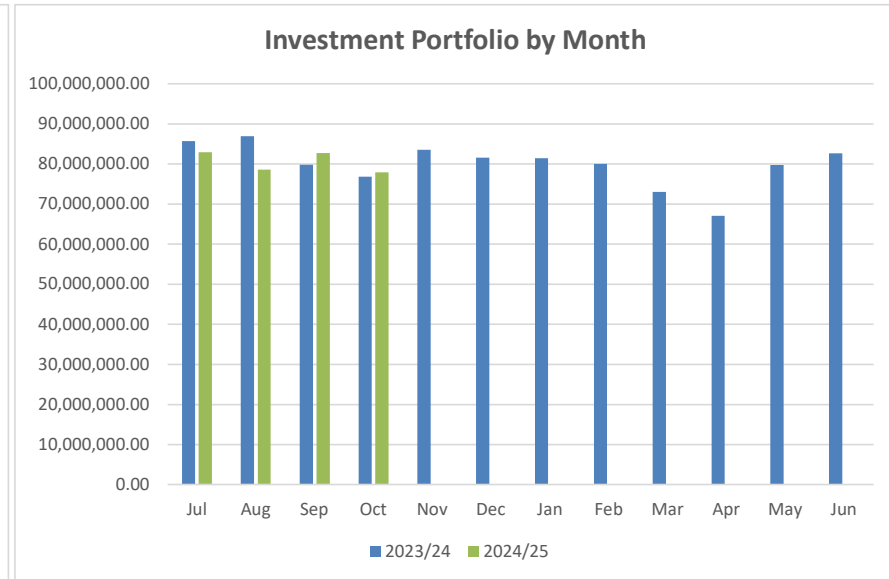
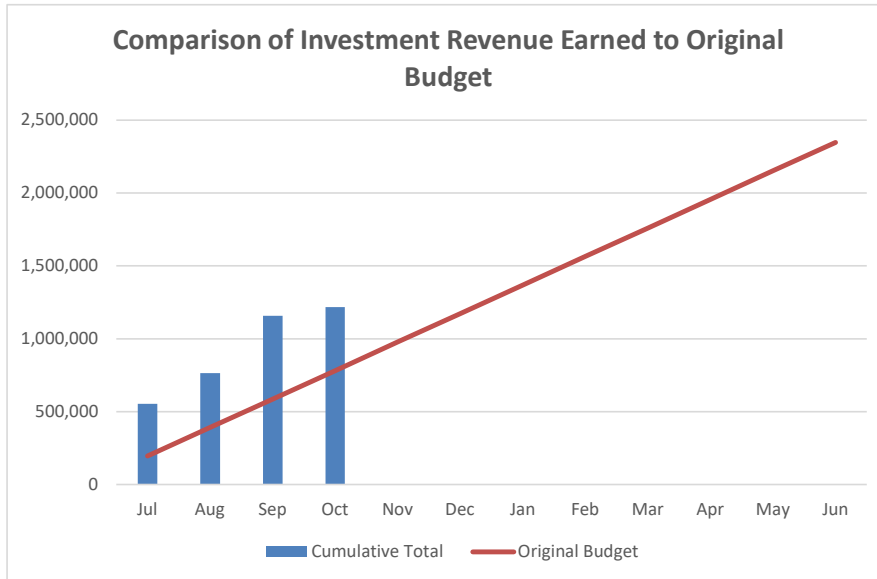


3. Investment Revenue Received For 1 October 2024 to 31 October 2024

Security	Issuer	Settlement Date	Face Value (Basis of Interest Calculation)	Consideration Notional	Income Type
JUDO 5.15 01 Oct 2024 92DAY TD	Judo Bank	1 Oct 2024	1,000,000.00	12,980.82	Security Coupon Interest
NAB 5.1 08 Oct 2024 153DAY TD	National Australia Bank Ltd	8 Oct 2024	2,000,000.00	42,756.16	Security Coupon Interest
NAB 5.1 30 Oct 2024 92DAY TD	National Australia Bank Ltd	30 Oct 2024	2,000,000.00	25,709.59	Security Coupon Interest
Other	Macquarie Bank Ltd	31 Oct 2024		7,877.10	Bank Interest
Other	Commonwealth Bank	31 Oct 2024		59,618.23	Bank Interest
Other	Commonwealth Bank	31 Oct 2024		2,283.11	Bank Interest
Other	Commonwealth Bank	31 Oct 2024		225.50	Bank Interest
				151,450.51	
Medium Term Growth Fund	NSW Treasury Corporation			(82,401.49)	Fair Value Gain/(Loss)
Long Term Growth Fund	NSW Treasury Corporation			(14,589.57)	Fair Value Gain/(Loss)
				(96,991.06)	
TOTAL				54,459.45	



4. Comparison of Investment Revenue Earned to Original Budget and Investment Portfolio by Month 2024 - 2025 YTD



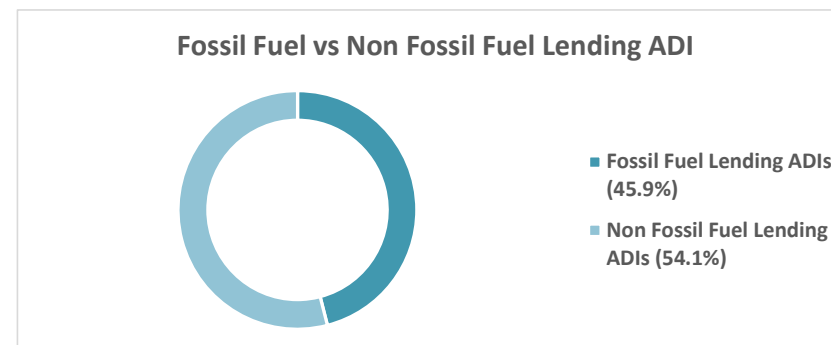


5. Environmentally Sustainable Investment Performance Report for the Period Ending 31 October 2024 Relative To 30 September 2024.

Portfolio Summary by Fossil Fuel Lending ADIs

ADI Lending Status	% Total	Current Period	% Total	Prior Period
Fossil Fuel Lending ADIs				
AMP Bank	1.3%	1,000,000.00	1.2%	1,000,000.00
Bank of Queensland	1.3%	1,000,000.00	1.2%	1,000,000.00
Commonwealth Bank of Australia Ltd	17.7%	13,789,203.22	27.2%	22,532,088.06
ING Bank Australia Limited	6.4%	5,000,000.00	6.0%	5,000,000.00
Macquarie Bank	3.9%	3,008,267.10	3.6%	3,008,268.82
National Australia Bank Ltd	15.4%	12,000,024.71	13.3%	11,000,024.71
	45.9%	35,797,495.03	52.6%	43,540,381.59
Non Fossil Fuel Lending ADIs				
Auswide Bank Limited	3.2%	2,500,000.00	3.0%	2,500,000.00
Bank of Queensland	5.1%	4,000,000.00	2.4%	2,000,000.00
Coastline Credit Union	2.6%	2,000,000.00	2.4%	2,000,000.00
Illawarra Credit Union	2.2%	1,750,000.00	2.1%	1,750,000.00
Judo Bank	12.2%	9,500,000.00	10.3%	8,500,000.00
Move Bank	2.6%	2,000,000.00	2.4%	2,000,000.00
MyState Bank Ltd	1.9%	1,500,000.00	1.8%	1,500,000.00
Northern Territory Treasury Corporation	2.6%	2,000,000.00	2.4%	2,000,000.00
NSW Treasury Corporation	21.6%	16,859,464.42	20.5%	16,956,455.48
	54.1%	42,109,464.42	47.4%	39,206,455.48
Total Portfolio		77,906,959.45		82,746,837.07

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





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Richmond Valley Council

QUARTERLY BUDGET REVIEW STATEMENT

for the quarter ended 30 September 2024



"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 2024**

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**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024**

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 2024 indicates that Council's projected financial position at 30 June 2025 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 2024/2025 has declined to an estimated deficit as at 30 September 2024 of \$19,877,887. This is largely as a result of carry over works as well as an increase in the capital works program with projects continuing into 2024/2025. The unrestricted cash surplus has remained unchanged at \$272,799.

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:



Hayley Martin
Responsible Accounting Officer

Date: 14/11/2024

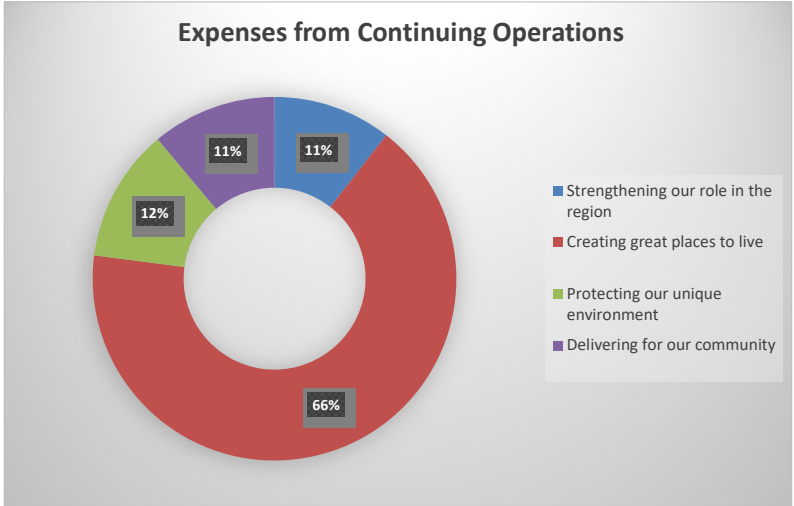
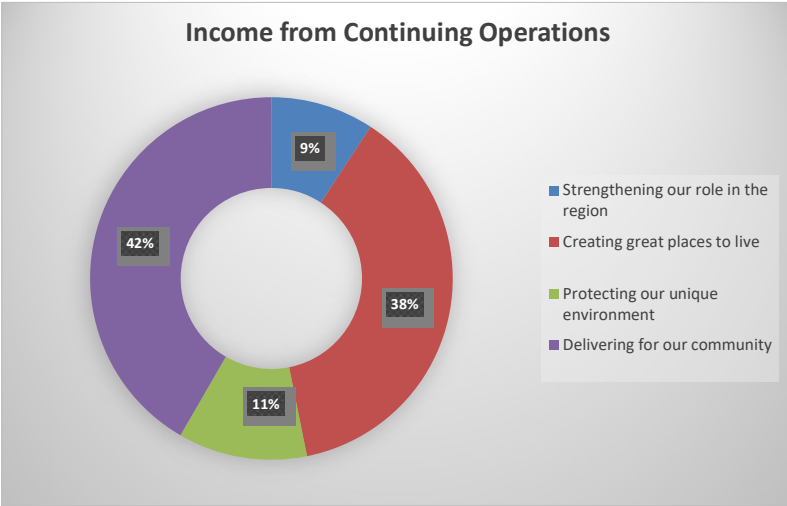
Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024

Income & Expenses Budget Review Statement

Summary Budget Result	Original Budget 2024/2025	Approved Changes for Council		Recommended Changes for Council Resolution Sep	Projected Year End Result	Actual YTD 30-Sep-24
		Carry-Overs From 2023/2024	Approved Changes Monthly Adjustments			
Income						
Strengthening our role in the region	482,165	-	-	7,137,395	7,619,560	3,103,269
Creating great places to live	30,696,879	-	-	465,167	31,162,046	8,658,226
Protecting our unique environment	9,537,300	-	-	-	9,537,300	7,454,287
Delivering for our community	34,385,125	-	-	53,317	34,438,442	19,788,878
Total Operating Income	75,101,469	-	-	7,655,879	82,757,348	39,004,659
Expenses						
Strengthening our role in the region	2,470,521	36,637	17,781	7,138,685	9,663,624	907,942
Creating great places to live	54,415,669	109,863	-	6,546,180	61,071,712	16,308,145
Protecting our unique environment	10,843,907	49,832	3,583	-	10,897,322	2,997,573
Delivering for our community	9,827,021	200,418	47,786	103,847	10,179,072	3,104,660
Total Operating Expenses	77,557,117	396,750	69,150	13,788,712	91,811,729	23,318,320
Net Operating Result before Capital Grants and Contributions	(2,455,648)	(396,750)	(69,150)	(6,132,833)	(9,054,381)	15,686,340
Add: Capital Revenue						
Capital Grants & Contributions	38,195,588	-	2,955,072	10,306,306	51,456,966	9,154,562
Net Operating Result including Capital Grants and Contributions	35,739,940	(396,750)	2,885,922	4,173,473	42,402,585	24,840,902
Budget Result Reconciliation:						
Add: Non-Cash Expenses						
Depreciation & Amortisation	20,357,643	-	-	3,976,637	24,334,280	4,591,457
Loss from the disposal of assets	-	-	-	2,200,000	2,200,000	550,000
Rehabilitation Borrowing Expenses	61,554	-	-	-	61,554	-
Add: Non-Operating Funds Employed						
Loan Funds Utilised	-	-	-	-	-	-
Deferred Debtor Repayments	1,950	-	-	-	1,950	-
Proceeds from the Disposal of Assets	3,460,862	-	-	(2,209,546)	1,251,316	149,079
Less: Funds Deployed for Non-Operating Purposes						
Capital Expenditure	64,815,644	1,832,042	7,549,619	11,767,885	85,965,190	14,123,163
Loan Principal Repayments	3,891,584	-	-	-	3,891,584	957,781
Estimated Funding Result - Surplus/(Deficit)	(9,085,278)	(2,228,792)	(4,663,697)	(3,627,321)	(19,605,088)	15,050,493
Equity Movements						
Restricted Funds - Increase/(Decrease)	(9,358,077)	(2,228,792)	(4,663,697)	(3,627,321)	(19,877,887)	15,050,493
Working Funds - Increase/(Decrease)	272,799	-	-	-	272,799	-
Total Equity Movements	(9,085,278)	(2,228,792)	(4,663,697)	(3,627,321)	(19,605,088)	15,050,493

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024

Income & Expenses Budget Review Statement - Summary by Priority



for the quarter ended 30 September 2024

Income & Expenses Budget Review Statement

Income & Expenses - by Service	Original Budget	Approved Changes for Council	Monthly Adjustments	Recommended Changes for Council	Notes	Projected Year End Result	Actual YTD 30-Sep-24
	2024/2025	Carry-Overs from 2023/24	Monthly Adj Sep Qtr	Resolution Sep			
Income							
<i>Strengthening our role in the region</i>							
Recovery	-	-	-	-		-	-
Economic Development	428,008	-	-	129,856	1	557,864	339,958
Real Estate Development	-	-	-	7,007,539	2	7,007,539	2,748,599
Strategic Planning	12,500	-	-	-		12,500	-
Tourism	41,657	-	-	-		41,657	14,712
<i>Creating great places to live</i>							
Festivals and Events	103,729	-	-	94,471	4	198,200	166,375
Libraries	1,601,461	-	-	500		1,601,961	1,345,532
Community Programs and Grants	-	-	-	-		-	-
Sports Grounds, Parks and Facilities	338,490	-	-	32,640	6	371,130	181,410
Community Centres and Halls	118,607	-	-	-		118,607	33,660
Swimming Pools	-	-	-	-		-	-
Cemeteries	451,121	-	-	-		451,121	97,522
Planning & Development Services	747,685	-	-	-		747,685	206,338
Emergency Management	1,452,647	-	-	11,988	10	1,464,635	470,705
Building and Maintaining Roads	6,153,662	-	-	324,168	11	6,477,830	996,257
Stormwater Management	208,764	-	-	-		208,764	207,199
Water Supplies	8,327,452	-	-	-		8,327,452	2,032,454
Sewerage Services	11,133,913	-	-	1,400		11,135,313	2,892,332
Engineering Support & Asset Management	59,348	-	-	-		59,348	28,441
<i>Protecting our unique environment</i>							
Environmental Health	549,593	-	-	-		549,593	301,912
Environmental Management	66,666	-	-	-		66,666	-
Waste Management	8,921,041	-	-	-		8,921,041	7,152,374
<i>Delivering for our community</i>							
Governance & Advocacy	634,671	-	-	-		634,671	15,949
Community Connection	-	-	-	-		-	-
Financial Services	25,765,825	-	-	-		25,765,825	18,152,305
People & Culture	23,082	-	-	31,334	17	54,416	49,695
Work Health & Safety	-	-	-	-		-	-
Fleet Management	5,856,871	-	-	-		5,856,871	1,182,003
Quarries	1,987,004	-	-	-		1,987,004	365,655
Private Works	98,390	-	-	-		98,390	7,935
Customer Service	6,749	-	-	-		6,749	4,911
Information Technology Services	12,533	-	-	21,983	20	34,516	10,425
Total Income from Continuing Operations	75,101,469	-	-	7,655,879		82,757,348	39,004,659

for the quarter ended 30 September 2024

Income & Expenses Budget Review Statement

Income & Expenses - by Service	Original Budget 2024/2025	Approved Changes for Council	Monthly Adjustments	Recommended Changes for Council	Notes	Projected Year End Result	Actual YTD 30-Sep-24
		Carry-Overs from 2023/24	Monthly Adj Sep Qtr	Resolution Sep			
Expenses							
<i>Strengthening our role in the region</i>							
Recovery	68,000	-	-	-		68,000	9,902
Economic Development	1,412,269	10,000	-	129,856	1	1,552,125	560,619
Real Estate Development	567,982	-	-	7,007,539	2	7,575,521	221,130
Strategic Planning	38,645	-	17,781	-		56,426	27,516
Tourism	383,625	26,637	-	1,290		411,552	88,775
<i>Creating great places to live</i>							
Festivals and Events	368,020	-	-	73,854	4	441,874	193,164
Libraries	2,823,149	-	-	500		2,823,649	1,450,688
Community Programs and Grants	272,652	-	-	11,580	5	284,232	62,390
Sports Grounds, Parks and Facilities	4,574,320	69,863	-	67,419	6	4,711,602	1,232,884
Community Centres and Halls	942,679	-	-	-		942,679	319,539
Swimming Pools	1,501,683	-	-	-		1,501,683	387,105
Cemeteries	450,717	-	-	-		450,717	141,035
Planning & Development Services	3,359,422	40,000	-	120,000	9	3,519,422	1,007,031
Emergency Management	2,749,810	-	-	11,988	10	2,761,798	710,903
Building and Maintaining Roads	18,573,272	-	-	1,067,924	11	19,641,196	5,399,200
Stormwater Management	1,124,270	-	-	-		1,124,270	342,218
Water Supplies	8,218,221	-	-	635,924	12	8,854,145	2,333,164
Sewerage Services	9,398,107	-	-	3,221,991	13	12,620,098	2,562,773
Engineering Support & Asset Management	59,348	-	-	1,335,000	14	1,394,348	166,051
<i>Protecting our unique environment</i>							
Environmental Health	1,656,071	15,347	-	-		1,671,418	512,690
Environmental Management	623,723	29,485	-	-		653,208	148,800
Waste Management	8,564,113	5,000	3,583	-		8,572,696	2,336,083
<i>Delivering for our community</i>							
Governance & Advocacy	3,369,416	-	-	-		3,369,416	1,057,773
Community Connection	207,010	5,518	-	-		212,528	16,856
Financial Services	106,972	79,756	-	-		186,728	90,965
People & Culture	-	32,144	-	12,761	17	44,905	39,091
Work Health & Safety	-	-	-	33,322	18	33,322	28,523
Fleet Management	5,324,825	-	-	-		5,324,825	1,555,724
Quarries	529,917	-	-	-		529,917	164,427
Private Works	95,538	-	-	-		95,538	12,312
Customer Service	6,749	83,000	-	-		89,749	56,367
Information Technology Services	186,593	-	47,786	57,764	20	292,143	82,621
Total Expenses from Continuing Operations	77,557,117	396,750	69,150	13,788,712		91,811,729	23,318,320
Net Operating Result from Continuing Operations	(2,455,648)	(396,750)	(69,150)	(6,132,833)		(9,054,381)	15,686,340

for the quarter ended 30 September 2024

Capital Budget Review Statement

Capital Budget	Original Budget 2024/2025	Approved Changes for Council	Monthly Adjustments	Recommended Changes for Council Resolution	Notes	Projected Year End Result	Actual YTD 30-Sep-24
		Carry-Overs from 2023/24	Monthly Adj Sep Qtr	Sep			
Capital Expenditure							
<i>Strengthening our role in the region</i>							
Recovery	-	-	-	-		-	-
Economic Development	3,500,000	199,625	-	-		3,699,625	22,243
Real Estate Development	1,850,000	-	63,330	824,606	2	2,737,936	2,116,034
Strategic Planning	-	-	-	-		-	-
Tourism	-	-	-	30,000	3	30,000	-
<i>Creating great places to live</i>							
Festivals and Events	-	-	-	3,045		3,045	3,045
Libraries	322,569	57,396	14,590	-		394,555	32,079
Community Programs and Grants	-	-	-	-		-	-
Sports Grounds, Parks and Facilities	2,250,586	150,695	1,359,091	3,973,314	6	7,733,686	2,534,761
Community Centres and Halls	283,283	37,273	12,262	377,727	7	710,545	20,807
Swimming Pools	426,875	-	20,263	-		447,138	63,262
Cemeteries	40,000	-	35,954	19,262	8	95,216	19,262
Planning & Development Services	-	-	-	-		-	-
Emergency Management	-	-	-	-		-	-
Building and Maintaining Roads	37,708,826	159,168	5,665,994	5,738,795	11	49,272,783	6,205,810
Stormwater Management	1,595,000	57,000	151,740	-		1,803,740	889,997
Water Supplies	4,504,998	815,793	143,511	(287,397)	12	5,176,905	198,114
Sewerage Services	7,402,305	278,500	-	181,011	13	7,861,816	822,268
Engineering Support & Asset Management	65,000	-	1,501	500,000	14	566,501	1,054
<i>Protecting our unique environment</i>							
Environmental Health	138,703	66,592	12,908	-		218,203	-
Environmental Management	-	-	-	-		-	-
Waste Management	886,363	10,000	68,475	202,541	15	1,167,379	157,154
<i>Delivering for our community</i>							
Governance & Advocacy	-	-	-	25,702	16	25,702	25,702
Community Connection	-	-	-	-		-	-
Financial Services	-	-	-	-		-	-
People & Culture	-	-	-	2,798		2,798	2,798
Work Health & Safety	-	-	-	-		-	-
Fleet Management	3,831,136	-	-	176,481	19	4,007,617	1,005,767
Quarries	-	-	-	-		-	-
Private Works	-	-	-	-		-	-
Customer Service	10,000	-	-	-		10,000	3,005
Information Technology Services	-	-	-	-		-	-
Total Capital Expenditure	64,815,644	1,832,042	7,549,619	11,767,885		85,965,190	14,123,163

for the quarter ended 30 September 2024

Capital Budget Review Statement

Capital Budget	Original Budget 2024/2025	Approved Changes for Council	Monthly Adjustments	Recommended Changes for Council Resolution	Notes	Projected Year End Result	Actual YTD 30-Sep-24
		Carry-Overs from 2023/24	Monthly Adj Sep Qtr	Resolution Sep			
Capital Revenue							
Capital Grants and Contributions							
<i>Strengthening our role in the region</i>							
Recovery	-	-	-	-		-	-
Economic Development	2,262,500	-	-	-		2,262,500	-
Real Estate Development	-	-	-	2,472,106	2	2,472,106	749,646
Strategic Planning	-	-	-	-		-	-
Tourism	-	-	-	-		-	-
<i>Creating great places to live</i>							
Festivals and Events	-	-	-	-		-	-
Libraries	45,400	-	-	-		45,400	45,400
Community Programs and Grants	-	-	-	-		-	-
Sports Grounds, Parks and Facilities	771,314	-	566,542	2,745,623	6	4,083,479	1,369,403
Community Centres and Halls	140,787	-	-	2,727		143,514	-
Swimming Pools	328,125	-	-	-		328,125	-
Cemeteries	-	-	-	-		-	-
Planning & Development Services	452,923	-	-	-		452,923	289,291
Emergency Management	-	-	-	-		-	-
Building and Maintaining Roads	30,213,415	-	2,388,530	5,015,747	11	37,617,692	6,471,447
Stormwater Management	-	-	-	-		-	-
Water Supplies	1,738,819	-	-	(6,557)	12	1,732,262	77,715
Sewerage Services	2,242,305	-	-	76,660	13	2,318,965	151,660
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	38,195,588	-	2,955,072	10,306,306		51,456,966	9,154,562

.....
for the quarter ended 30 September 2024

Capital Budget Review Statement

Capital Budget	Original Budget 2024/2025	Approved Changes for Council	Monthly Adjustments	Recommended Changes for Council Resolution	Notes	Projected Year End Result	Actual YTD 30-Sep-24
		Carry-Overs from 2023/24	Monthly Adj Sep Qtr	Resolution Sep			
Capital Revenue (continued)							
Loan Funds Utilised							
Total Loan Funds Utilised	-	-	-	-		-	-
Deferred Debtor Repayments							
<i>Delivering for our community</i> Financial Services	1,950	-	-	-		1,950	-
Total Deferred Debtor Repayments	1,950	-	-	-		1,950	-
Asset Sales							
<i>Creating great places to live</i> Libraries	500	-	-	-		500	414
<i>Strengthening our role in the region</i> Real Estate Development	2,627,727	-	-	(2,209,546)	2	418,181	-
Northern Rivers Livestock Exchange	-	-	-	-		-	-
<i>Protecting our unique environment</i> Waste Management	100,727	-	-	-		100,727	-
<i>Delivering for our community</i> Fleet Management	731,908	-	-	-		731,908	148,665
Total Asset Sales	3,460,862	-	-	(2,209,546)		1,251,316	149,079
Total Capital Revenue	41,658,400	-	2,955,072	8,096,760		52,710,232	9,303,641

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024**

**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 2024, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
1	Economic Development	
	<i>Income from Continuing Operations</i>	\$129,856
	<i>Expenses from Continuing Operations</i>	\$129,856
	Proposed increase in income and expenses from continuing operations in line with actuals received from the sale of biosolids.	
2	Real Estate Development	
	<i>Income from Continuing Operations</i>	\$7,007,539
	<i>Capital Grants and Contributions</i>	\$2,472,106
	<i>Asset Sales</i>	<u>(\$2,209,546)</u>
		\$7,270,099
	<i>Expenses from Continuing Operations</i>	\$7,007,539
	<i>Capital Expenditure</i>	<u>\$824,606</u>
		\$7,832,145
	Council received funding under the Bushfire Local Economic Recovery Fund for the Casino Industries Activation Project encompassing the construction of a roundabout on the Bruxner Highway adjacent to the proposed new industrial development. This has resulted in a proposed grant funded program of works of \$9,479,645 increasing operating income and expenditure by \$7,007,539, capital grants by \$2,472,106 and capital expenditure by \$824,606, with the remaining capital works scheduled for 2025/2026. In addition, \$2,209,546 in asset sales has been transferred to the 2025/2026 year due to delayed settlement terms for the sale contracts.	
3	Tourism	
	<i>Capital Expenditure</i>	\$30,000
	It is proposed to increase the tourism capital expenditure budget by \$30,000 for the installation of security cameras at the Casino visitor information centre.	
4	Festivals and Events	
	<i>Income from Continuing Operations</i>	\$94,471
	<i>Expenses from Continuing Operations</i>	\$73,854
	It is proposed to increase the festival and events income and expenses from continuing operations by \$94,471 and \$73,854 respectively, in line with actuals for events held year to date. Further adjustments include grant funding of \$4,300 for the vibrant streets package open streets program funded by the Department of Transport and \$20,000 from Destination NSW for the marketing and advertising of the Casino Truck Show.	
5	Community Programs and Grants	
	<i>Expenses from Continuing Operations</i>	\$11,580
	Proposed transfer from unexpended grants in reserves towards the indigenous youth cricket program funded by the Australian Sports Commission.	

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024**

**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 2024, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
6	Sports Grounds, Parks and Facilities	
	<i>Income from Continuing Operations</i>	\$32,640
	<i>Capital Grants and Contributions</i>	<u>\$2,745,623</u>
		\$2,778,263
	<p>An increase in income from continuing operations of \$32,640 is proposed with Council receiving funding from the Department of Planning Housing and Infrastructure under the Crown Reserves Improvement Fund for the control and eradication of invasive weeds. It is also proposed to increase the capital grant and contributions budget by \$2,745,623 due to grant funding received, largely comprising of funding under the Community Asset Program from Regional NSW allocated towards the Colley Park netball clubhouse (\$831,450) and the Casino Rugby League clubhouse (\$1,607,825) along with \$276,348 under the Multi-Sports Community Facility Fund program and \$30,000 towards the Community Building Partnership Program.</p>	
	<i>Expenses from Continuing Operations</i>	\$67,419
	<p>Expenses from continuing operations is proposed to increase by \$67,419 largely due to grant funding from the Department of Planning Housing and Infrastructure of \$32,640 for invasive weeds, as mentioned above, along with funding from unexpended reserves towards operational repairs and maintenance to various parks and facilities.</p>	
	<i>Capital Expenditure</i>	\$3,973,314
	<p>A review of the capital work program for sports grounds, parks and facilities has resulted in a proposed increase of \$3,973,314, largely due to grant funded projects with the most significant increases listed below:</p>	
	Colley Park - Netball Clubhouse (Community Asset Program)	Grant funded \$1,385,750
	Casino Rugby League Clubhouse (Community Asset Program)	Grant funded \$1,607,825
	Parks - Crawford Square - Shade Sails (CBP)	Grant funded/Section 7.12 funded \$160,000
	Colley Park - Master Plan Implementation	Section 7.12 funded \$150,000
	Parks - Airforce Beach Access & Carpark Upgrade	Section 7.12 funded \$200,000
	Rail Trail - Embellishments (Chairs, Shelters & Signage)	Section 7.12 funded \$50,000
	Broadwater Hall - Tennis Courts	Insurance funded \$85,000
	Woodburn Oval - Tennis Courts	Insurance funded \$79,387
	Woodburn Oval - Tennis Fence	Insurance funded \$50,000
	Parks - Casino Drill Hall Roof Replacement	Insurance funded \$46,738
	Parks - Broadwater - Playground Softfall	Insurance funded \$57,885
7	Community Centres and Halls	
	<i>Capital Expenditure</i>	\$377,727
	<p>It is proposed to increase the community centres and halls capital expenditure by \$377,727, largely due to hall renewals proposed under the adopted Section 7.12 Contributions Plan totalling \$340,000, along with \$35,000 towards repairs to the Coraki Museum funded from insurance reserves.</p>	

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024

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 2024, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
8	Cemeteries	
	Capital Expenditure	\$19,262
	It is proposed to increase the cemeteries capital expenditure budget by \$19,262, largely towards the purchase of compliant equipment in order to meet work health & safety requirements.	
9	Planning & Development Services	
	<i>Expenses from Continuing Operations</i>	\$120,000
	A proposed increase in operating expenditure of \$120,000 from internal reserves towards the Casino CBD masterplan.	
10	Emergency Management	
	<i>Income from Continuing Operations</i>	\$11,988
	<i>Expenses from Continuing Operations</i>	\$11,988
	It is proposed to increase income and expenses from continuing operations for emergency management in line with the 2024/2025 allocations from the NSW Rural Fire Fighting Fund for maintenance and repairs.	
11	Building and Maintaining Roads	
	<i>Income from Continuing Operations</i>	\$324,168
	<i>Capital Grants and Contributions</i>	\$5,015,747
		<u>\$5,339,915</u>
	Capital Expenditure	\$5,738,795
	It is proposed to increase income from continuing operations by \$300,668 to bring the budget in line with the 2024/2025 allocation for the Roads to Recovery program funded by the Australian Government, along with \$23,500 in grant funding under the Get NSW Active program funded by Transport for NSW. In addition, an increase of \$5,015,747 is proposed for capital grants and contributions largely comprising of \$12,985,779 in Essential Public Asset Reconstruction Works funded by Transport for NSW in response to the February 2022 flood, offset by a reduction of \$7,649,827 to the budget of the Northern Rivers Recovery and Resilience Program, Tatham Bridge raising project funded by the NSW Reconstruction Authority, to align with the updated schedule of works. These changes are also reflected in the proposed budget movement for capital expenditure, along with the addition of grant funded projects under the Fixing Country Roads program for Country Lane (\$353,329) and various road repair works under the Regional Emergency Road Repair Fund (\$317,102).	
	<i>Expenses from Continuing Operations</i>	\$1,067,924
	Following the completion of the 2023/2024 financial statements, a review of budgeted depreciation was undertaken resulting in a proposed increase of \$1,046,100 to depreciation for roads, bridges and footpaths infrastructure which was largely impacted by a comprehensive revaluation undertake for the year ended 30 June 2024. Other minor adjustments include the grant funding mentioned above for Get Active NSW.	

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024**

**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 2024, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation																					
12	Water Supplies																						
	<i>Capital Grants and Contributions</i>	(\$6,557)																					
	A net decrease is proposed for capital grants and contributions due to grant funding of \$62,576 being received in the 2023/2024 year, offset by the addition of \$56,019 towards an options assessment for water leak reduction works funded by the Department of Climate Change, Energy, the Environment and Water.																						
	<i>Expenses from Continuing Operations</i>	\$635,924																					
	Following the completion of the 2023/2024 financial statements, a review of budgeted depreciation was undertaken resulting in a proposed increase of \$160,924 to depreciation for water infrastructure assets along with the proposed addition of \$475,000 towards an estimated loss on disposal of assets based on a 5 year history of actuals.																						
	Capital Expenditure	(\$287,397)																					
	Following a review of the water capital expenditure program, it is proposed to reduce the capital expenditure budget by \$287,397, as detailed below.																						
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">W Reserv Cas - Nth Res Backbone Comms upgrade</td> <td style="width: 40%;">Returned to water reserves</td> <td style="width: 20%; text-align: right;">(\$223,000)</td> </tr> <tr> <td>W WTP Cas - SCADA & PLC upgrade</td> <td>Returned to water reserves</td> <td style="text-align: right;">(\$56,517)</td> </tr> <tr> <td>W Other - Casino Food Co-Op Water Flow Meter</td> <td>Returned to water reserves</td> <td style="text-align: right;">(\$11,500)</td> </tr> <tr> <td>W Other - Broadwater Sugar Mill Water Flow Meter</td> <td>Returned to water reserves</td> <td style="text-align: right;">(\$11,500)</td> </tr> <tr> <td>W Other - Woodburn Water Filling Station 4G Upgrade</td> <td>Adjustment from water reserves</td> <td style="text-align: right;">\$6,960</td> </tr> <tr> <td>W Other - Casino Water Filling Station 4G Upgrade</td> <td>Adjustment from water reserves</td> <td style="text-align: right;">\$8,160</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">(\$287,397)</td> </tr> </table>	W Reserv Cas - Nth Res Backbone Comms upgrade	Returned to water reserves	(\$223,000)	W WTP Cas - SCADA & PLC upgrade	Returned to water reserves	(\$56,517)	W Other - Casino Food Co-Op Water Flow Meter	Returned to water reserves	(\$11,500)	W Other - Broadwater Sugar Mill Water Flow Meter	Returned to water reserves	(\$11,500)	W Other - Woodburn Water Filling Station 4G Upgrade	Adjustment from water reserves	\$6,960	W Other - Casino Water Filling Station 4G Upgrade	Adjustment from water reserves	\$8,160			(\$287,397)	
W Reserv Cas - Nth Res Backbone Comms upgrade	Returned to water reserves	(\$223,000)																					
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W Other - Casino Water Filling Station 4G Upgrade	Adjustment from water reserves	\$8,160																					
		(\$287,397)																					
13	Sewerage Services																						
	<i>Capital Grants and Contributions</i>	\$76,660																					
	It is proposed to increase the capital grants and contributions budget for sewerage services by \$76,660 in line with actual Section 64 contributions received as at 30 September 2024.																						
	<i>Expenses from Continuing Operations</i>	\$3,221,991																					
	Following the completion of the 2023/2024 financial statements, a review of budgeted depreciation was undertaken resulting in a proposed increase of \$2,769,613 to depreciation for sewer infrastructure assets. This significant adjustment is due to the accelerated depreciation of the Casino Sewage Treatment Plant assets in line with the timeframe for scheduled replacement, as discussed as part of the Financial Statements for 30 June 2024. In addition, it is proposed to include a budget of \$390,000 for the estimated net loss on disposal of assets based on a 5 year history of actuals.																						
	Capital Expenditure	\$181,011																					
	A review of the sewerage services capital expenditure program has resulted in a proposed net increase of \$181,011, as detailed below.																						
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Sew P/Stn Cas - Sewer System Improvements</td> <td style="width: 40%;">Transfer to operational - Sewer network master plan</td> <td style="width: 20%; text-align: right;">(\$48,428)</td> </tr> <tr> <td>Sew P/Stn Cki - Coraki SPS Radio's</td> <td>Sewer reserves funded</td> <td style="text-align: right;">\$9,000</td> </tr> <tr> <td>Sew P/Stn Ev - SPS 4 Spare Pump</td> <td>Sewer reserves funded</td> <td style="text-align: right;">\$37,000</td> </tr> <tr> <td>Sew P/Stn Ev - RTU All E/Hd Pump Stns</td> <td>Sewer reserves funded</td> <td style="text-align: right;">\$16,041</td> </tr> <tr> <td>Sew Cas - Pods Bruton St</td> <td>Sewer reserves funded</td> <td style="text-align: right;">\$35,705</td> </tr> <tr> <td>Sth Cas Sewage Trf Station - NSW Regional Housing Fund</td> <td>Sewer reserves funded - Council contribution toward project</td> <td style="text-align: right;">\$131,693</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$181,011</td> </tr> </table>	Sew P/Stn Cas - Sewer System Improvements	Transfer to operational - Sewer network master plan	(\$48,428)	Sew P/Stn Cki - Coraki SPS Radio's	Sewer reserves funded	\$9,000	Sew P/Stn Ev - SPS 4 Spare Pump	Sewer reserves funded	\$37,000	Sew P/Stn Ev - RTU All E/Hd Pump Stns	Sewer reserves funded	\$16,041	Sew Cas - Pods Bruton St	Sewer reserves funded	\$35,705	Sth Cas Sewage Trf Station - NSW Regional Housing Fund	Sewer reserves funded - Council contribution toward project	\$131,693			\$181,011	
Sew P/Stn Cas - Sewer System Improvements	Transfer to operational - Sewer network master plan	(\$48,428)																					
Sew P/Stn Cki - Coraki SPS Radio's	Sewer reserves funded	\$9,000																					
Sew P/Stn Ev - SPS 4 Spare Pump	Sewer reserves funded	\$37,000																					
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Sth Cas Sewage Trf Station - NSW Regional Housing Fund	Sewer reserves funded - Council contribution toward project	\$131,693																					
		\$181,011																					

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024**

**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 2024, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
14	Engineering Support & Asset Management	
	<i>Expenses from Continuing Operations</i>	\$1,335,000
	Following the completion of the 2023/2024 financial statements, a review of the net loss on disposal of assets over a 5 year period was performed resulting in a proposed budget of \$1,335,000 for general fund assets.	
	Capital Expenditure	\$500,000
	It is proposed to increase the engineering support and asset management capital expenditure budget by \$500,000 as a result of the Casino Depot Masterplan towards essential infrastructure works including the installation of a weighbridge and emulsion tank.	
15	Waste Management	
	Capital Expenditure	\$202,541
	It is proposed to increase the waste management capital expenditure budget by \$202,541 largely due to an adjustment to the plant replacement program in which an essential item of plant scheduled for replacement next year is proposed to be purchased prior to 30 June 2025.	
16	Governance & Advocacy	
	Capital Expenditure	\$25,702
	An increase to the capital expenditure budget of \$25,702 is proposed towards office and furniture renewals.	
17	People & Culture	
	<i>Income from Continuing Operations</i>	\$31,334
	<i>Expenses from Continuing Operations</i>	\$12,761
	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. A further increase of \$12,761 for income and expenditure from continuing operations is proposed for funds received in relation to staff paid parental leave.	
18	Work Health & Safety	
	<i>Expenses from Continuing Operations</i>	\$33,322
	It is proposed to increase the work health and safety expenses from continuing operations by \$33,322 for various health and wellbeing programs.	
19	Fleet Management	
	Capital Expenditure	\$176,481
	It is proposed to increase the capital expenditure budget for fleet management by \$176,481 for the renewal and replacement of plant at the Coraki fabrication workshop funded from insurance reserves.	

**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024**

**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 2024, excluding monthly budget adjustments previously adopted by Council.

Notes	Details	Variation
20	Information Technology Services	
	<i>Income from Continuing Operations</i>	\$21,983
	<i>Expenses from Continuing Operations</i>	\$57,764
<p>It is proposed to increase the information technology services income and expenditure from continuing operations budget by \$21,983 for a cyber security project funded by Civic Risk Mutual. A further increase of \$35,781 to expenses from continuing operations relates to a NSW planning portal API grant program funded by the Department of Planning and Environment.</p>		

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024

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 2024 is \$82,746,837.

Cash

As at 30 September 2024, bank statements have been reconciled up to 31 August 2024.

Richmond Valley Council Quarterly Budget Review Statement for the quarter ended 30 September 2024							
Cash & Investments Budget Review Statement							
	Opening Cash and Investments 1/07/2024	Original Budget Net Transfer to/(from)	Approved Changes Carry-Overs from 2023/24	Approved Changes Monthly Adjustments	Recommended Changes for Council Resolution Sep	Interest Earned	Projected Cash and Investments 30/06/2025
General Fund - External Restrictions							
Unexpended Grant - Evans Head Landcare	571	-	-	-	-	-	571
Unexpended Grant - Roads to Recovery	247,854	-	-	(247,854)	-	-	0
Unexpended Grant - Regional Roads Block Grant	74,966	-	-	-	(74,966)	-	-
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	19,485	-	(19,485)	-	-	-	0
Unexpended Grant - Office of Env & Heritage - Koala Survey & Habitat Mapping	3,170	-	-	-	-	-	3,170
Unexpended Grant - NSW RFS Subsidy Northern Rivers Zone	27,250	-	-	-	-	-	27,250
Unexpended Grant - Elsa Dixon Aboriginal Employment Funding	7,791	-	-	-	-	-	7,791
Unexpended Grant - LPMA - Surf Club Grant	41,740	-	-	(30,961)	(10,779)	-	0
Unexpended Grant - CPTIGS MR145 Woodburn Coraki Rd Bus Shelter	1,674	-	-	-	-	-	1,674
Unexpended Grant - Stronger Country Communities Fund	746,124	(156,384)	-	(594,673)	4,956	-	23
Unexpended Grant - Local Government Association - Flying Fox Colony QE Park	3,059	-	-	-	-	-	3,059
Unexpended Grant - Crown Lands - Plan of Management Implentation	1,461	-	-	-	-	-	1,461
Unexpended Grant - North Coast Region Waste Investment Report	79,135	-	-	-	-	-	79,135
Unexpended Grant - Fixing Country Roads - Country Lane	359,887	(293,750)	-	(66,137)	-	-	0
Unexpended Grant - Fixing Country Bridges	415,189	-	-	(415,190)	-	-	0
Unexpended Grant - DPIE - Flying Fox Colony Manifold Rd	1,207	-	-	-	-	-	1,207
Unexpended Grant - Resilience NSW - Flood Recovery \$3mil	822,513	(138,703)	-	(159,974)	-	-	523,836
Unexpended Grant - Mobile Library Solar	46,509	-	(46,509)	-	-	-	0
Unexpended Grant - Heritage Advisory Grant	1,812	-	-	-	-	-	1,812
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	78,183	-	-	(33,183)	-	-	45,000
Unexpended Grant - PWA - Rappville Sewerage	202,050	-	-	-	-	-	202,050
Unexpended Grant - Sporting Priority Needs Program	383,991	(299,088)	(17,844)	-	50,544	-	117,603
Unexpended Grant - Multi Sports Community Facility Fund	296,271	(257,800)	(42,200)	-	272,875	-	269,146
Unexpended Grant - Crown Lands Flood Recovery Program	1,004,593	(947,500)	-	(21,123)	(35,726)	-	244
Unexpended Grant - Public Library Infrastructure Grant 2022/23	173,803	(173,803)	-	-	-	-	0
Unexpended Grant - DPI Fishing Trust - McDonald Park Riparian	3,228	-	-	-	-	-	3,228
Unexpended Grant - DPIE - Bushfire Affected Coastal Waterways	8,897	-	-	-	-	-	8,897
Unexpended Grant - BLERF - Casino Industrial Precincts	24,418	-	-	-	-	-	24,418
Unexpended Grant - TINSW - Regional and Local Road Repair Program	2,732,353	(1,092,131)	-	-	(88,224)	-	1,551,998
Unexpended Grant - Evans Head Sewage Treatment Project - SSWP412	125,000	-	-	-	-	-	125,000
Unexpended Grant - Casino Water Secruity Project - SSWP410	62,064	-	-	-	-	-	62,064
Unexpended Grant - Flying Fox Habitat Restoration Grant	108,749	(32,142)	-	-	-	-	76,607
Unexpended Grant - Planning Portal Integration to T1	35,781	-	-	-	(35,781)	-	0
Unexpended Grant - Betterment of Casino Pool Clubhouse Upgrade	119,013	(98,750)	-	(20,263)	-	-	0
Unexpended Grant - Richmond River Flood Model	22,024	-	-	-	-	-	22,024
Unexpended Grant - Richmond Valley Council Koala Vehicle Strike Mitigation Project 2023	79,332	(6,370)	(72,962)	-	-	-	0
Unexpended Grant - Community Asset Program - Betterment of Woodburn Memorial Hall Carpark	93,859	(93,859)	-	-	-	-	0
Unexpended Grant - Community Asset Program - Betterment of Woodburn Oval - Pony & Tennis Clubhouse	336,000	(336,000)	-	-	-	-	0
Unexpended Grant - Betterment of NRLX Effluent Management System	1,437,125	(1,237,500)	(199,625)	-	-	-	0
Unexpended Grant - NRRRP Taham Bridge Raising	19,827	-	-	(19,827)	-	-	0
Unexpended Grant - NRRRI MR145 Thearles Canal Culvert Upgrade	432,412	-	-	(432,412)	-	-	0
Unexpended Grant - NRRRI Dairy Flat	1,169,408	-	-	(1,169,408)	-	-	0
Unexpended Grant - Community Assets Program - Betterment of Casino Footbridge	1,045,908	-	-	(194,178)	(851,730)	-	0
Unexpended Grant - Place and Adaptation Plans for Mid Richmond Communities	9,145	-	-	(9,144)	-	-	0
Unexpended Grant - Rappville Hall Chair Lift (Community Rebuilding Trust)	27,273	-	(27,273)	-	-	-	0
Unexpended Grant - Community Asset Program - Betterment of Casino Netball Clubhouse	554,300	-	-	-	(554,300)	-	0
Unexpended Grant - Regional Leakage Reduction Program	62,576	-	-	-	(62,576)	-	0
Unexpended Grant - Destination NSW Regional Event Fund Casino Truck Show	20,000	-	-	-	(20,000)	-	0
Unexpended Grant - Transport for NSW - Open Streets Program - Richmond Valley Street Fair	17,200	-	-	-	(17,200)	-	0
Unexpended Grant - Australian Sports Commission - Indigenous Youth Cricket Program	11,580	-	-	-	(11,580)	-	0

Richmond Valley Council Quarterly Budget Review Statement for the quarter ended 30 September 2024							
Cash & Investments Budget Review Statement							
	Opening Cash and Investments 1/07/2024	Original Budget Net Transfer to/(from)	Approved Changes Carry-Overs from 2023/24	Approved Changes Monthly Adjustments	Recommended Changes for Council Resolution Sep	Interest Earned	Projected Cash and Investments 30/06/2025
Unexpended Contribution - RUCRL Mobile Library Replacement Fund	302,906	36,400	-	-	-	-	339,306
Unexpended Contribution - Hannigan DA 2005/188 Benns Rd	10,338	-	-	-	-	-	10,338
Unexpended Contribution - Statecover WHS Incentive Works	337,251	(15,480)	-	-	(35,231)	-	286,540
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)	8,181	-	-	-	-	-	8,181
Unexpended Contribution - Pacific Complete Asset Handover	1,392,002	-	-	-	(125,607)	-	1,266,395
Unexpended Contribution - Department of Communities and Justice	477,450	-	-	-	-	-	477,450
Unexpended Loan - Illawong Lane	1,051,740	(900,000)	-	(151,740)	-	-	0
Domestic Waste Management	4,913,743	721,425	(15,000)	(72,058)	(7,904)	94,859	5,635,066
On-Site Sewerage Fees	229,274	-	-	-	-	4,426	233,700
Stormwater Management Service Charge	1,328,103	(561,881)	(57,000)	-	-	25,639	734,862
Section 7.11 - Quarry Road Contributions	70,530	6,646	-	-	-	1,362	78,537
Section 7.11 - Rural Development Heavy Haulage	1,353,307	252,923	-	-	-	26,125	1,632,355
Section 7.12 Development Contributions Plan	2,053,745	113,200	-	(280,000)	(1,020,000)	39,647	906,592
Controlled Trust Funds	41,792	-	-	-	-	-	41,792
Bonds & Deposits (General Fund)	535,174	-	-	-	-	-	535,174
Total General Fund External Restrictions	27,906,505	(5,510,547)	(497,898)	(3,918,126)	(2,623,229)	192,059	15,548,769
General Fund - Internal Restrictions							
Employee Leave Entitlements	1,575,874	-	-	-	18,573	30,422	1,624,869
Employee Leave Entitlements - Richmond Upper Clarence Regional Library	55,645	-	-	-	-	1,074	56,719
Richmond Upper Clarence Regional Library	44,234	(15,427)	(10,887)	(14,590)	-	854	4,184
Unexpended Rates Variation	832,767	(21,000)	(263,484)	(121,926)	28,933	-	455,290
Financial Assistance Grant Advance Payment	5,767,227	-	-	-	-	-	5,767,227
Insurance Reserve	1,847,876	(180,000)	-	(1,091)	(627,740)	35,673	1,074,718
Plant Replacement	2,388,236	(1,287,182)	-	(1,501)	-	46,105	1,145,658
Real Estate and Infrastructure	4,287,816	(12,199)	-	(63,330)	(562,046)	82,776	3,733,016
Petersons Quarry	1,448,942	461,419	(10,000)	-	553,274	27,972	2,481,607
Woodview Quarry	1,693,206	310,781	-	-	(620,000)	32,687	1,416,675
Quarry Rehabilitation	633,772	50,000	-	-	-	12,235	696,007
Road Rehabilitation Reserve	2,648,935	252,923	-	-	-	51,137	2,952,996
Northern Rivers Livestock Exchange	-	-	-	-	-	-	-
Other Waste Management	3,360,354	(236,395)	-	-	-	64,871	3,188,831
Other Waste Management - Plant Reserve	1,021,862	(45,636)	-	-	(194,637)	19,727	801,316
Rural Road Safety Program	120,615	-	-	-	-	-	120,615
RMS State Roads Maintenance Contract	6,387	-	-	-	-	123	6,511
Public Cemeteries Perpetual Maintenance Reserve	114,269	31,404	-	(5,954)	(19,262)	2,206	122,664
Northern Rivers Rail Trail Maintenance Reserve	639,561	(83,938)	-	-	-	12,347	567,970
Events Funding	43,065	9,605	-	-	54,772	831	108,273
Carry Over Works	3,779,511	(352,538)	(352,230)	(378,669)	185,954	-	2,882,028
Total General Fund Internal Restrictions	32,310,155	(1,118,182)	(636,601)	(587,061)	(1,182,179)	421,041	29,207,173
Total General Fund Restrictions	60,216,660	(6,628,729)	(1,134,499)	(4,505,187)	(3,805,408)	613,100	44,755,942

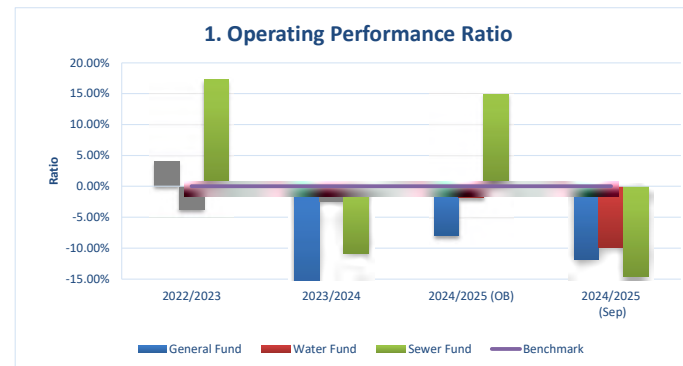
Richmond Valley Council Quarterly Budget Review Statement for the quarter ended 30 September 2024							
Cash & Investments Budget Review Statement							
	Opening Cash and Investments 1/07/2024	Original Budget Net Transfer to/(from)	Approved Changes Carry-Overs from 2023/24	Approved Changes Monthly Adjustments	Recommended Changes for Council Resolution Sep	Interest Earned	Projected Cash and Investments 30/06/2025
Sewerage Fund							
External Restrictions							
Section 64 Contributions	6,479,940	(979,430)	-	-	76,660	179,430	5,756,600
Infrastructure Replacement	6,140,805	(1,925,990)	(278,500)	(7,500)	(241,989)	170,039	3,856,865
Total Sewerage Fund Restrictions	12,620,745	(2,905,420)	(278,500)	(7,500)	(165,329)	349,469	9,613,465
Water Fund							
External Restrictions							
Section 64 Contributions	3,203,323	170,800	-	-	-	29,200	3,403,323
Infrastructure Replacement	6,055,911	(1,041,797)	(815,793)	(151,011)	343,416	55,300	4,446,027
Total Water Fund Restrictions	9,259,234	(870,997)	(815,793)	(151,011)	343,416	84,500	7,849,349
Total Restrictions (All Funds)	82,096,639	(10,405,146)	(2,228,792)	(4,663,698)	(3,627,321)	1,047,069	62,218,756

Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024

Key Performance Indicators Budget Review Statement

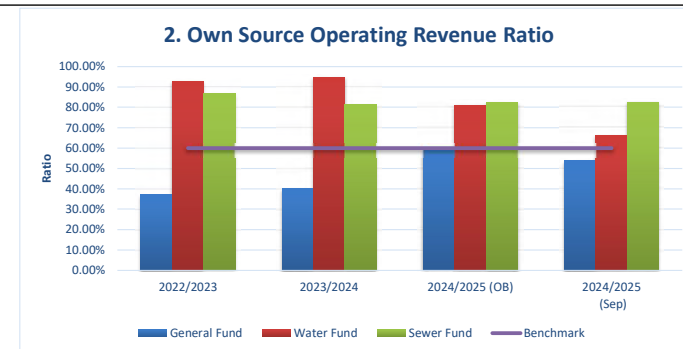
	Current Projection			
	General Fund	Water Fund	Sewerage Fund	Total
The Council monitors the following Key Performance Indicators:				
1. Operating Performance Ratio	-11.79%	-9.97%	-14.57%	-12.01%
Total Continuing Operating Revenue ⁽¹⁾ (excl. Capital Grants & Contributions) - Operating Expenses	<u>(6,652,586)</u>	<u>(783,686)</u>	<u>(1,590,320)</u>	<u>(9,026,592)</u>
Total Continuing Operating Revenue ⁽¹⁾ (excl. Capital Grants & Contributions)	56,408,586	7,862,040	10,915,413	75,186,039
⁽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 2024/2025	-8.02%	-1.88%	14.94%	-3.60%
2023/2024	-20.46%	-2.38%	-10.80%	-16.63%
2022/2023	4.07%	-3.76%	17.24%	4.94%

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 is taking steps to address this ratio as part of the current 10 year Long Term Financial Plan.



	53.77%	66.10%	82.48%	57.71%
2. Own Source Operating Revenue Ratio				
Total Continuing Operating Revenue ⁽¹⁾ (less ALL Grants & Contributions)	<u>55,807,237</u>	<u>6,342,101</u>	<u>10,915,413</u>	<u>73,064,751</u>
Total Continuing Operating Revenue ⁽¹⁾	103,786,535	9,594,302	13,234,378	126,615,215
⁽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 2024/2025	60.10%	81.00%	82.31%	64.77%
2023/2024	40.19%	94.74%	81.19%	49.63%
2022/2023	37.00%	92.90%	86.57%	45.20%

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 just below the benchmark of 60% on a consolidated basis.
Council is taking steps to address this ratio with the introduction of the Invest and Live team.



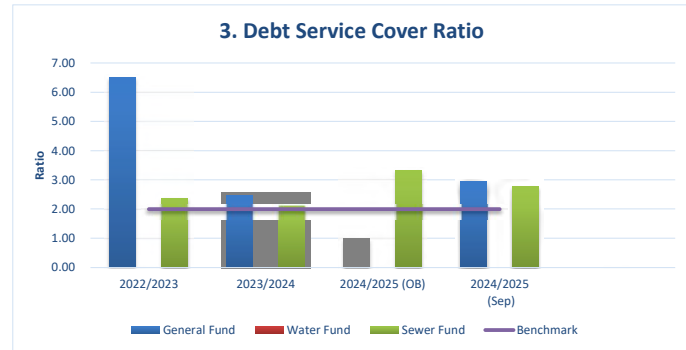
**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024**

Key Performance Indicators Budget Review Statement

	Current Projection			
	General Fund	Water Fund	Sewerage Fund	Total
3. Debt Service Cover Ratio	2.93	0.00	2.76	3.69
Operating Result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation (EBITDA)	7,768,372	3,963,462	5,748,065	17,479,899
Principal Repayments + Borrowing Interest Costs	2,652,206	0	2,080,237	4,732,443
Prior Periods:				
Original Budget 2024/2025	0.98	0.00	3.32	1.25
2023/2024	2.48	0.00	2.11	2.68
2022/2023	6.51	0.00	2.38	5.11

⁽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.

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 is above the benchmark minimum of 2.0.



**Richmond Valley Council Quarterly Budget Review Statement
for the quarter ended 30 September 2024**

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)
Stralis Energy Pty Ltd	Casino Showground High Voltage Power	\$ 178,900.00	19/08/24	3 months	Y
Marathon Modular	Colley Park Netball Clubhouse Facility	\$ 1,236,211.41	19/08/24	9 months	Y
Ark Construction Group Pty Ltd	Construction of Broadwater Bridge Replacement	\$ 1,545,398.00	19/08/24	12 months	Y
Green Civil Services Pty Ltd	Bentley Rd Landslip Design & Construction	\$ 3,172,998.15	19/08/24	12 months	Y
Bennett & Robertson Construction	Casino Pool Clubhouse Upgrade	\$ 561,580.00	19/08/24	18 months	Y
Rural Irrigation Supplies	Upgrade of the Casino Race Club Grass Track Irrigation	\$ 319,850.00	12/08/24	3 months	Y
The Trustee for Santin Trust	Design & Construct Upper Cherry Tree Road Landslip	\$ 1,028,098.00	12/08/24	9 months	Y
The Trustee for Santin Trust	Design and Construct Upper Mongogarrie Road Landslip	\$ 485,106.30	12/08/24	9 months	Y
SEE Civil Pty Ltd	Design and Construct MR145 Landslips	\$ 817,208.93	05/08/24	12 months	Y
Quickway Constructions Pty Ltd	Construction of Tatham Twin Bridges Replacement	\$ 13,076,237.07	05/08/24	18 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)	249,315	Y
Legal Expenses (including Capital Expenditure)	84,965	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.