

# Byron Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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*Byron Shire is a 'meeting place' - Where people can come  
together to connect, share, grow, inspire, and create  
positive change.*



# Byron Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2022

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### Overview

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

70 Station Street  
MULLUMBIMBY NSW 2482

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: <https://www.byron.nsw.gov.au>.

# Byron Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2022

### Understanding Council's Financial Statements

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#### 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 2022.

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.

# Byron Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2022

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### 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 24 November 2022.**

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Michael Lyon  
**Mayor**  
24 November 2022

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Sarah Ndiaye  
**Deputy Mayor**  
24 November 2022

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Mark Arnold  
**General Manager**  
24 November 2022

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James Brickley  
**Responsible Accounting Officer**  
24 November 2022

## Byron Shire Council

## Income Statement

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
<b>Income from continuing operations</b>				
53,824	Rates and annual charges	B2-1	<b>54,590</b>	52,004
24,171	User charges and fees	B2-2	<b>25,178</b>	27,108
1,618	Other revenues	B2-3	<b>1,552</b>	1,847
6,547	Grants and contributions provided for operating purposes	B2-4	<b>22,060</b>	8,264
26,238	Grants and contributions provided for capital purposes	B2-4	<b>20,984</b>	23,130
903	Interest and investment income	B2-5	<b>510</b>	826
1,044	Other income	B2-6	<b>949</b>	918
114,345	<b>Total income from continuing operations</b>		<b>125,823</b>	114,097
<b>Expenses from continuing operations</b>				
31,762	Employee benefits and on-costs	B3-1	<b>31,852</b>	29,830
36,065	Materials and services	B3-2	<b>54,416</b>	44,280
2,932	Borrowing costs	B3-3	<b>2,934</b>	3,075
15,780	Depreciation, amortisation and impairment of non-financial assets	B3-4	<b>19,134</b>	17,529
2,196	Other expenses	B3-5	<b>2,897</b>	2,464
–	Net loss from the disposal of assets	B4-1	<b>3,517</b>	7,451
88,735	<b>Total expenses from continuing operations</b>		<b>114,750</b>	104,629
25,610	<b>Operating result from continuing operations</b>		<b>11,073</b>	9,468
25,610	<b>Net operating result for the year attributable to Council</b>		<b>11,073</b>	9,468
(628)	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>(9,911)</b>	(13,662)

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

## Byron Shire Council

## Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
<b>Net operating result for the year – from Income Statement</b>		<b>11,073</b>	<b>9,468</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	<b>174,602</b>	84,303
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	<b>(2,157)</b>	–
Other comprehensive income – joint ventures and associates		<b>72</b>	(64)
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>172,517</b>	84,239
<b>Total other comprehensive income for the year</b>		<b>172,517</b>	84,239
<b>Total comprehensive income for the year attributable to Council</b>		<b>183,590</b>	93,707

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

## Byron Shire Council

## Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	Restated 2021 <sup>1</sup>	Restated 2020 <sup>1</sup>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	C1-1	56,237	41,368	37,327
Investments	C1-2	15,451	22,539	31,000
Receivables	C1-4	12,239	9,691	9,259
Inventories	C1-5	462	508	498
Contract assets and contract cost assets	C1-6	1,812	2,687	2,800
Other	C1-8	53	17	17
<b>Total current assets</b>		<b>86,254</b>	<b>76,810</b>	<b>80,901</b>
<b>Non-current assets</b>				
Investments	C1-2	6,618	8,566	8,235
Receivables	C1-4	561	649	415
Infrastructure, property, plant and equipment (IPPE)	C1-7	1,278,365	1,099,373	997,622
Investments accounted for using the equity method	D2-3	1,214	1,142	1,206
<b>Total non-current assets</b>		<b>1,286,758</b>	<b>1,109,730</b>	<b>1,007,478</b>
<b>Total assets</b>		<b>1,373,012</b>	<b>1,186,540</b>	<b>1,088,379</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	C3-1	13,276	14,110	13,067
Contract liabilities	C3-2	12,496	6,274	1,489
Borrowings	C3-3	5,524	3,789	3,527
Employee benefit provisions	C3-4	7,030	6,555	6,086
<b>Total current liabilities</b>		<b>38,326</b>	<b>30,728</b>	<b>24,169</b>
<b>Non-current liabilities</b>				
Borrowings	C3-3	53,245	57,269	59,308
Employee benefit provisions	C3-4	506	665	690
Provisions	C3-5	7,439	7,972	8,013
<b>Total non-current liabilities</b>		<b>61,190</b>	<b>65,906</b>	<b>68,011</b>
<b>Total liabilities</b>		<b>99,516</b>	<b>96,634</b>	<b>92,180</b>
<b>Net assets</b>		<b>1,273,496</b>	<b>1,089,906</b>	<b>996,199</b>
<b>EQUITY</b>				
Accumulated surplus	C4-1	648,701	637,556	628,152
IPPE revaluation reserve	C4-1	624,795	452,350	368,047
<b>Council equity interest</b>		<b>1,273,496</b>	<b>1,089,906</b>	<b>996,199</b>
<b>Total equity</b>		<b>1,273,496</b>	<b>1,089,906</b>	<b>996,199</b>

(1) Refer to Note G3-1 for details regarding restatement of prior period error.

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

## Byron Shire Council

## Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	2022			2021		
		Accumulated surplus <sup>1</sup>	IPPE revaluation reserve	Total equity	Accumulated surplus <sup>1</sup>	IPPE revaluation reserve	Total equity
					Restated	Restated	Restated
Opening balance at 1 July		632,365	452,350	1,084,715	622,961	368,047	991,008
Correction of prior period errors	G3-1	5,191	–	5,191	5,191	–	5,191
<b>Restated opening balance</b>		<b>637,556</b>	<b>452,350</b>	<b>1,089,906</b>	<b>628,152</b>	<b>368,047</b>	<b>996,199</b>
Net operating result for the year		11,073	–	11,073	9,468	–	9,468
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	174,602	174,602	–	84,303	84,303
– Impairment (loss) reversal relating to IPP&E	C1-7	–	(2,157)	(2,157)	–	–	–
Joint ventures and associates		72	–	72	(64)	–	(64)
<b>Other comprehensive income</b>		<b>72</b>	<b>172,445</b>	<b>172,517</b>	<b>(64)</b>	<b>84,303</b>	<b>84,239</b>
<b>Total comprehensive income</b>		<b>11,145</b>	<b>172,445</b>	<b>183,590</b>	<b>9,404</b>	<b>84,303</b>	<b>93,707</b>
<b>Closing balance at 30 June</b>		<b>648,701</b>	<b>624,795</b>	<b>1,273,496</b>	<b>637,556</b>	<b>452,350</b>	<b>1,089,906</b>

(1) See Note G3-1 for details regarding restatement as a result of prior period error.

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

## Byron Shire Council

## Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
53,824	Rates and annual charges		53,506	50,914
24,171	User charges and fees		25,502	26,901
903	Interest received		716	960
32,785	Grants and contributions		47,411	36,360
–	Bonds, deposits and retentions received		522	193
2,662	Other		1,173	2,693
<i>Payments:</i>				
(31,762)	Payments to employees		(31,536)	(29,386)
(36,065)	Payments for materials and services		(57,135)	(43,650)
(2,932)	Borrowing costs		(2,905)	(3,058)
(2,196)	Other		(1,424)	(2,307)
41,390	<b>Net cash flows from operating activities</b>	G1-1	<b>35,830</b>	39,620
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Sale of investments		35,594	79,000
–	Proceeds from sale of IPPE		881	453
–	Deferred debtors receipts		10	10
<i>Payments:</i>				
–	Purchase of investments		(38,233)	(71,039)
–	Acquisition of term deposits		11,000	–
(65,560)	Payments for IPPE		(27,924)	(42,226)
(65,560)	<b>Net cash flows from investing activities</b>		<b>(18,672)</b>	(33,802)
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
13,500	Proceeds from borrowings		1,500	1,750
<i>Payments:</i>				
(3,868)	Repayment of borrowings		(3,789)	(3,527)
9,632	<b>Net cash flows from financing activities</b>		<b>(2,289)</b>	(1,777)
(14,538)	<b>Net change in cash and cash equivalents</b>		<b>14,869</b>	4,041
41,368	Cash and cash equivalents at beginning of year		41,368	37,327
26,830	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>56,237</b>	41,368
31,105	plus: Investments on hand at end of year	C1-2	22,069	31,105
57,935	<b>Total cash, cash equivalents and investments</b>		<b>78,306</b>	72,473

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

# Byron Shire Council

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# Byron Shire Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 24 November 2022. 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)*, the Local Government (General) Regulation 2021 and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

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
- Note B5-1 Material budget variations

#### **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.

#### **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 remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4

#### **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.

### **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*, 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.

## A1-1 Basis of preparation (continued)

The Consolidated Fund has been included in the financial statements of the Council.

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 currently utilises the services of volunteers to assist in the management/operation of eleven community facilities under Section 355 of the *Local Government Act 1993*. The financial operations of these facilities in the main are contained within the financial outcomes of Council. The financial consideration relevant though to specific volunteer services (labour) has not been recognised in the financial statements as it is considered not material overall nor can it be reliably measured. That aside, whilst the financial consideration cannot be reliably measured, Council acknowledges the importance and appreciation of the support it receives from volunteers.

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

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

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2022 reporting period.

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

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

#### **AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

#### **AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date**

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

For example the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

**Council does not expect any material impact from the above amendments and to its classification of liabilities as current or non-current.**

This standard has an effective date for the 30 June 2024 reporting period.

## A1-1 Basis of preparation (continued)

### AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

This Standard amends a number of standards as follows:

- AASB 1 to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences,
- AASB 3 to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations,
- AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability,
- AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset,
- AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making and
- AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

**Council does not expect any material impact from the above amendments.**

This standard has an effective date for the 30 June 2023 reporting period.

### New accounting standards adopted during the year

During the year Council adopted the following accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2021:

- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- *AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*
- *AASB 2020-7 Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions: Tier 2 disclosures [AASB 16 and AASB 1060]*
- *AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021*
- *AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*

None of the newly adopted standards had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures.

## 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021 <sup>1</sup>
<b>Functions or activities</b>										
We have, infrastructure, transport and services which meet our expectations	76,935	73,476	92,591	71,235	(15,656)	2,241	36,231	26,165	852,434	741,921
We cultivate and celebrate our diverse cultures, lifestyle and sense of community	7,238	5,805	8,762	20,109	(1,524)	(14,304)	2,695	1,933	300,619	236,731
We protect and enhance our natural environment	2,551	2,538	2,993	2,993	(442)	(455)	1,214	1,155	31,462	26,179
We manage growth and change responsibly	7,247	6,222	9,392	8,803	(2,145)	(2,581)	6	36	64,475	64,310
We have community led decision making which is open and inclusive	31,852	26,056	1,012	1,489	30,840	24,567	2,898	2,105	124,022	117,399
<b>Total functions and activities</b>	<b>125,823</b>	<b>114,097</b>	<b>114,750</b>	<b>104,629</b>	<b>11,073</b>	<b>9,468</b>	<b>43,044</b>	<b>31,394</b>	<b>1,373,012</b>	<b>1,186,540</b>

(1) See Note G4-2 for details regarding the restatement as a result of Prior Period Error

## B1-2 Components of functions or activities

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

### **We have infrastructure, transport and services which meet our expectations**

Provide a road network which is safe, accessible and maintained to an acceptable level of service. Provide essential services and reliable infrastructure which meet an acceptable community standard. Support, through partnership, a network of integrated sustainable transport options. Provide a regular and acceptable waste and recycling service. Provide continuous urban water and sewerage service within the Shire. Manage traffic and parking in an efficient manner.

### **We cultivate and celebrate our diverse cultures, lifestyle and sense of community**

Support and encourage our vibrant culture and creativity. Support access to a wide range of services and activities that contribute to the wellbeing of all members of the Byron Shire community. Provide accessible, local community spaces and facilities. Enhance community safety and amenity while respecting our shared values. Encourage appreciation of cultural vitality and diversity.

### **We protect and enhance our natural environment**

Partner to protect and enhance our biodiversity, ecosystems and ecology. Strive to become a sustainable community. Partner to protect and enhance the health of the Shire's coastlines, estuaries, waterways and catchments. Support and secure our farming future.

### **We manage growth and change responsibly**

Support the visions and aspirations of local communities through place-based planning and management. Support housing diversity in appropriate locations across the Shire. Promote and support local business development, education and employment opportunities. Support tourism and events that reflect our culture and lifestyle. Work to improve community resilience in our changing environment.

### **We have community led decision making which is open and inclusive**

Engage and involve community in decision making. Create a culture of trust with the community by being open, genuine and transparent. Deliver a high level of customer service. Manage Council's assets and allocate resources in a fair and holistic manner. Manage Council's finances sustainably. Manage Council's resources sustainably.

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2022	2021
<b>Ordinary rates</b>		
Residential	19,950	19,442
Farmland	1,365	1,350
Business	5,347	5,095
<b>Rates levied to ratepayers</b>	<b>26,662</b>	<b>25,887</b>
Pensioner rate subsidies received	201	219
<b>Total ordinary rates</b>	<b>26,863</b>	<b>26,106</b>
<b>Annual charges</b>		
<small>(pursuant to s.496, s.496A, s.496B, s.501 &amp; s.611)</small>		
Domestic waste management services	7,400	6,423
Stormwater management services	301	296
Water supply services	2,601	2,493
Sewerage services	16,080	15,466
Waste management services (non-domestic)	1,149	1,015
<b>Annual charges levied</b>	<b>27,531</b>	<b>25,693</b>
Pensioner subsidies received:		
– Water	71	75
– Sewerage	68	72
– Domestic waste management	57	58
<b>Total annual charges</b>	<b>27,727</b>	<b>25,898</b>
<b>Total rates and annual charges</b>	<b>54,590</b>	<b>52,004</b>

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

#### Accounting policy

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

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

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

## B2-2 User charges and fees

\$ '000	Timing	2022	2021
<b>Specific user charges</b>			
(per s.502 - specific 'actual use' charges)			
Water supply services	2	6,986	7,252
Sewerage services	2	1,634	2,062
<b>Total specific user charges</b>		<b>8,620</b>	<b>9,314</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Planning and building regulation	2	245	287
Private works – section 67	2	46	70
Regulatory/ statutory fees	2	83	96
Section 10.7 certificates (EP&A Act)	2	126	138
Section 603 certificates	2	79	110
Building inspections	2	620	668
Building services	2	1,102	552
Developer fees	2	1,233	1,095
Dog registration / release	2	52	49
Engineering services	2	2	3
Freedom of information	2	56	42
Health inspection	2	489	496
<b>Total fees and charges – statutory/regulatory</b>		<b>4,133</b>	<b>3,606</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Aerodrome	2	81	45
Caravan park	2	3,024	4,046
Cemeteries	2	282	220
Child care	2	781	781
Leaseback fees – Council vehicles	2	315	255
Parking fees	2	2,790	3,892
Water connection fees	2	165	136
Administration and financial services	2	296	202
Public halls	2	278	233
Sewerage charges	2	387	282
Swimming pools	2	163	246
Other	2	174	126
Waste	2	3,689	3,724
<b>Total fees and charges – other</b>		<b>12,425</b>	<b>14,188</b>
<b>Total other user charges and fees</b>		<b>16,558</b>	<b>17,794</b>
<b>Total user charges and fees</b>		<b>25,178</b>	<b>27,108</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		25,178	27,108
<b>Total user charges and fees</b>		<b>25,178</b>	<b>27,108</b>

### Accounting policy

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

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

Where an upfront fee is charged such as membership 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 the term of the licence.

## B2-3 Other revenues

\$ '000	Timing	2022	2021
Fines	2	1,306	1,659
Insurance claims recoveries	2	–	21
Sales – general	2	40	74
Workers Compensation	2	95	93
Legal Fees Recovery	2	111	–
<b>Total other revenue</b>		<b>1,552</b>	<b>1,847</b>
<b>Timing of revenue recognition for other revenue</b>			
Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		1,552	1,847
<b>Total other revenue</b>		<b>1,552</b>	<b>1,847</b>

### Accounting policy for other revenue

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

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

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

## B2-4 Grants and contributions

\$ '000	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	2	2,885	2,076	–	–
Financial assistance – local roads component	2	1,717	1,241	–	–
<b>Amount recognised as income during current year</b>		<b>4,602</b>	<b>3,317</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Pensioners' rates subsidies:					
Animal Enforcement	2	375	–	–	–
Bushfire and emergency services	2	543	214	–	–
Child care	2	1,181	1,239	–	–
Community centres	2	–	–	336	252
Economic development	2	–	32	–	79
Library	2	152	147	–	–
Street lighting	2	55	55	–	–
Transport (Roads to Recovery)	1	1,025	274	–	–
Transport (other roads, bridges and drainage funding)	1	465	–	14,104	16,635
Waste management	2	1,512	97	–	22
Emergency Services	2	–	134	–	–
Parks & Gardens	2	–	53	942	147
Community services	2	24	21	–	–
Planning	2	6	36	–	–
Crown lands maintenance	2	211	237	29	–
Environmental management	2	296	807	–	–
Employment & Training	2	13	29	–	–
Flood Recovery	2	3,000	–	–	–
Footpaths	2	–	–	–	6
Foreshore Maintenance	2	29	–	20	–
Recreation and Culture	2	15	–	–	–
Sporting Grounds & Venues	2	27	–	195	–
Energy Saving Certificates	2	17	–	–	–
Roads and bridges	1	7,686	593	67	94
Transport for NSW contributions (regional roads, block grant)	2	656	737	155	–
Surf lifesaving	2	170	125	–	–
Other economic development	2	–	117	–	323
OLG - Crown Lands Contribution	2	–	–	–	–
Parks & Gardens	2	–	–	33	–
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>17,458</b>	<b>4,947</b>	<b>15,881</b>	<b>17,558</b>
<b>Non-cash contributions</b>					
Crown land devolved	2	–	–	–	–
Recreation and culture		–	–	–	–
Dedications – Assets	2	–	–	2,155	655
Purchase of Former Byron Bay Hospital	2	–	–	–	–
<b>Total other contributions – non-cash</b>		<b>–</b>	<b>–</b>	<b>2,155</b>	<b>655</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>17,458</b>	<b>4,947</b>	<b>18,036</b>	<b>18,213</b>

## B2-4 Grants and contributions (continued)

\$ '000	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021	
<b>Total grants and non-developer contributions</b>						
		<b>22,060</b>	8,264	<b>18,036</b>	18,213	
<b>Comprising:</b>						
– Commonwealth funding		7,169	4,683	300	1,119	
– State funding		14,043	2,619	15,392	11,550	
– Other funding		848	962	2,344	5,544	
		<b>22,060</b>	<b>8,264</b>	<b>18,036</b>	<b>18,213</b>	
<b>Developer contributions</b>						
\$ '000	Notes	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
<b>Developer contributions:</b>						
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>						
<b>Cash contributions</b>						
S 7.11 – contributions towards amenities/services		2	–	–	1,707	2,063
S 64 – water supply contributions		2	–	–	167	667
S 64 – sewerage service contributions		2	–	–	1,074	2,187
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>2,948</b>	<b>4,917</b>
<b>Total developer contributions</b>			<b>–</b>	<b>–</b>	<b>2,948</b>	<b>4,917</b>
<b>Total contributions</b>			<b>–</b>	<b>–</b>	<b>2,948</b>	<b>4,917</b>
<b>Total grants and contributions</b>			<b>22,060</b>	8,264	<b>20,984</b>	23,130
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time (1)			8,151	2,356	15,196	17,003
Grants and contributions recognised at a point in time (2)			13,909	5,908	5,788	6,127
<b>Total grants and contributions</b>			<b>22,060</b>	<b>8,264</b>	<b>20,984</b>	<b>23,130</b>

## 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 2022	Operating 2021	Capital 2022	Capital 2021
<b>Unspent grants</b>				
Unspent funds at 1 July	1,866	1,585	5,367	925
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	4,902	784	-	-
<b>Add:</b> Funds received and not recognised as revenue in the current year	-	-	8,048	5,253
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(1,445)	(503)	-	-
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	-	-	(2,257)	(811)
<b>Unspent grants at 30 June</b>	<b>5,323</b>	<b>1,866</b>	<b>11,158</b>	<b>5,367</b>
<b>Unspent Contributions</b>				
Unspent funds at 1 July	-	-	22,121	25,007
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-	3,079	5,134
<b>Add:</b> Funds received and not recognised as revenue in the current year	-	-	-	-
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	-	-	-	-
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	-	-	(4,116)	(8,020)
<b>Unspent contributions at 30 June</b>	<b>-</b>	<b>-</b>	<b>21,084</b>	<b>22,121</b>

### Accounting policy

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

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

The performance obligations vary according to the agreement. 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.

## B2-4 Grants and contributions (continued)

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

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

### **Developer contributions**

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

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

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

### **Other grants and contributions**

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

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

## B2-5 Interest and investment income

\$ '000	2022	2021
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	73	139
– Cash and investments	437	687
<b>Total interest and investment income (losses)</b>	<b>510</b>	<b>826</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	46	99
General Council cash and investments	241	497
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 7.11	100	116
– Section 64	96	96
Water fund operations	7	18
Sewer Fund	20	–
<b>Total interest and investment income</b>	<b>510</b>	<b>826</b>

### Accounting policy

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

## B2-6 Other income

\$ '000	Notes	2022	2021
<b>Rental income</b>			
<b>Other lease income</b>			
Room/Facility Hire		–	12
Property Agreements		771	657
Cavanbah Centre		178	249
<b>Total other lease income</b>		<b>949</b>	<b>918</b>
<b>Total rental income</b>	C2-2	<b>949</b>	<b>918</b>
<b>Total other income</b>		<b>949</b>	<b>918</b>

## B3 Costs of providing services

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

\$ '000	2022	2021
Salaries and wages	25,010	24,298
Employee termination costs	–	141
Employee leave entitlements (ELE)	5,073	4,653
Superannuation	2,824	2,786
Workers' compensation insurance	634	572
Fringe benefit tax (FBT)	21	43
Payroll tax	180	155
Training costs (other than salaries and wages)	244	289
<b>Total employee costs</b>	<b>33,986</b>	<b>32,937</b>
Less: capitalised costs	(2,134)	(3,107)
<b>Total employee costs expensed</b>	<b>31,852</b>	<b>29,830</b>

#### Accounting policy

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

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.

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	2022	2021
Raw materials and consumables		<b>35,900</b>	24,671
– Caravan parks		<b>884</b>	1,182
– Cleaning		<b>270</b>	294
– Security		<b>71</b>	52
– Surf lifesaving		<b>688</b>	598
– Swimming pools		<b>469</b>	449
– Temporary employment		<b>2,608</b>	3,276
– Waste		<b>7,153</b>	6,817
Audit Fees	F2-1	<b>175</b>	165
Infringement notice contract costs (SEINS)		<b>163</b>	250
Expenses from leases of low value assets		<b>489</b>	989
<b>Previously other expenses:</b>			
Councillor and Mayoral fees and associated expenses	F1-2	<b>318</b>	298
Advertising		<b>53</b>	97
Bank charges		<b>131</b>	143
Computer software charges		<b>1,072</b>	943
Electricity and heating		<b>1,688</b>	1,432
Insurance		<b>1,181</b>	1,027
Postage		<b>90</b>	99
Printing and stationery		<b>69</b>	75
Street lighting		<b>316</b>	364
Telephone and communications		<b>326</b>	267
Valuation fees		<b>92</b>	91
<b>Legal expenses:</b>			
– Legal expenses: planning and development		<b>201</b>	683
– Legal expenses: other		<b>9</b>	18
<b>Total materials and services</b>		<b>54,416</b>	<b>44,280</b>

### Accounting policy

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

### B3-3 Borrowing costs

\$ '000	Notes	2022	2021
<b>(i) Interest bearing liability costs</b>			
Interest on loans		2,891	3,046
<b>Total interest bearing liability costs</b>		<b>2,891</b>	<b>3,046</b>
<b>Total interest bearing liability costs expensed</b>		<b>2,891</b>	<b>3,046</b>
<b>(ii) Other borrowing costs</b>			
– Remediation liabilities	C3-5	43	29
<b>Total other borrowing costs</b>		<b>43</b>	<b>29</b>
<b>Total borrowing costs expensed</b>		<b>2,934</b>	<b>3,075</b>

#### Accounting policy

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

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

\$ '000	Notes	2022	2021
<b>Depreciation and amortisation</b>			
Plant and equipment		1,218	1,080
Office equipment		12	12
Furniture and fittings		8	14
Land improvements (depreciable)		26	150
<b>Infrastructure:</b>	C1-7		
– Buildings		1,803	1,280
– Other structures		39	32
– Roads		7,400	6,443
– Bridges		451	418
– Footpaths		239	205
– Stormwater drainage		1,915	1,870
– Water supply network		1,432	1,429
– Sewerage network		3,093	3,039
– Swimming pools		68	56
– Other open space/recreational assets		469	560
Right of use assets	C2-1	–	–
<b>Other assets:</b>			
– Other		129	125
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C3-5,C1-7	538	517
– Quarry assets	C3-5,C1-7	294	299
<b>Total gross depreciation and amortisation costs</b>		<b>19,134</b>	<b>17,529</b>
<b>Total depreciation and amortisation costs</b>		<b>19,134</b>	<b>17,529</b>
<b>Impairment / revaluation decrement of IPPE</b>			
<b>Infrastructure:</b>	C1-7		
– Buildings		783	–
– Roads		848	–
– Stormwater drainage		321	–
– Swimming pools		108	–
– Other open space/recreational assets		2	–
– Bulk earthworks		84	–
<b>Other assets:</b>			
– Other		11	–
<b>Total gross IPPE impairment / revaluation decrement costs</b>		<b>2,157</b>	<b>–</b>
Amounts taken through revaluation reserve	C1-7	<b>(2,157)</b>	<b>–</b>
<b>Total IPPE impairment / revaluation decrement costs charged to Income Statement</b>		<b>–</b>	<b>–</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>19,134</b>	<b>17,529</b>

### 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.

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

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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	2022	2021
<b>Impairment of receivables</b>			
Other		52	17
<b>Total impairment of receivables</b>	C1-4	<b>52</b>	<b>17</b>
<b>Fair value decrement on investments</b>			
Fair value decrement on investments through profit and loss		675	169
<b>Total Fair value decrement on investments</b>	C1-2	<b>675</b>	<b>169</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– Bushfire fighting fund		238	326
– Emergency services levy (includes FRNSW, SES, and RFS levies)		51	67
– NSW fire brigade levy		96	104
– Far North Coast Weeds		118	116
– Other contributions/levies		153	146
Donations, contributions and assistance to other organisations (Section 356)		69	56
Richmond Tweed Regional Library		1,445	1,463
<b>Total other</b>		<b>2,170</b>	<b>2,278</b>
<b>Total other expenses</b>		<b>2,897</b>	<b>2,464</b>

### Accounting policy

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

Impairment expenses are recognised when identified.

## B4 Gains or losses

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

\$ '000	Notes	2022	2021
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-7		
Proceeds from disposal – plant and equipment		881	453
Less: carrying amount of plant and equipment assets sold/written off		<u>(281)</u>	<u>(270)</u>
<b>Gain (or loss) on disposal</b>		<u>600</u>	<u>183</u>
<b>Gain (or loss) on disposal of infrastructure</b>	C1-7		
Less: carrying amount of infrastructure assets sold/written off		<u>(4,117)</u>	<u>(7,634)</u>
<b>Gain (or loss) on disposal</b>		<u>(4,117)</u>	<u>(7,634)</u>
<b>Gain (or loss) on disposal of investments</b>	C1-2		
Proceeds from disposal/redemptions/maturities – investments		35,594	79,000
Less: carrying amount of investments sold/redeemed/matured		<u>(35,594)</u>	<u>(79,000)</u>
<b>Gain (or loss) on disposal</b>		<u>–</u>	<u>–</u>
<b>Net gain (or loss) from disposal of assets</b>		<u><b>(3,517)</b></u>	<u><b>(7,451)</b></u>

#### Accounting policy

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

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 24/06/2021 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	2022 Budget	2022 Actual	2022 ----- Variance -----	
<b>Revenues</b>				
Rates and annual charges	53,824	54,590	766	1% <b>F</b>
User charges and fees	24,171	25,178	1,007	4% <b>F</b>
Other revenues	1,618	1,552	(66)	(4)% <b>U</b>
Operating grants and contributions	6,547	22,060	15,513	237% <b>F</b>
Actual results for Operating Grants and Contributions exceeded the original budget by \$15.513million with the following items accounting for the majority of the favourable variance that were not included in the original budget:				
<ul style="list-style-type: none"> <li>• Flood Recovery and Companion Animals \$3.375million</li> <li>• Flood Cleanup (Waste) \$1.246million</li> <li>• Road Infrastructure Repairs for Flood Damage \$5.000million</li> <li>• Advance payment of 2022/2023 Financial Assistance Grant \$2.789million</li> </ul>				
Capital grants and contributions	26,238	20,984	(5,254)	(20)% <b>U</b>
Actual results for Capital Grants and Contributions were under the original budget by \$5.254 million with the following items accounting for the majority of the unfavourable variance:				
<ul style="list-style-type: none"> <li>• Election commitment grant received \$1.485million less than original budget</li> <li>• Fixing Country Bridges grant received \$1.392million less than original budget</li> <li>• Anticipated TfNSW grants received \$2.594million were less than original budget</li> <li>• LRCIP grant received \$0.675 million less than original budget</li> <li>• Non-Cash Developer Contributions not budgeted in original budget \$2.155million</li> <li>• Developer Contributions received \$979,000 more than original budget</li> </ul>				
Interest and investment revenue	903	510	(393)	(44)% <b>U</b>
Actual results for Interest and Investment Revenue did not meet the original budget by \$393k due to ongoing low interest rates for investments for most of the financial year and Council's cashflow impacted by responding to the February/March 2022 flood events to June 2022 awaiting reimbursement of Natural Disaster funding.				
Other income	1,044	949	(95)	(9)% <b>U</b>
<b>Expenses</b>				
Employee benefits and on-costs	31,762	31,852	(90)	0% <b>U</b>
Materials and services	36,065	54,416	(18,351)	(51)% <b>U</b>
Actual results for Materials and Services exceeded the original budget by \$18.351million with the following items accounting for the majority of the unfavourable variance:				
<ul style="list-style-type: none"> <li>• \$2.833million in capital expenditure included in the original budget that was not capitalised and is therefore expensed. This expenditure was not included in the original budget for Materials and Services.</li> <li>• \$13.000million in expenditure associated with responding to the February/March 2022 flood events to 30 June 2022 not included in the original budget as an unforeseen event.</li> </ul>				

## B5-1 Material budget variations (continued)

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----		
<b>Borrowing costs</b>	2,932	2,934	(2)	0%	U
<b>Depreciation, amortisation and impairment of non-financial assets</b>	15,780	19,134	(3,354)	(21)%	U
<p>Although the original 2021/22 budget for Depreciation was \$15.779million and was underestimated. A further adjustment was made at the 31 December 2021 Quarterly Budget Review to reflect the actual depreciation expense from 2020/21 of \$17.530million. The actual depreciation expense increased further in 2021/22 as the buildings were revalued and the increase to the depreciation expense was not in the original budget \$0.536million. Further the roads depreciation expense increased by \$0.956million as the Byron Bypass, completed mid-2020/21, was depreciated for the full year.</p>					
<b>Other expenses</b>	2,196	2,897	(701)	(32)%	U
<p>As at 30 June 2022, there is an unrealised loss of \$0.675million relating to Council's investment portfolio representing the fair value movement of the investment portfolio for the year. Council did not budget for any negative unrealised fair value movement in original 2021/2022 Budget.</p>					
<b>Net losses from disposal of assets</b>	-	3,517	(3,517)	∞	U

## Statement of cash flows

<b>Cash flows from operating activities</b>	41,390	35,830	(5,560)	(13)%	U
<p>Actual cash flows from operations did not meet the original budget estimate with an unfavourable budget variance overall of \$5.560million. The major items impacting this cash flow outcome are as follows:</p>					

- Grant and contributions receipts exceeded original budget estimate by \$14.626million - favourable variance
- Materials and Services payments exceeded original budget estimate by \$21.070million - unfavourable variance
- User Charges and Fees receipts exceeded original budget estimate by \$1.331million - favourable variance
- Interest and Investment receipts did not exceed original budget estimate by \$0.187million - unfavourable variance

<b>Cash flows from investing activities</b>	(65,560)	(18,672)	46,888	(72)%	F
<p>Actual cashflows from investing activities did not meet the original budget estimate of \$65.56million representing a favourable budget variance of \$46.888million. The budget variance is related to the extent of capital works for the purchase of property, plant and equipment completed. There were a number of capital works projects included in the original estimate that were wither not commenced or partially completed with the majority of favourable budget variance attributable to:</p>					

- Bio Energy Facility \$11.057million
- First Sun Holiday Park Land Purchase \$1.500million
- Former Byron Hospital redevelopment \$3.372million
- Landfill rehabilitation \$3.473million
- Fixing Local Roads - Ocean Shores resurfacing \$1.127million
- The Pocket Road \$1.005million
- Main Arm Causeway \$0.706million
- South Arm Carpark \$0.866million
- Bangalow On-Road Cycleway \$0.720million.
- Water Capital Works Program \$3.000million
- Sewerage Capital Works Program \$3.071million

<b>Cash flows from financing activities</b>	9,632	(2,289)	(11,921)	(124)%	U
<p>Actual cash flows from financing activities did not exceed the original budget estimate by \$11.921million and represents an unfavourable budget variance. The original budget contained proposed loan borrowings of \$13.500million with \$12.000million allocated for the Bio-Energy Facility which did not proceed to construction and therefore the loan was not borrowed. Council also had budgeted \$1.500million for purchase of land at First Sun Holiday Park but this did not proceed but Council did borrow \$1.500million not included in the original budget for further remediation works at the former Mullumbimby Hospital site.</p>					

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2022	2021
<b>Cash assets</b>		
Cash on hand and at bank	5,217	1,523
Cash equivalent assets		
– Deposits at call	38,020	21,845
– Short-term deposits	13,000	18,000
<b>Total cash and cash equivalents</b>	<b>56,237</b>	<b>41,368</b>

#### Reconciliation of cash and cash equivalents

\$ '000	Notes	2022	2021
Total cash and cash equivalents per Statement of Financial Position		56,237	41,368
Less bank overdraft	C3-3	–	–
<b>Balance as per the Statement of Cash Flows</b>		<b>56,237</b>	<b>41,368</b>

#### Accounting policy

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

## C1-2 Financial investments

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
<b>Debt securities at amortised cost</b>				
Long term deposits	15,451	–	22,539	–
NCD's, FRN's (with maturities > 3 months)	–	1,499	–	3,835
Other long term financial assets	–	5,119	–	4,731
<b>Total</b>	<b>15,451</b>	<b>6,618</b>	<b>22,539</b>	<b>8,566</b>
<b>Total financial investments</b>	<b>15,451</b>	<b>6,618</b>	<b>22,539</b>	<b>8,566</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>71,688</b>	<b>6,618</b>	<b>63,907</b>	<b>8,566</b>

### Accounting policy

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

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

### Financial assets

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

### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

### Amortised cost

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

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

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

### Fair value through other comprehensive income – equity instruments

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income.

### Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. Net gains or losses, including any interest or dividend income, are recognised in profit or loss. Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

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

\$ '000	2022	2021
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>78,306</b>	72,473
Less: Externally restricted cash, cash equivalents and investments	<u>(53,646)</u>	<u>(46,297)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>24,660</b>	26,176
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Bonds and deposits	2,508	2,508
Specific purpose unexpended grants – general fund	15,714	7,233
Specific purpose unexpended grants – sewer fund	767	–
<b>External restrictions – included in liabilities</b>	<b>18,989</b>	9,741
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	11,808	11,122
Developer contributions – water fund	1,845	1,860
Developer contributions – sewer fund	7,180	8,872
Transport for NSW contributions	231	247
Water fund	8,954	9,578
Sewer fund	3,598	4,349
Domestic waste management	672	168
Crown paid parking reserve	275	212
Crown reserve	74	128
Other	20	20
<b>External restrictions – other</b>	<b>34,657</b>	36,556
<b>Total external restrictions</b>	<b>53,646</b>	46,297

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	2022	2021
(b) Internal allocations		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>24,660</b>	26,176
Less: Internally restricted cash, cash equivalents and investments	<u>(24,660)</u>	<u>(25,658)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>–</b>	518

### Internal allocations

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

Plant and vehicle replacement	2,958	2,204
Infrastructure renewal - Byron Bay	763	511
Infrastructure renewal reserve – non Byron Bay	1,575	1,140
Employees leave entitlement	572	603
Asset revaluation reserve	11	11
Bridge replacement fund	2	18

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

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
Brunswick Heads Memorial Hall	23	29
Byron Bay Library Exhibition Space	18	28
Byron Bay Library	300	300
Byron Senior Citizens Hall	84	68
Children's services	218	118
Community development	278	386
Council caravan parks	1,669	2,617
Economic development	83	83
Environmental levy	16	23
Financial assistance grant (in advance)	2,789	1,716
Footpath dining	300	360
General managers office	107	82
Human resources	345	399
Information technology	134	69
Information & technology service fee	350	209
Infrastructure services carryover	339	536
Land and natural environment	233	364
Land remediation	10	10
Legal services	124	14
On-site sewerage management reserve	195	472
Property	136	162
Quarry	625	692
Revolving energy fund	10	38
Risk management	305	243
South Golden Beach Hall	14	26
2017/2018 Special Rate Carryover Reserve	2,411	769
Stormwater	488	299
Suffolk Park Community Hall	2	16
Suffolk park open space	50	50
Unexpended loans	2,461	1,373
Waste management	7,555	6,347
Ocean Shores Community Centre	13	14
Council election	43	214
Community Building Maintenance	476	432
WHS Incentive	40	40
Public Toilets	112	103
Volunteer Visitor Fund	30	26
Byron Bay Town Centre Masterplan	788	1,095
Mullumbimby Civic Hall	-	16
Property development	432	642
Environmental Enforcement Levy	286	191
Byron Bay Construction Contingency	300	300
Pay Parking Meter Replacement	400	200
Pay Parking - Council/TfNSW	43	-
Development & Certification	250	-
Corporate Services Carryover	28	-
Sale of Road Assets	107	-
House Raising	59	-
Flood Recovery <sup>1</sup>	(6,300)	-
<b>Total internal allocations</b>	<b>24,660</b>	<b>25,658</b>

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

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

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- (1) Council is able to make a resolution at any time to determine internal allocations. It has chosen by resolution to include a Flood Recovery Reserve to represent funds from its overall pool of internal allocations that it has applied to response and recovery activities associated with the February/March 2022 Flood events that it is awaiting reimbursement via Natural Disaster funding. Council has not used any externally restricted funds for this purpose.

## C1-4 Receivables

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Rates and annual charges	5,259	403	4,058	455
Interest and extra charges	21	8	87	34
User charges and fees	3,815	–	3,856	–
Accrued revenues				
– Interest on investments	101	–	215	–
– Other income accruals	–	–	101	–
Net investment in finance lease	–	–	–	–
Deferred debtors	10	150	10	160
Government grants and subsidies	1,653	–	259	–
Net GST receivable	1,327	–	1,074	–
Pensioner subsidy	(6)	–	16	–
Miscellaneous water and sewer	110	–	54	–
<b>Total</b>	<b>12,290</b>	<b>561</b>	<b>9,730</b>	<b>649</b>
<b>Less: provision for impairment</b>				
User charges and fees	(51)	–	(39)	–
<b>Total provision for impairment – receivables</b>	<b>(51)</b>	<b>–</b>	<b>(39)</b>	<b>–</b>
<b>Total net receivables</b>	<b>12,239</b>	<b>561</b>	<b>9,691</b>	<b>649</b>

## C1-4 Receivables (continued)

\$ '000	2022	2021
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 139)	39	30
+ new provisions recognised during the year	12	9
<b>Balance at the end of the year</b>	<b>51</b>	<b>39</b>

### Accounting policy

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

### Impairment

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

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

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

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

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

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 2 years past due, whichever occurs first.

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

Where 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.

## C1-5 Inventories

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>(i) Inventories at cost</b>				
Stores and materials	462	-	508	-
<b>Total inventories at cost</b>	<b>462</b>	<b>-</b>	<b>508</b>	<b>-</b>
<b>Total inventories</b>	<b>462</b>	<b>-</b>	<b>508</b>	<b>-</b>

### Accounting policy

#### Raw materials and stores, work in progress and finished goods

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

## C1-6 Contract assets and Contract cost assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Contract assets	1,812	-	2,687	-
<b>Total contract assets and contract cost assets</b>	<b>1,812</b>	<b>-</b>	<b>2,687</b>	<b>-</b>

### Contract assets

Government Grants and Subsidies - Roads and Cycleways	1,812	-	2,452	-
Government Grants and Subsidies - Bridges	-	-	235	-
<b>Total contract assets</b>	<b>1,812</b>	<b>-</b>	<b>2,687</b>	<b>-</b>

#### Significant changes in contract assets

During the 2021/2022 financial year, Council has continued to undertake roads projects that it is awaiting payment from other levels of government amounting to \$1.448million for new works. Council has received outstanding payment during 2021/2022 for contract assets raised in 2020/2021 particularly relating to bridge projects \$232k plus \$950k outstanding for construction of the Byron Bay Bypass.

### Accounting policy

#### Contract assets

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

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

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

#### Contract cost asset – costs to fulfil a contract

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

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

## C1-6 Contract assets and Contract cost assets (continued)

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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 2021			Asset movements during the reporting period									At 30 June 2022		
	Restated Gross carrying amount <sup>2</sup>	Restated Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Restated Gross carrying amount <sup>2</sup>	Restated Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	21,460	–	21,460	11,076	4,854	–	–	–	(11,705)	–	–	–	25,686	–	25,686
Plant and equipment	13,984	(9,342)	4,642	19	1,626	(281)	(1,218)	–	18	–	–	–	12,318	(7,513)	4,805
Office equipment	2,663	(2,604)	59	–	–	–	(12)	–	–	–	–	–	2,261	(2,214)	47
Furniture and fittings	275	(243)	32	–	–	–	(8)	–	–	–	–	–	275	(251)	24
<b>Land:</b>															
– Operational land	161,973	–	161,973	–	207	–	–	–	3,095	–	–	23,830	189,105	–	189,105
– Community land	105,078	–	105,078	–	340	–	–	–	–	–	–	60,852	166,271	–	166,271
– Crown land	56,236	1	56,237	–	–	–	–	–	–	–	–	26,898	83,134	–	83,134
– Land under roads (post 30/6/08)	409	(1)	408	–	15	–	–	–	–	–	–	–	424	–	424
Land improvements – depreciable	1,294	(52)	1,242	–	–	–	(26)	–	–	–	–	–	1,294	(78)	1,216
<b>Infrastructure:</b>															
– Buildings	91,615	(17,944)	73,671	209	171	–	(1,803)	(783)	291	–	–	6,254	100,249	(22,240)	78,009
– Other structures	4,412	(3,103)	1,309	8	–	–	(39)	–	68	–	–	–	4,488	(3,142)	1,346
– Roads	344,761	(127,024)	217,737	7,543	–	(273)	(7,400)	(848)	3,251	–	–	23,776	392,884	(149,099)	243,785
– Bridges	53,194	(5,201)	47,993	363	–	(239)	(451)	–	365	–	–	5,118	59,315	(6,164)	53,151
– Footpaths	13,448	(4,134)	9,314	122	222	(14)	(239)	–	2,824	–	–	1,001	18,072	(4,842)	13,230
– Bulk earthworks (non-depreciable)	38,206	–	38,206	26	–	(6)	–	(84)	128	–	–	4,122	42,477	(84)	42,393
– Stormwater drainage	187,862	(49,696)	138,166	672	–	–	(1,915)	(321)	117	–	–	15,820	210,467	(57,924)	152,543
– Water supply network	117,544	(45,771)	71,773	781	–	(1,543)	(1,432)	–	6	4	(2,716)	–	113,719	(46,846)	66,873
– Sewerage network	200,122	(79,825)	120,297	2,110	–	(1,945)	(3,093)	–	129	(4)	–	8,810	201,926	(75,624)	126,302
– Swimming pools	3,404	(1,073)	2,331	–	–	–	(68)	(108)	–	–	–	–	3,404	(1,249)	2,155
– Other open space/recreational assets	21,282	(8,617)	12,665	192	467	(4)	(469)	(2)	1,042	–	–	–	22,976	(9,087)	13,889
<b>Other assets:</b>															
– Other	2,238	(1,370)	868	–	–	(94)	(129)	(11)	–	–	–	–	1,185	(550)	635
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>															
– Tip assets	14,285	(3,239)	11,046	–	–	–	(538)	–	–	(298)	–	639	14,654	(3,805)	10,849
– Quarry assets	4,234	(1,368)	2,866	–	–	–	(294)	–	–	(278)	–	198	4,155	(1,662)	2,493
<b>Total infrastructure, property, plant and equipment</b>	<b>1,459,979</b>	<b>(360,606)</b>	<b>1,099,373</b>	<b>23,121</b>	<b>7,902</b>	<b>(4,399)</b>	<b>(19,134)</b>	<b>(2,157)</b>	<b>(371)</b>	<b>(576)</b>	<b>(2,716)</b>	<b>177,318</b>	<b>1,670,739</b>	<b>(392,374)</b>	<b>1,278,365</b>

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

(2) Refer to Note G3-1 for details regarding restatement as a prior period error.

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

By aggregated asset class	At 1 July 2020 <sup>2</sup>			Asset movements during the reporting period								At 30 June 2021 <sup>2</sup>		
	Restated Gross carrying amount	Restated Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Restated Gross carrying amount	Restated Accumulated depreciation	Net carrying amount
<b>\$ '000</b>														
Capital work in progress	30,741	–	30,741	12,740	460	–	–	(21,976)	(505)	–	–	21,460	–	21,460
Plant and equipment	12,846	(8,734)	4,112	–	1,890	(270)	(1,080)	–	(10)	–	–	13,984	(9,342)	4,642
Office equipment	2,664	(2,593)	71	–	–	–	(12)	–	–	–	–	2,663	(2,604)	59
Furniture and fittings	276	(230)	46	–	–	–	(14)	–	–	–	–	275	(243)	32
<b>Land:</b>														
– Operational land	87,498	–	87,498	–	–	–	–	–	(177)	–	74,652	161,973	–	161,973
– Community land	105,078	–	105,078	–	–	–	–	–	–	–	–	105,078	–	105,078
– Crown land	56,237	–	56,237	–	–	–	–	–	–	–	–	56,236	1	56,237
– Land under roads (post 30/6/08)	363	–	363	–	44	–	–	–	–	–	1	409	(1)	408
Land improvements – depreciable	6,215	(2,993)	3,222	–	–	(1,829)	(150)	–	–	–	–	1,294	(52)	1,242
<b>Infrastructure:</b>														
– Buildings	86,116	(15,733)	70,383	672	252	(1,230)	(1,280)	194	(42)	–	4,722	91,615	(17,944)	73,671
– Other structures	2,481	(473)	2,008	–	–	(100)	(32)	–	–	(567)	–	4,412	(3,103)	1,309
– Roads	321,811	(121,505)	200,306	13,731	–	(924)	(6,443)	11,067	–	–	–	344,761	(127,024)	217,737
– Bridges	49,590	(5,722)	43,868	3,336	533	(1,921)	(418)	2,595	–	–	–	53,194	(5,201)	47,993
– Footpaths	12,198	(4,011)	8,187	513	–	(92)	(205)	911	–	–	–	13,448	(4,134)	9,314
– Bulk earthworks (non-depreciable)	35,790	–	35,790	1,166	–	(60)	–	1,310	–	–	–	38,206	–	38,206
– Stormwater drainage	181,921	(47,896)	134,025	3,014	–	(146)	(1,870)	3,143	–	–	–	187,862	(49,696)	138,166
– Water supply network	115,320	(44,237)	71,083	3,743	–	(335)	(1,429)	227	–	–	631	117,544	(45,771)	71,773
– Sewerage network	193,902	(76,496)	117,406	6,155	–	(579)	(3,039)	1,983	–	–	1,064	200,122	(79,825)	120,297
– Swimming pools	2,800	(777)	2,023	–	–	–	(56)	–	–	–	364	3,404	(1,073)	2,331
– Other open space/recreational assets	17,098	(5,507)	11,591	407	–	(417)	(560)	546	42	–	1,056	21,282	(8,617)	12,665
<b>Other assets:</b>														
– Other	2,238	(1,245)	993	–	–	–	(125)	–	–	–	–	2,238	(1,370)	868
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>														
– Tip assets	12,685	(2,480)	10,205	–	–	–	(517)	–	(37)	–	1,395	14,285	(3,239)	11,046
– Quarry assets	3,106	(1,069)	2,037	–	–	–	(299)	–	143	–	985	4,234	(1,368)	2,866
<b>Total infrastructure, property, plant and equipment</b>	<b>1,338,974</b>	<b>(341,701)</b>	<b>997,273</b>	<b>45,477</b>	<b>3,179</b>	<b>(7,903)</b>	<b>(17,529)</b>	<b>–</b>	<b>(586)</b>	<b>(567)</b>	<b>84,870</b>	<b>1,459,979</b>	<b>(360,606)</b>	<b>1,099,373</b>

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

(2) Refer to Note G3-1 for details regarding restatement of prior period error.

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

### Accounting policy

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

IPPE is measured 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 is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value 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.

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.

#### Useful lives of IPPE

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:

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	5 to 10	Playground equipment	20 to 100
Office furniture	10 to 20	Benches, seats etc.	0 to 5
Computer equipment	4		
Vehicles	7 to 10		
Heavy plant/road making equipment	7 to 10		
Other plant and equipment	5 to 10		
<b>Buildings</b>		<b>Buildings</b>	
Envelope	40 to 150	Mechanical Services	30
Floors	40	Fire Services	30
Floor Coverings	17 to 34	Electrical Services	50
Internal Screens	20	Hydraulic Services	40
Roof	80		
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	40 to 100	Drains	100 to 200
Bores	20 to 40	Culverts	100
Reticulation pipes: PVC	70 to 80	Flood control structures	100
Reticulation pipes: other	40 to 80		
Pumps and telemetry	10 to 60		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	8 to 25	Bulk earthworks	Infinite
Sealed roads: structure	45 to 225	Swimming pools	50
Unsealed roads	12 to 36	Other open space / recreational assets	5 to 100
Bridge: concrete	60 to 100		
Bridge: other	60 to 100		
Road pavements	50		
Kerb, gutter and footpaths	80		

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

#### Land under roads

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

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

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

### 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.

Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 Leases, refer Note C2-1.

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". Council has elected to only recognise the assets it is of the view it controls.

In terms of 'Red Fleet' Rural Fire Service Assets, Council by resolution has determined not to recognise these assets on the basis it can demonstrate in it's opinion it does not control these assets and would not comply with Accounting Standard AASB116 Property, Plant and Equipment if it did.

## C1-8 Other

### Other assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Other	53	-	17	-
<b>Total other assets</b>	<b>53</b>	<b>-</b>	<b>17</b>	<b>-</b>

## C2 Leasing activities

### C2-1 Council as a lessee

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

#### Land and Buildings

Council has fourteen leases and licences for a variety of land and buildings as a lessee. These leases/licences are with the NSW Government and are often for minimal rentals, some of the agreements have no end dates and rentals generally increase in line with the Consumer Price Index on anniversary. Council has not outlined any right of use assets or lease liabilities for these leases/licences as it is of the view they are not material to the financial statements of Council.

#### Vehicles

Council does not lease any vehicles.

#### Office and IT equipment

Council leases all of its Information Technology equipment including servers, printers, WYSE terminals, laptops, and audio visual equipment.

The vast majority of these assets individually are below the low value threshold individually and therefore Council has taken the view that disclosure requirements of AASB 16 do not apply to this equipment. Council will continue to recognise the operating lease payments as an operating expense,

#### Accounting policy

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

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset 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 to community groups and businesses. These leases have been classified as operating leases for financial reporting purposes.

\$ '000	2022	2021
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#### (i) Assets held as property, plant and equipment

Council provides operating leases on Council land and buildings for the purpose of community use such as property agreements, use of rooms/facility hire and the Cavanbah Centre.

Lease income	949	918
<b>Total income relating to operating leases for Council assets</b>	<b>949</b>	<b>918</b>

#### (ii) Maturity analysis of contractual lease income

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	400	210
1–2 years	354	181
2–3 years	237	145
3–4 years	178	92
4–5 years	127	62
> 5 years	647	337
<b>Total undiscounted lease payments to be received</b>	<b>1,943</b>	<b>1,027</b>

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2022		2021	
	Current	Non-current	Current	Non-current
Prepaid rates	734	–	669	–
Goods and services – operating expenditure	6,200	–	8,384	–
Accrued expenses:				
– Borrowings	122	–	136	–
– Other expenditure accruals	1,375	–	598	–
Security bonds, deposits and retentions	4,845	–	4,323	–
<b>Total payables</b>	<b>13,276</b>	<b>–</b>	<b>14,110</b>	<b>–</b>

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

\$ '000	2022	2021
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	4,845	4,323
<b>Total payables</b>	<b>4,845</b>	<b>4,323</b>

#### Accounting policy

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

#### Payables

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

## C3-2 Contract Liabilities

\$ '000	Notes	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	11,484	-	5,533	-
<b>Total grants received in advance</b>		<b>11,484</b>	<b>-</b>	<b>5,533</b>	<b>-</b>
<b>User fees and charges received in advance:</b>					
Advance bookings - holiday parks	(ii)	1,012	-	741	-
<b>Total user fees and charges received in advance</b>		<b>1,012</b>	<b>-</b>	<b>741</b>	<b>-</b>
<b>Total contract liabilities</b>		<b>12,496</b>	<b>-</b>	<b>6,274</b>	<b>-</b>

### Notes

(i) Council has received funding to construct infrastructure assets. 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) Advance booking fees for Council's holiday parks do meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue when the customer has completed their booking by virtue of their stay at the holiday park.

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

\$ '000	2022	2021
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	2,423	810
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>2,423</b>	<b>810</b>

### Significant changes in contract liabilities

During the 2021/2022 financial year, Council received significant grant payments to which associated works have not been completed principally due to Council needing to resource recovery efforts from the February/March 2022 flood events. Major advance payments include NSW Government Election Commitment Grant \$4.978million, Sandhills Wetlands Activation \$1.446million and Transport for NSW Grants (non flood recovery related) \$2.147million.

### Accounting policy

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

### C3-3 Borrowings

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	5,524	53,245	3,789	57,269
<b>Total borrowings</b>	<b>5,524</b>	<b>53,245</b>	<b>3,789</b>	<b>57,269</b>

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 18.

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

The following borrowings, even though classified as current, are not expected to be settled in the next 12 months.

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

\$ '000	2021		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	61,058	(2,289)	–	–	–	–	58,769
<b>Total liabilities from financing activities</b>	<b>61,058</b>	<b>(2,289)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>58,769</b>

\$ '000	2020		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	62,835	(1,777)	–	–	–	–	61,058
<b>Total liabilities from financing activities</b>	<b>62,835</b>	<b>(1,777)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>61,058</b>

### C3-3 Borrowings (continued)

#### (b) Financing arrangements

\$ '000	2022	2021
<b>Total facilities</b>		
Bank overdraft facilities <sup>1</sup>	1,000	1,000
Credit cards/purchase cards	185	185
<b>Total financing arrangements</b>	<b>1,185</b>	<b>1,185</b>
<b>Drawn facilities</b>		
– Credit cards/purchase cards	1	5
<b>Total drawn financing arrangements</b>	<b>1</b>	<b>5</b>
<b>Undrawn facilities</b>		
– Bank overdraft facilities	1,000	1,000
– Credit cards/purchase cards	184	180
<b>Total undrawn financing arrangements</b>	<b>1,184</b>	<b>1,180</b>

#### Additional financing arrangements information

##### Breaches and defaults

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

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

##### Accounting policy

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

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

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

### C3-4 Employee benefit provisions

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Annual leave	3,070	–	2,635	–
Long service leave	3,833	506	3,764	665
Gratuities	127	–	156	–
<b>Total employee benefit provisions</b>	<b>7,030</b>	<b>506</b>	<b>6,555</b>	<b>665</b>

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

\$ '000	2022	2021
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	4,402	3,927
	<b>4,402</b>	<b>3,927</b>

## C3-4 Employee benefit provisions (continued)

### Description of and movements in provisions

\$ '000	ELE provisions			Total
	Annual leave	Long service leave	Other employee benefits	
<b>2022</b>				
At beginning of year	2,635	4,429	156	7,220
Additional provisions	2,323	442	1	2,766
Amounts used (payments)	(1,888)	(532)	(30)	(2,450)
Total ELE provisions at end of year	<b>3,070</b>	<b>4,339</b>	<b>127</b>	<b>7,536</b>
<b>2021</b>				
At beginning of year	2,348	4,272	156	6,776
Additional provisions	2,065	703	24	2,792
Amounts used (payments)	(1,778)	(546)	(24)	(2,348)
Total ELE provisions at end of year	<b>2,635</b>	<b>4,429</b>	<b>156</b>	<b>7,220</b>

#### Accounting policy

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

#### Short-term obligations

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

#### Other long-term employee benefit obligations

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

#### On-costs

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

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

## C3-5 Provisions

\$ '000	2022	2022	2021	2021
	Current	Non-Current	Current	Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	7,439	–	7,972
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>7,439</b>	<b>–</b>	<b>7,972</b>
<b>Total provisions</b>	<b>–</b>	<b>7,439</b>	<b>–</b>	<b>7,972</b>

### Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
<b>2022</b>		
At beginning of year	7,972	7,972
Unwinding of discount	43	43
Other	(576)	(576)
Total other provisions at end of year	7,439	7,439
<b>2021</b>		
At beginning of year	8,013	8,013
Unwinding of discount	29	29
Other	(70)	(70)
Total other provisions at end of year	7,972	7,972

### Nature and purpose of provisions

#### Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the tip and quarry as a result of past operations.

#### Accounting policy

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

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

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

#### Asset remediation – tips and quarries

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 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.

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.

## C3-5 Provisions (continued)

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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 infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **IPPE Revaluation reserve**

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

## 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 2022	Water 2022	Sewer 2022
<b>Income from continuing operations</b>			
Rates and annual charges	36,328	2,653	16,208
User charges and fees	16,688	7,420	2,189
Interest and investment revenue	387	41	82
Other revenues	1,552	–	–
Grants and contributions provided for operating purposes	21,921	71	68
Grants and contributions provided for capital purposes	18,369	267	2,348
Other income	1,309	–	–
<b>Total income from continuing operations</b>	<b>96,554</b>	<b>10,452</b>	<b>20,895</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	27,364	1,419	3,069
Materials and services	39,593	9,093	7,808
Borrowing costs	1,010	–	1,924
Depreciation, amortisation and impairment of non-financial assets	14,547	1,451	3,136
Other expenses	2,222	–	–
Net losses from the disposal of assets	29	1,543	1,945
Fair value decrement on investments	675	–	–
Share of interests in joint ventures and associates using the equity method	–	–	–
<b>Total expenses from continuing operations</b>	<b>85,440</b>	<b>13,506</b>	<b>17,882</b>
<b>Operating result from continuing operations</b>	<b>11,114</b>	<b>(3,054)</b>	<b>3,013</b>
<b>Net operating result for the year</b>	<b>11,114</b>	<b>(3,054)</b>	<b>3,013</b>
<b>Net operating result attributable to each council fund</b>	11,114	(3,054)	3,013
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(7,255)</b>	<b>(3,321)</b>	<b>665</b>

## D1-2 Statement of Financial Position by fund

\$ '000	General 2022	Water 2022	Sewer 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	56,237	–	–
Investments	(6,893)	10,799	11,545
Receivables	7,662	2,253	2,324
Inventories	462	–	–
Contract assets and contract cost assets	1,812	–	–
Other	53	–	–
<b>Total current assets</b>	<b>59,333</b>	<b>13,052</b>	<b>13,869</b>
<b>Non-current assets</b>			
Investments	6,618	–	–
Receivables	561	–	–
Infrastructure, property, plant and equipment	1,023,872	80,396	174,097
Investments accounted for using the equity method	1,214	–	–
<b>Total non-current assets</b>	<b>1,032,265</b>	<b>80,396</b>	<b>174,097</b>
<b>Total assets</b>	<b>1,091,598</b>	<b>93,448</b>	<b>187,966</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	13,166	–	110
Contract liabilities	12,496	–	–
Borrowings	2,882	–	2,642
Employee benefit provision	7,030	–	–
<b>Total current liabilities</b>	<b>35,574</b>	<b>–</b>	<b>2,752</b>
<b>Non-current liabilities</b>			
Borrowings	20,188	–	33,057
Employee benefit provision	506	–	–
Provisions	7,439	–	–
<b>Total non-current liabilities</b>	<b>28,133</b>	<b>–</b>	<b>33,057</b>
<b>Total liabilities</b>	<b>63,707</b>	<b>–</b>	<b>35,809</b>
<b>Net assets</b>	<b>1,027,891</b>	<b>93,448</b>	<b>152,157</b>
<b>EQUITY</b>			
Accumulated surplus	501,356	42,733	104,612
Revaluation reserves	526,535	50,715	47,545
<b>Council equity interest</b>	<b>1,027,891</b>	<b>93,448</b>	<b>152,157</b>
<b>Total equity</b>	<b>1,027,891</b>	<b>93,448</b>	<b>152,157</b>

## D2 Interests in other entities

\$ '000	Council's share of net assets	
	2022	2021
<b>Council's share of net assets</b>		
<b>Net share of interests in joint ventures and associates using the equity method – assets</b>		
Associates	1,214	1,142
<b>Total net share of interests in joint ventures and associates using the equity method – assets</b>	<b>1,214</b>	<b>1,142</b>
<b>Total Council's share of net assets</b>	<b>1,214</b>	<b>1,142</b>

### Interests in associates

The following information is provided for associates that are individually material to the Council. Included are the amounts as per the individual associates' financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

#### Summarised financial information for individually immaterial associates

\$ '000	2022	2021
<b>Individually immaterial associates</b>		
<b>Aggregate carrying amount of individually immaterial associates</b>	<b>1,214</b>	<b>1,142</b>
<b>Aggregate amounts of Council's share of individually immaterial:</b>		
Profit/(loss) from continuing operations	72	(64)
<b>Total comprehensive income – individually immaterial associates</b>	<b>72</b>	<b>(64)</b>

## 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 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 2022	Carrying value 2021	Fair value 2022	Fair value 2021
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	56,237	41,368	45,237	41,368
Receivables	12,800	10,340	12,800	10,340
Investments				
– Debt securities at amortised cost	22,069	31,105	33,069	31,105
<b>Total financial assets</b>	<b>91,106</b>	<b>82,813</b>	<b>91,106</b>	<b>82,813</b>
<b>Financial liabilities</b>				
Payables	13,276	14,110	13,276	14,110
Loans/advances	58,769	61,058	61,293	65,429
<b>Total financial liabilities</b>	<b>72,045</b>	<b>75,168</b>	<b>74,569</b>	<b>79,539</b>

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 held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt 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) **'available-for-sale'** – 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 it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its 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.
- **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.

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

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	2022	2021
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	783	725
Impact of a 10% movement in price of investments		
– Equity / Income Statement	3,307	3,910

### (b) Credit risk

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

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.

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 reported to Council 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.

#### Credit risk profile

##### Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
<b>2022</b>				
Gross carrying amount	3,850	132	1,680	5,662
2021				
Gross carrying amount	3,285	406	822	4,513

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

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

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2022 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2022</b>						
Gross carrying amount	7,807	513	134	212	335	9,001
Expected loss rate (%)	0.02%	1.72%	1.16%	0.41%	2.44%	0.23%
<b>ECL provision</b>	<b>2</b>	<b>18</b>	<b>3</b>	<b>2</b>	<b>16</b>	<b>41</b>
<b>2021</b>						
Gross carrying amount	6,165	1,209	1,115	52	12	8,553
Expected loss rate (%)	0.22%	4.51%	(0.06)%	1.67%	1.91%	0.80%
<b>ECL provision</b>	<b>14</b>	<b>55</b>	<b>(1)</b>	<b>1</b>	<b>–</b>	<b>69</b>

### (c) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. 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 and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
<b>2022</b>							
Payables	0.00%	4,845	7,698	–	–	12,543	13,276
Borrowings	4.82%	–	5,525	16,812	36,432	58,769	58,769
<b>Total financial liabilities</b>		<b>4,845</b>	<b>13,223</b>	<b>16,812</b>	<b>36,432</b>	<b>71,312</b>	<b>72,045</b>
<b>2021</b>							
Payables	0.00%	4,323	9,118	–	–	13,441	14,110
Borrowings	4.86%	–	6,694	27,650	45,949	80,293	61,058
<b>Total financial liabilities</b>		<b>4,323</b>	<b>15,812</b>	<b>27,650</b>	<b>45,949</b>	<b>93,734</b>	<b>75,168</b>

## 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).

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2022	2021
		2022	2021	2022	2021 <sup>1</sup>	2022	2021
<b>Infrastructure, property, plant and equipment</b>	C1-7						
Plant and equipment		–	–	4,806	4,642	4,806	4,642
Office equipment		–	–	46	58	46	58
Furniture and fittings		–	–	23	31	23	31
Operational land		189,105	161,973	–	–	189,105	161,973
Community land		–	–	166,271	105,078	166,271	105,078
Crown Land		–	–	83,134	56,236	83,134	56,236
Land under roads (Post 30/6/08)		–	–	424	409	424	409
Land improvements – non-depreciable		–	–	–	–	–	–
Land improvements – depreciable		–	–	1,217	3,072	1,217	3,072
Buildings specialised		–	–	78,009	73,670	78,009	73,670
Other structures		–	–	1,346	1,309	1,346	1,309
Roads		–	–	243,785	217,736	243,785	217,736
Bridges		–	–	53,150	47,994	53,150	47,994
Footpaths		–	–	13,229	9,314	13,229	9,314
Bulk earthworks		–	–	42,393	38,207	42,393	38,207
Stormwater drainage		–	–	152,543	138,169	152,543	138,169
Water supply network		–	–	66,873	69,254	66,873	69,254
Sewerage network		–	–	126,303	117,623	126,303	117,623
Swimming pools		–	–	2,155	2,331	2,155	2,331
Other open space and recreational assets		–	–	13,889	12,664	13,889	12,664
Other assets		–	–	635	869	635	869
Tip assets		–	–	10,849	11,097	10,849	11,097
Quarry assets		–	–	2,492	2,915	2,492	2,915
<b>Total infrastructure, property, plant and equipment</b>		<b>189,105</b>	<b>161,973</b>	<b>1,063,572</b>	<b>912,678</b>	<b>1,252,677</b>	<b>1,074,651</b>

(1) Refer to Note G3-1 for details regarding restatement as a result of a prior period error.

### 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:

## E2-1 Fair value measurement (continued)

### Financial assets

Financial assets are exposed to financial risks such as price risk, credit risk, liquidity risk and interest rate risk surrounding the unpredictable nature of financial markets.

The valuation technique for these assets is based on a market approach observing that the carrying value is a reasonable approximation of the fair value.

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

#### Plant and equipment, office equipment, furniture and fittings

Plant and equipment, office equipment and furniture & fittings assets are valued at cost. The carrying amount of these assets is assumed to approximate fair value.

#### Operational land

Operational Land has been valued by Assetic, an external valuer utilised by Council at 30 June 2021 plus indexation for 30 June 2022. The report provided by Assetic stated that the valuation was undertaken in accordance with specific accounting standards AASB13 Fair Value Measurement and AASB116 Property Plant and Equipment.

Depending upon the unique circumstances of each lot, land has been valued using a range of approaches. Where there is an active market the 'market approach' has been adopted. If its value is primarily dependent on its income generating capability the income approach was used. For other types of land the 'cost approach' was adopted.

Details of each approach are detailed below.

#### Level 3 inputs are unobservable inputs for the asset or liability

Unobservable inputs are to be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

There were no assets valued where it was assumed that the highest and best use was other than its current use and all assets have been valued at Level 2

#### Community land

Community Land has been valued using the Valuer Generals value of land. These rates are not considered to be observable market evidence and as such they have been classified as Level 3

#### Land under roads (Post 30/6/08)

Land under roads is valued using the 'Englobo' valuation method at 30 June 2021 plus indexation for 30 June 2022. The Englobo value of the land under the road is the proportional site value of the land at the time when the land is sold for subdivision. In prior years, this was valued through information provided by the Valuer General (VG). Information was received by the VG for each zone description and an applicable rate per square metre for rural and residential areas was applied to the land recognised under roads, post 30/6/08. These rates are not considered to be observable market evidence and as such they have been classified as Level 3.

#### Buildings – specialised

Buildings were valued by Assetic at 30 June 2021 using the cost approach plus indexation for 30 June 2022. This approach estimated the replacement cost for each building by componentising it into significant parts with different useful lives taking into account a range of factors. Some of these factors required extensive professional judgement and as such were classified as Level 3.

#### Roads, bridges and footpaths

Valuations for these asset classes were undertaken by Assetic using the replacement cost approach plus indexation for 30 June 2022. No market based evidence (Level 2) inputs are available, therefore Level 3 valuation inputs were used for this asset class.

#### Water

Water Network assets were valued by Assetic at 30 June 2022. The replacement cost approach was used to value these assets. Some of the significant inputs considered in the valuation of those assets are remaining useful life, pattern of consumption, dimensions and asset components. Some of these inputs are unobservable and as such this asset class is classified as Level 3.

#### Sewer

Sewer Network assets were valued by Assetic at 30 June 2022. The replacement cost approach was used to value these assets. Some of the significant inputs considered in the valuation of those assets are remaining useful life, pattern of consumption, dimensions and asset components. Some of these inputs are unobservable and as such this asset class is classified as Level 3.

## E2-1 Fair value measurement (continued)

### Stormwater drainage

Valuations for these asset classes were undertaken by Assetic using the replacement cost approach. No market based evidence (Level 2) inputs are available, therefore Level 3 valuation inputs were used for this asset class.

### Swimming pools

This asset class is for the swimming pool shells only. This was valued externally by Assetic at 30 June 2021 plus indexation for 30 June 2022.

### Other open space and recreational assets.

This asset class was valued by Assetic as at 30 June 2021 plus indexation for 30 June 2022. All assets within the revaluation identified the assets as Level 3, valued using the cost approach.

### Other assets

Other assets are valued at cost. The carrying amount of these assets is assumed to approximate fair value.

### Tip assets

Tip assets are valued at cost. The carrying amount of these assets is assumed to approximate fair value based on the cost estimate to remediate the tip provided by Councils engineering staff. The cost of the asset is influenced by change in cost factors measured by the consumer price index and the discounting to present value by the applicable Government bond rate.

### Quarry assets

Quarry assets are valued at cost. The carrying amount of these assets is assumed to approximate fair value based on the cost estimate to remediate the quarry provided by Councils engineering staff. The cost of the asset is influenced by change in cost factors measured by the consumer price index and the discounting to present value by the applicable Government bond rate.

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

### Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

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

\$ '000	Fair value 2022	Valuation technique/s	Unobservable inputs
<b>Infrastructure, property, plant and equipment</b>			
Plant, Equipment, Furniture, Fittings and Office Equipment	4,875	Cost used to approximate fair value	Asset Condition, remaining useful lives
Operational Land	189,105	Assetic Valuation	Land Value, land area
Community Land	166,271	Land values obtained from the NSW Valuer General	Land Value, land area
Crown Land	83,134	Land values obtained from the NSW Valuer General	Land Value, land area
Land Under Roads	424	Square metre rate calculated from Land and Property information of LG area and applied to depending on zoning of the land	Land Value, land area
Land Improvements Buildings	1,217 78,009	Cost used to approximate fair value Assetic valuation	Asset Condition, remaining useful lives Condition, remaining lives, valuers individual knowledge and skills.
Other Structures Roads, Bridges & Footpaths	1,346 310,165	Cost used to approximate fair value Assetic Report - Independent valuation using depreciated replacement cost	Asset Condition, remaining useful lives Condition, remaining lives, valuers individual knowledge and skills.
Stormwater Drainage	152,543	Assetic Report - Independent valuation using depreciated replacement cost	Condition, remaining lives, valuers individual knowledge and skills.
Bulk Earthworks	42,393	Assetic Report - Independent valuation using depreciated replacement cost	Condition, remaining lives, valuers individual knowledge and skills.

## E2-1 Fair value measurement (continued)

\$ '000	Fair value 2022	Valuation technique/s	Unobservable inputs
Water	66,873	Independent valuation using depreciated replacement cost. Indexation applied annually since comprehensive revaluation	Condition, remaining lives, valuers individual knowledge and skills.
Sewer	126,303	Independent valuation using depreciated replacement cost. Indexation applied annually since comprehensive revaluation	Condition, remaining lives, valuers individual knowledge and skills.
Swimming Pools	2,155	Independent valuation using depreciated replacement cost	Condition, remaining lives, valuers individual knowledge and skills.
Other Open Space & Recreation	13,889	Independent valuation using depreciated replacement cost	Condition, remaining lives, valuers individual knowledge and skills.
Other Assets	635	Cost used to approximate fair value	Asset Condition, remaining useful lives
Tip Assets	10,241	Cost used to approximate fair value	Asset Condition, remaining useful lives
Quarry Assets	2,294	Cost used to approximate fair value	Asset Condition, remaining useful lives

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

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Community Land	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>4,641</b>	4,111	<b>59</b>	71	<b>32</b>	46	<b>161,314</b>	161,314
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Prior Period adjustment (Note G3-1)	-	-	-	-	-	-	-	-
Purchases (GBV)	1,645	1,890	-	-	-	-	340	-
Disposals (WDV)	(281)	(270)	-	-	-	-	-	-
Depreciation and impairment	(1,218)	(1,080)	(12)	(12)	(8)	(14)	-	-
WIP Transfers	18	-	-	-	-	-	-	-
Adjustments & Transfers	-	(10)	-	-	-	-	-	-
Reval Equity Movements	-	-	-	-	-	-	87,751	-
<b>Closing balance</b>	<b>4,805</b>	4,641	<b>47</b>	59	<b>24</b>	32	<b>249,405</b>	161,314

\$ '000	Land under Roads (post 30/6/08)		Land improv'mnt depreciable		Building specialised		Other structures	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>407</b>	362	<b>3,073</b>	3,223	<b>73,672</b>	70,383	<b>1,309</b>	2,008
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Prior Period adjustment (Note G3-1)	-	-	-	-	-	-	-	-
Purchases (GBV)	15	44	-	-	381	925	8	-
Disposals (WDV)	-	-	-	-	-	(1,230)	-	(100)
Depreciation and impairment	-	-	(26)	(150)	(2,586)	(1,280)	(39)	(32)
WIP Transfers	-	-	-	-	291	194	68	-
Adjustments & Transfers	-	-	(1,831)	-	-	(42)	-	-
Reval Equity Movements	-	1	-	-	6,254	4,722	-	(567)
<b>Closing balance</b>	<b>422</b>	407	<b>1,216</b>	3,073	<b>78,012</b>	73,672	<b>1,346</b>	1,309

\$ '000	Roads		Bridges		Footpaths		Bulk earthworks	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>217,735</b>	200,305	<b>47,992</b>	43,867	<b>9,314</b>	8,187	<b>38,207</b>	35,791

## E2-1 Fair value measurement (continued)

\$ '000	Roads		Bridges		Footpaths		Bulk earthworks	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Prior Period adjustment (Note G3-1)	-	-	-	-	-	-	-	-
Purchases (GBV)	7,463	13,731	363	3,869	344	513	26	1,166
Disposals (WDV)	(273)	(924)	-	(1,921)	(14)	(92)	(6)	(60)
Depreciation and impairment	(8,248)	(6,443)	(690)	(418)	(239)	(205)	(84)	-
WIP Transfers	3,251	11,066	365	2,595	2,824	911	128	1,310
Adjustments & Transfers	-	-	-	-	-	-	-	-
Reval Equity Movements	23,857	-	5,119	-	1,001	-	4,122	-
<b>Closing balance</b>	<b>243,785</b>	<b>217,735</b>	<b>53,149</b>	<b>47,992</b>	<b>13,230</b>	<b>9,314</b>	<b>42,393</b>	<b>38,207</b>

\$ '000	Stormwater drainage		Water supply network		Sewerage network		Swimming pools	
	2022	2021	2022	2021 <sup>1</sup>	2022	2021 <sup>1</sup>	2022	2021
<b>Opening balance</b>	<b>138,166</b>	134,025	<b>69,253</b>	68,934	<b>117,623</b>	114,711	<b>2,331</b>	2,023
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Prior Period adjustment (Note G3-1)	-	-	2,518	-	2,673	-	-	-
Purchases (GBV)	672	3,014	781	1,225	2,110	3,482	-	-
Disposals (WDV)	-	(146)	(1,543)	(335)	(2,590)	(579)	-	-
Depreciation and impairment	(2,236)	(1,870)	(1,432)	(1,429)	(3,093)	(3,039)	(176)	(56)
WIP Transfers	117	3,143	6	227	129	1,984	-	-
Adjustments & Transfers	-	-	4	-	(4)	-	-	-
Reval Equity Movements	15,820	-	(2,716)	631	9,455	1,064	-	364
<b>Closing balance</b>	<b>152,539</b>	<b>138,166</b>	<b>66,871</b>	<b>69,253</b>	<b>126,303</b>	<b>117,623</b>	<b>2,155</b>	<b>2,331</b>

(1) Refer to Note G3-1 for details regarding restatement of prior period error.

\$ '000	Other open space and recreation		Other		Tip assets		Quarry assets	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>12,663</b>	11,589	<b>869</b>	994	<b>11,045</b>	10,204	<b>2,866</b>	2,037
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Prior Period adjustment (Note G3-1)	-	-	-	-	-	-	-	-
Purchases (GBV)	658	407	-	-	-	-	-	-
Disposals (WDV)	(4)	(417)	(94)	-	-	-	-	-
Depreciation and impairment	(469)	(560)	(140)	(125)	(537)	(501)	(294)	(285)
WIP Transfers	1,042	546	-	-	-	-	-	-
Adjustments & Transfers	-	42	-	-	(298)	-	(278)	177
Reval Equity Movements	-	1,056	-	-	639	1,395	198	985
<b>Closing balance</b>	<b>13,890</b>	<b>12,663</b>	<b>635</b>	<b>869</b>	<b>10,849</b>	<b>11,098</b>	<b>2,492</b>	<b>2,914</b>

\$ '000	Total	
	2022	2021 <sup>1</sup>
<b>Opening balance</b>	<b>912,571</b>	<b>874,185</b>
Prior Period adjustment (Note G3-1)	5,191	-
Purchases (GBV)	14,806	30,266
Disposals (WDV)	(4,805)	(6,074)
Depreciation and impairment	(21,527)	(17,499)
WIP Transfers	8,239	21,976

continued on next page ...

## E2-1 Fair value measurement (continued)

\$ '000	Total	
	2022	2021 <sup>1</sup>
Adjustments & Transfers	(2,407)	167
Reval Equity Movements	151,500	9,651
<b>Closing balance</b>	<b>1,063,568</b>	<b>912,672</b>

(1) Refer to Note G3-1 for details regarding restatement of prior period error.

### Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

For 2022 there are no transfers into or out of the level 3 valuation hierarchy.

### 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.

### 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 June 2008.

#### (ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

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

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

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

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

##### *Description of the funding arrangements.*

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

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

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

\* For 180 Point Members, Employers are required to contribute 7.5% of salaries for the year ending 30 June 2022 (increasing to 8.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

## E3-1 Contingencies (continued)

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 30 June 2020, apportioned according to each employer's share of the accrued liabilities as at 30 June 2021. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2022 was \$209,586.02. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2021.

The amount of additional contributions included in the total employer contribution advised above is \$87,812.88. Council's expected contribution to the plan for the next annual reporting period is \$160,078.08.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2022 is:

<b>Employer reserves only *</b>	<b>\$millions</b>	<b>Asset Coverage</b>
Assets	2,620.5	
Past Service Liabilities	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

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

The share of any funding surplus or deficit that can be attributed to Council is 0.44%.

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	5.75% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

\* 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, which will be a triennial actuarial investigation will be completed by December 2022

### (ii) Statewide Limited

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

## E3-1 Contingencies (continued)

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

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

### (iii) StateCover Limited

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

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

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

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

## 2. Other liabilities

### (i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

### (ii) Section 7.11 Contributions (Previously S94 Plans)

Council levies Section 7.11 Contributions (previously Section 94/94A) upon various developments across the Council area through the required Contributions Plans.

As part of these Plans, Council has received funds for which it will be required to expend monies in accordance with those Plans.

As well, these Plans indicate future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

The future expenses do not yet qualify as liabilities as of the reporting date, but represent Council's intentions to spend funds in the manner and timing set out in those Plans.

### (iii) Butler Street Byron Bay Contamination

Council is currently in consultation with the Environment Protection Authority undertaking monitoring and investigation of contamination levels at the Butler Street Reserve that is still ongoing. This being the site of a disused landfill. The ongoing monitoring will be used to determine the future management of the Reserve. The current assessment indicates that the site is fit for its current use of passive recreation and markets.

### (iv) Former Landfill Brunswick Heads

Council has investigated the environmental impact of a former landfill at Brunswick Heads in association with the NSW Department of Planning, Industry and Environment and the Environment Protection Agency. The site is now being monitored with the prospect of further remediation small but not eliminated.

### (v) Native Title Compensation

There may be financial exposure that cannot be quantified for Council related to compensation in respect to Native Title under both the Native Title Act 1993 (Cth) and Native Title (New South Wales) Act 1994.

## 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	2022	2021
<b>Compensation:</b>		
Short-term benefits	1,111	1,152
Post-employment benefits	86	83
<b>Total</b>	<b>1,197</b>	<b>1,235</b>

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

\$ '000	2022	2021
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	45	44
Councillors' fees	168	179
Other Councillors' expenses (including Mayor)	105	75
<b>Total</b>	<b>318</b>	<b>298</b>

## F2 Other relationships

### F2-1 Audit fees

\$ '000	2022	2021
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit of financial statements	91	113
<b>Remuneration for audit and other assurance services</b>	<b>91</b>	<b>113</b>
<b>Total Auditor-General remuneration</b>	<b>91</b>	<b>113</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(ii) Non-assurance services</b>		
Internal audit services	42	52
Other audit and assurance services	42	-
<b>Remuneration for non-assurance services</b>	<b>84</b>	<b>52</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>84</b>	<b>52</b>
<b>Total audit fees</b>	<b>175</b>	<b>165</b>

## G Other matters

### G1-1 Statement of Cash Flows information

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

\$ '000	2022	2021
<b>Net operating result from Income Statement</b>	<b>11,073</b>	9,468
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	19,134	17,529
(Gain) / loss on disposal of assets	3,517	7,451
Non-cash capital grants and contributions	(2,155)	(655)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as ‘at fair value’ or ‘held for trading’	675	169
Unwinding of discount rates on reinstatement provisions	43	29
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(2,482)	(685)
Increase / (decrease) in provision for impairment of receivables	12	9
(Increase) / decrease of inventories	46	(10)
(Increase) / decrease of other current assets	(36)	–
(Increase) / decrease of contract asset	875	113
Increase / (decrease) in payables	(2,184)	377
Increase / (decrease) in accrued interest payable	(14)	(12)
Increase / (decrease) in other accrued expenses payable	777	304
Increase / (decrease) in other liabilities	587	374
Increase / (decrease) in contract liabilities	6,222	4,785
Increase / (decrease) in employee benefit provision	316	444
Increase / (decrease) in other provisions	(576)	(70)
<b>Net cash flows from operating activities</b>	<b>35,830</b>	<b>39,620</b>

#### (b) Non-cash investing and financing activities

Crown land devolved	–	–
Developer dedications	2,155	655
<b>Total non-cash investing and financing activities</b>	<b>2,155</b>	<b>655</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2022	2021
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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

Plant and equipment	764	763
Roads	1,027	1,687
Water	2,313	–
Sewer	12,012	1,002
Parks and Gardens	2,491	673
Bridges	1,096	–
Buildings	205	–
<b>Total commitments</b>	<b>19,908</b>	<b>4,125</b>

#### These expenditures are payable as follows:

Within the next year	19,708	3,625
Later than 1 year not later than 5 years	200	500
<b>Total payable</b>	<b>19,908</b>	<b>4,125</b>

#### Sources for funding of capital commitments:

Unrestricted general funds	–	(2)
Future grants and contributions	4,288	1,187
Section 7.11 and 64 funds/reserves	5,000	502
Internally restricted reserves	10,620	2,438
<b>Total sources of funding</b>	<b>19,908</b>	<b>4,125</b>

## G3 Changes from prior year statements

### G3-1 Correction of errors

#### Nature of prior period error

Council during the 2021/2022 financial year has undertaken a revaluation of the Water and Sewerage Infrastructure under its control. That revaluation process has identified a number of Water and Sewerage infrastructure assets that have been 'found' and not previously recorded in Council's financial statements.

These infrastructure assets have been identified since the last revaluation of Water and Sewerage Infrastructure in the 2016/2017 financial year including some assets also as consequence of private subdivision transferred to Council but not recognised at the time.

Based on timing of recognition back to 1 July 2020 being the extent of the Prior Period Error recognition, the carrying value of infrastructure assets recognised are:

	1 July 2020 \$'000	30 June 2021 \$'000
Water Infrastructure Assets found	2,518	2,518
Sewerage Infrastructure Assets found	2,673	2,673
<b>Total</b>	<b>5,191</b>	<b>5,191</b>

## G3-1 Correction of errors (continued)

## Changes to the opening Statement of Financial Position at 1 July 2020

## Statement of Financial Position

\$ '000	Original Balance 1 July, 2020	Impact Increase/ (decrease)	Restated Balance 1 July, 2020
<b>Total current assets</b>	80,901	–	80,901
Infrastructure, property, plant and equipment	992,431	5,191	997,622
<b>Total non-current assets</b>	1,002,287	5,191	1,007,478
<b>Total assets</b>	<b>1,083,188</b>	<b>5,191</b>	<b>1,088,379</b>
<b>Total current liabilities</b>	24,169	–	24,169
<b>Total non-current liabilities</b>	68,011	–	68,011
<b>Total liabilities</b>	<b>92,180</b>	<b>–</b>	<b>92,180</b>
<b>Net assets</b>	991,008	5,191	996,199
Accumulated Surplus	622,961	5,191	628,152
Asset Revaluation Reserve	368,047	–	368,047
<b>Total equity</b>	<b>991,008</b>	<b>5,191</b>	<b>996,199</b>

## Adjustments to the comparative figures for the year ended 30 June 2021

## Statement of Financial Position

\$ '000	Original Balance 30 June, 2021	Impact Increase/ (decrease)	Restated Balance 30 June, 2021
<b>Total current assets</b>	76,810	–	76,810
Infrastructure, property, plant and equipment	1,094,182	5,191	1,099,373
<b>Total non-current assets</b>	1,104,539	5,191	1,109,730
<b>Total assets</b>	<b>1,181,349</b>	<b>5,191</b>	<b>1,186,540</b>
<b>Total current liabilities</b>	30,728	–	30,728
<b>Total non-current liabilities</b>	65,906	–	65,906
<b>Total liabilities</b>	<b>96,634</b>	<b>–</b>	<b>96,634</b>
<b>Net assets</b>	1,084,715	5,191	1,089,906
Accumulated Surplus	632,365	5,191	637,556
Asset Revaluation Reserve	452,350	–	452,350
<b>Total equity</b>	<b>1,084,715</b>	<b>5,191</b>	<b>1,089,906</b>

## G4 Statement of developer contributions as at 30 June 2022

### G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Open space	4,154	601	–	29	(202)	–	4,582	–
Community facilities	1,150	203	–	8	(107)	–	1,254	–
Urban roads	2,347	177	–	16	(1)	–	2,539	–
Rural roads	1,007	350	–	8	(343)	–	1,022	–
Cycleways	994	154	–	6	(150)	–	1,004	–
Carparking	375	–	–	2	–	–	377	–
Civic and urban improvements	357	4	–	2	(111)	–	252	–
Shire support services	112	4	–	1	–	–	117	–
Administration	432	124	–	3	(133)	–	426	–
Section 7.12 levy	194	91	–	1	(50)	–	236	–
<b>S7.11 contributions – under a plan</b>	<b>11,122</b>	<b>1,708</b>	<b>–</b>	<b>76</b>	<b>(1,097)</b>	<b>–</b>	<b>11,809</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>11,122</b>	<b>1,708</b>	<b>–</b>	<b>76</b>	<b>(1,097)</b>	<b>–</b>	<b>11,809</b>	<b>–</b>
S64 contributions	10,732	1,241	–	55	(3,003)	–	9,025	–
<b>Total contributions</b>	<b>21,854</b>	<b>2,949</b>	<b>–</b>	<b>131</b>	<b>(4,100)</b>	<b>–</b>	<b>20,834</b>	<b>–</b>

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

## G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
<b>CONTRIBUTION PLAN NUMBER 1 – OPEN SPACE</b>								
Byron Bay	147	172	–	2	(9)	–	312	–
Mullumbimby	894	278	–	6	(171)	–	1,007	–
Bangalow	323	18	–	2	–	–	343	–
Suffolk Park	577	–	–	3	(22)	–	558	–
Brunswick Heads	44	8	–	1	–	–	53	–
Ocean Shores	103	27	–	1	–	–	131	–
Shire Wide	2,012	95	–	13	–	–	2,120	–
Rural North	37	3	–	1	–	–	41	–
Rural South	17	–	–	–	–	–	17	–
<b>Total</b>	<b>4,154</b>	<b>601</b>	<b>–</b>	<b>29</b>	<b>(202)</b>	<b>–</b>	<b>4,582</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 2 – COMMUNITY FACILITIES</b>								
Byron Bay	5	51	–	1	–	–	57	–
Mullumbimby	33	5	–	–	–	–	38	–
Bangalow	212	2	–	1	–	–	215	–
Brunswick Heads	16	1	–	–	–	–	17	–
Ocean Shores	29	22	–	–	–	–	51	–
Shire Wide	735	119	–	5	(94)	–	765	–
Rural North	5	3	–	–	–	–	8	–
Rural South	115	–	–	1	(13)	–	103	–
<b>Total</b>	<b>1,150</b>	<b>203</b>	<b>–</b>	<b>8</b>	<b>(107)</b>	<b>–</b>	<b>1,254</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 3 – CYCLEWAYS</b>								
Byron Bay	224	58	–	2	–	–	284	–
Mullumbimby	476	43	–	3	(98)	–	424	–
Bangalow	49	4	–	–	(47)	–	6	–
Brunswick Heads	25	28	–	–	–	–	53	–
Ocean Shores	92	7	–	–	(5)	–	94	–
Shire Wide	10	11	–	–	–	–	21	–
Rural North	16	–	–	–	–	–	16	–
Rural South	102	3	–	1	–	–	106	–
<b>Total</b>	<b>994</b>	<b>154</b>	<b>–</b>	<b>6</b>	<b>(150)</b>	<b>–</b>	<b>1,004</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 4 – SHIRE SUPPORT SERVICES</b>								
Byron Bay	21	–	–	–	–	–	21	–
Mullumbimby	14	–	–	–	–	–	14	–

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## G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Bangalow	4	-	-	-	-	-	4	-
Ocean Shores	6	-	-	-	-	-	6	-
Rural North	29	-	-	-	-	-	29	-
Rural South	(6)	4	-	-	-	-	(2)	-
Shire Rural	43	-	-	1	-	-	44	-
Brunswick Heads	1	-	-	-	-	-	1	-
<b>Total</b>	<b>112</b>	<b>4</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>117</b>	<b>-</b>
<b>CONTRIBUTION PLAN NUMBER 5 – CARPARKING</b>								
Byron Bay	58	-	-	-	-	-	58	-
Mullumbimby	131	-	-	1	-	-	132	-
Brunswick Heads	186	-	-	1	-	-	187	-
<b>Total</b>	<b>375</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>377</b>	<b>-</b>
<b>CONTRIBUTION PLAN NUMBER 6 – URBAN ROADS</b>								
Byron Bay	157	127	-	2	-	-	286	-
Mullumbimby	593	23	-	4	-	-	620	-
Bangalow	1,321	8	-	8	(1)	-	1,336	-
Brunswick Heads	205	9	-	1	-	-	215	-
Ocean Shores	70	10	-	1	-	-	81	-
Batson Quarry	1	-	-	-	-	-	1	-
<b>Total</b>	<b>2,347</b>	<b>177</b>	<b>-</b>	<b>16</b>	<b>(1)</b>	<b>-</b>	<b>2,539</b>	<b>-</b>
<b>CONTRIBUTION PLAN NUMBER 7 – RURAL ROADS</b>								
Shire Rural	56	24	-	-	(343)	-	(263)	-
Mudges Quarry	18	-	-	-	-	-	18	-
Leela Quarry	4	-	-	-	-	-	4	-
Myocum Quarry (Council)	20	-	-	-	-	-	20	-
Rural North	(62)	232	-	1	-	-	171	-
Rural South	971	94	-	7	-	-	1,072	-
<b>Total</b>	<b>1,007</b>	<b>350</b>	<b>-</b>	<b>8</b>	<b>(343)</b>	<b>-</b>	<b>1,022</b>	<b>-</b>
<b>CONTRIBUTION PLAN NUMBER 8 – CIVIC AND URBAN IMPROVEMENTS</b>								
Byron Bay	(19)	-	-	-	-	-	(19)	-
Mullumbimby	101	-	-	-	(95)	-	6	-
Bangalow	129	-	-	1	(16)	-	114	-

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## G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Brunswick Heads	3	-	-	-	-	-	3	-
Ocean Shores	140	1	-	1	-	-	142	-
Rural North	(53)	-	-	-	-	-	(53)	-
Rural South	56	3	-	-	-	-	59	-
<b>Total</b>	<b>357</b>	<b>4</b>	<b>-</b>	<b>2</b>	<b>(111)</b>	<b>-</b>	<b>252</b>	<b>-</b>
<b>CONTRIBUTION PLAN NUMBER 9 – ADMINISTRATION</b>								
Shire Wide	432	124	-	3	(133)	-	426	-
<b>Total</b>	<b>432</b>	<b>124</b>	<b>-</b>	<b>3</b>	<b>(133)</b>	<b>-</b>	<b>426</b>	<b>-</b>
<b>CONTRIBUTION PLAN NUMBER 10 – SECTION 7.12 LEVY</b>								
Shire Wide	194	91	-	1	(50)	-	236	-
<b>Total</b>	<b>194</b>	<b>91</b>	<b>-</b>	<b>1</b>	<b>(50)</b>	<b>-</b>	<b>236</b>	<b>-</b>
<b>G4-3 S64 contributions</b>								
<b>CONTRIBUTION PLAN NUMBER 11 – WATER SUPPLY SERVICES</b>								
Byron, Bang, Burns, O/Shires	1,068	89	-	7	(57)	-	1,107	-
Mullumbimby	793	78	-	3	(136)	-	738	-
<b>Total</b>	<b>1,861</b>	<b>167</b>	<b>-</b>	<b>10</b>	<b>(193)</b>	<b>-</b>	<b>1,845</b>	<b>-</b>
<b>CONTRIBUTION PLAN NUMBER 12 – SEWERAGE SERVICES</b>								
Bangalow	3,204	66	-	17	-	-	3,287	-
Byron Bay	5,667	1,008	-	28	(2,810)	-	3,893	-
<b>Total</b>	<b>8,871</b>	<b>1,074</b>	<b>-</b>	<b>45</b>	<b>(2,810)</b>	<b>-</b>	<b>7,180</b>	<b>-</b>

## G5 Statement of performance measures

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

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021      2020		Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(5,667)</b>	<b>(5.41)%</b>	(6.55)%	(7.08)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>104,839</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>82,779</b>	<b>65.79%</b>	72.50%	65.41%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>125,823</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>34,649</b>	<b>3.52x</b>	2.41x	3.08x	> 1.50x
Current liabilities less specific purpose liabilities	<b>9,846</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>16,401</b>	<b>2.44x</b>	2.22x	1.99x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>6,723</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>5,691</b>	<b>9.60%</b>	8.33%	7.32%	< 10.00%
Rates and annual charges collectable	<b>59,297</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>71,688</b>	<b>8.89</b>	9.36	8.76	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>8,066</b>	<b>months</b>	months	months	months

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

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

## G5-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2022	2021	2022	2021	2022	2021	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(3.96)%</b>	(12.26)%	<b>(32.61)%</b>	(3.13)%	<b>3.59%</b>	10.40%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>57.35%</b>	65.61%	<b>96.77%</b>	92.74%	<b>88.44%</b>	88.84%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>3.52x</b>	2.41x	∞	∞	<b>5.04x</b>	5.85x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>2.94x</b>	1.86x	∞	∞	<b>2.25x</b>	2.53x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	<b>14.07%</b>	8.48%	<b>0.00%</b>	8.27%	<b>0.00%</b>	7.99%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>8.89</b>	9.36	∞	∞	∞	∞	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>months</b>	months					months

(1) - (2) Refer to Notes at Note G6-1 above.

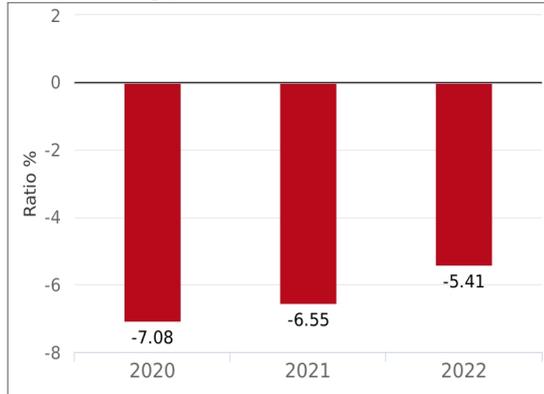
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

**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 2021/22 result

2021/22 ratio (5.41)%

Whilst not achieving this benchmark, Council's result has slightly improved which is pleasing and considering the impacts of the February/March 2022 flood events. Council has around \$6.3million in expenditure influencing this result that it would expect to receive funding but this revenue has not been recognised as claims relating to this expenditure are yet to be approved.

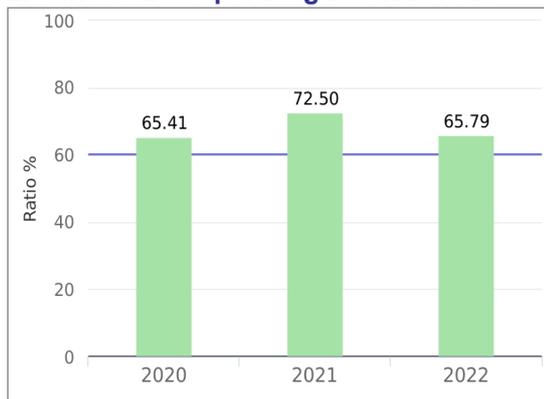
Benchmark: — > 0.00%

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 2021/22 result

2021/22 ratio 65.79%

Council has managed to remain above benchmark considering the impact of the February/March 2022 flood events where subsequently Council has received substantial grant funding that has reduced the proportion of overall revenue from its own sources.

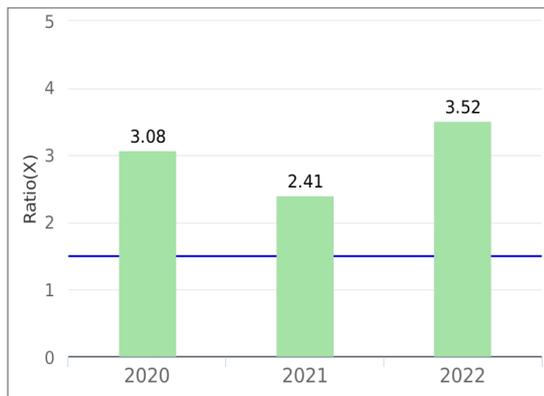
Benchmark: — > 60.00%

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 2021/22 result

2021/22 ratio 3.52x

This outcome is a good result considering the impact on Council of the February/March 2022 flood events and shows that Council's short term financial position remains relatively ok even though Council no longer has any unrestricted cash at 30 June 2022.

Benchmark: — > 1.50x

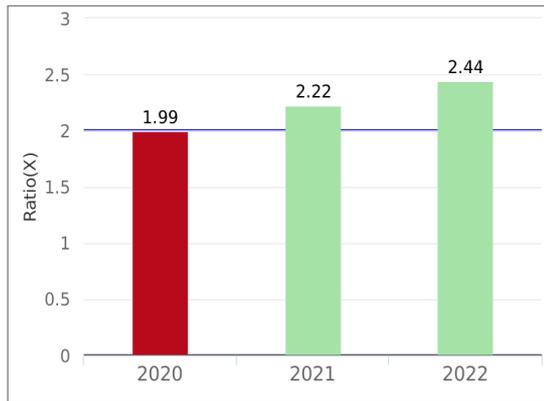
Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2021/22 result**

**2021/22 ratio 2.44x**

It is pleasing that Council has improved the availability of operating cash to service debt repayments. Council in oncoming years will be refinancing some significant loan borrowings that will hopefully reduce debt costs for existing borrowings and assist maintaining this ratio benchmark

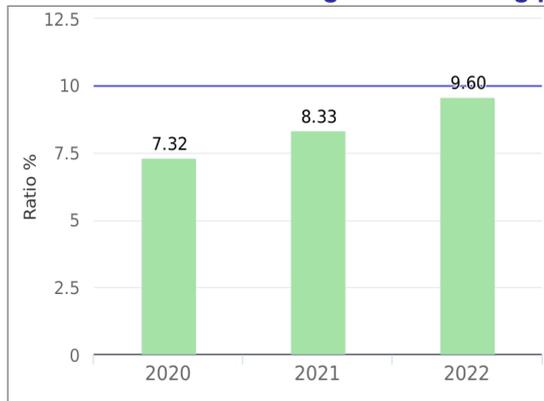
Benchmark: — > 2.00x

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 2021/22 result**

**2021/22 ratio 9.60%**

During the 2021/2022 financial year, Council did not charge interest on overdue rates and charges by Government direction and later by choice. This was initially due to COVID-19 but later due to the impact on the community from the February/March 2022 flood events. Council also has not pursued debt recovery during the 2021/2022 financial year by resolution. This has caused the outstanding debt to grow but this now needs to become a focus for Council to reduce.

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 2021/22 result**

**2021/22 ratio 8.89 months**

Council maintains a stable strong liquidity position well above the required benchmark. Considering the impact of the February/March 2022 flood events and subsequent recovery expenditure subject to claim this is a pleasing result.

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

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**Principal place of business:**

70 Station Street  
MULLUMBIMBY NSW 2482

**Contact details**

**Mailing Address:**

PO Box 219  
MULLUMBIMBY NSW 2482

**Telephone:** 02 6626 7000

**Facsimile:** 02 6684 3018

**Opening hours:**

8:30am - 4.30pm  
Monday to Friday (except public holidays)

**Internet:** [www.byron.nsw.gov.au](http://www.byron.nsw.gov.au)

**Email:** [council@byron.nsw.gov.au](mailto:council@byron.nsw.gov.au)

**Officers**

**General Manager**

Mark Arnold

**Responsible Accounting Officer**

James Brickley

**Public Officer**

Esmeralda Davis

**Auditors**

Audit Office of New South Wales  
Level 19, Darling Park Tower 2  
201 Sussex Street  
SYDNEY NSW 2000

**Elected members**

**Mayor**

Michael Lyon

**Councillors**

Sarah Ndiaye  
Cate Coorey  
Alan Hunter  
Mark Swivel  
Asren Pugh  
Sama Balson  
Peter Westheimer  
Duncan Dey

**Other information**

**ABN:** 14 472 131 473