



Ordinary Meeting of Council

11 September 2024

**UNDER SEPARATE COVER
ATTACHMENTS**

**QUEANBEYAN-PALERANG REGIONAL COUNCIL
ORDINARY MEETING OF COUNCIL**

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QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

11 SEPTEMBER 2024

ITEM 9.1 DRAFT FINANCIAL STATEMENTS 30 JUNE 2024

ATTACHMENT 1 CFO CERTIFICATION 2023-24



Memo

To: Rebecca Ryan - Chief Executive Officer
Cc: Audit Risk and Improvement Committee
From: Tracy Sligar – Chief Financial Officer
Subject: **Certification of Financial Statements June 2024**
Date: 28 August 2024
Doc Set ID:

Certification

I certify that the draft financial statements, in my opinion, comply with:

- a) Australian Accounting Standards,
- b) The Local Government Act 1993 and regulations, and
- c) The Local Government Code of Accounting Practice.

To the best of my knowledge and belief, the 2024 financial statements present fairly the Council's financial position, financial performance and cash flows, and they have been prepared on the basis of properly maintained financial records.

The year end results vary with the progressive quarterly budget review results reported to Executive, ARIC and Council each quarter. Issues that have resulted in large variances are outlined below. All budget adjustments have been subject to appropriate Management Review.

The Audit Office will be provided with full access to all workpapers, financial records and information to support their audit.

The financial statements preparation process involved a review of all accounting policies and correction of material errors through year end accounting adjustments that are supported by clear workpapers.

The draft Financial Statements, the preparation processes including risks, issues and internal controls have been subject to review by the Financial Statement Sub-Committee.

Variance analysis

General Fund (inc Waste)

- Net operating result before capital items was a deficit of \$7.2m, larger than the original forecast of \$6.7m
- Council received approximately \$64m of road and stormwater gifted assets during the financial year
- Interest earned on investments was \$3m more than originally forecast as higher than expected levels of cash on hand was experienced
- The recovery of project management costs from Water, Sewer and Waste fund was lower than expected as capital works undertaken in these funds was lower than forecast

Water Fund

- Net operating result before capital items was a surplus of \$4.1m, larger than originally forecast of \$2.2m
- Interest earned on investments was \$2m more than originally forecast as higher than expected levels of cash on hand was experienced
- Council received approximately \$5.7m gifted assets

Sewer Fund

- Net operating result before capital items was a surplus of \$10.9m, larger than originally forecast of \$1.4m
- Interest earned on investments was \$4.1m more than originally forecast as higher than expected levels of cash on hand was experienced
- Council received approximately \$9.9m gifted assets

The ability to forecast the level of gifted assets continues to be a challenge, which can have flow on effects for Council's ability to forecast depreciation and maintenance costs for these new assets.

Tracy Sligar

Chief Financial Officer
Queanbeyan-Palerang Regional Council

QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

11 SEPTEMBER 2024

ITEM 9.1 DRAFT FINANCIAL STATEMENTS 30 JUNE 2024

ATTACHMENT 2 DRAFT GENERAL PURPOSE FINANCIAL STATEMENT 2023-24

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Queanbeyan-Palerang Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Queanbeyan-Palerang Regional Council
General Purpose Financial Statements
for the year ended 30 June 2024

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Overview

Queanbeyan-Palerang Regional Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

256 Crawford Street
Queanbeyan NSW 2620

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

Queanbeyan-Palerang Regional Council

General Purpose Financial Statements

for the year ended 30 June 2024

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

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

- the *Local Government Act 1993* 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 23 October 2024.

TBA
Mayor
23 October 2024

TBA
Deputy Mayor
23 October 2024

Rebecca Ryan
General Manager
23 October 2024

Tracy Sligar
Responsible Accounting Officer
23 October 2024

Queanbeyan-Palerang Regional Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
95,142	Rates and annual charges	B2-1	96,559	84,445
40,511	User charges and fees	B2-2	40,208	38,373
1,429	Other revenues	B2-3	2,454	2,417
17,616	Grants and contributions provided for operating purposes	B2-4	21,462	29,714
41,358	Grants and contributions provided for capital purposes	B2-4	115,099	68,285
4,358	Interest and investment income	B2-5	10,864	6,503
720	Other income	B2-6	3,540	6,664
4,429	Net gain from the disposal of assets	B4-1	-	-
205,563	Total income from continuing operations		290,186	236,401
Expenses from continuing operations				
46,272	Employee benefits and on-costs	B3-1	44,650	41,268
73,598	Materials and services	B3-2	71,824	72,542
7,568	Borrowing costs	B3-3	4,999	3,318
38,081	Depreciation, amortisation and impairment of non-financial assets	B3-4	40,076	37,232
2,087	Other expenses	B3-5	3,208	2,124
-	Net loss from the disposal of assets	B4-1	2,538	476
167,606	Total expenses from continuing operations		167,295	156,960
37,957	Operating result from continuing operations		122,891	79,441
37,957	Net operating result for the year attributable to Council		122,891	79,441
(3,401)	Net operating result for the year before grants and contributions provided for capital purposes		7,792	11,156

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

Queanbeyan-Palerang Regional Council | Statement of Comprehensive Income | for the year ended 30 June 2024

Queanbeyan-Palerang Regional Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		122,891	79,441
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	149,621	135,295
Total other comprehensive income for the year		149,621	135,295
Total comprehensive income for the year attributable to Council		272,512	214,736

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

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Queanbeyan-Palerang Regional Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	34,831	25,808
Investments	C1-2	116,630	124,945
Receivables	C1-4	37,758	40,682
Inventories	C1-5	204	325
Contract assets and contract cost assets	C1-6	7,721	2,034
Other	C1-10	5,889	1,769
Non-current assets classified as 'held for sale'	C1-7	10,819	2,506
Total current assets		213,852	198,069
Non-current assets			
Investments	C1-2	120,840	82,500
Receivables	C1-4	64	75
Infrastructure, property, plant and equipment (IPPE)	C1-8	2,458,397	2,230,221
Intangible assets	C1-9	5,081	5,544
Right of use assets	C2-1	220	71
Total non-current assets		2,584,602	2,318,411
Total assets		2,798,454	2,516,480
LIABILITIES			
Current liabilities			
Payables	C3-1	26,419	22,453
Contract liabilities	C3-2	30,026	21,538
Lease liabilities	C2-1	67	38
Borrowings	C3-3	10,691	10,201
Employee benefit provisions	C3-4	9,286	9,527
Provisions	C3-5	14	-
Total current liabilities		76,503	63,757
Non-current liabilities			
Lease liabilities	C2-1	150	35
Borrowings	C3-3	138,082	142,712
Employee benefit provisions	C3-4	973	634
Provisions	C3-5	4,692	3,800
Total non-current liabilities		143,897	147,181
Total liabilities		220,400	210,938
Net assets		2,578,054	2,305,542
EQUITY			
Accumulated surplus	C4-1	1,955,216	1,832,325
IPPE revaluation reserve	C4-1	622,838	473,217
Council equity interest		2,578,054	2,305,542
Total equity		2,578,054	2,305,542

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

Queanbeyan-Palerang Regional Council
 Statement of Changes in Equity
 for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		1,832,325	473,217	2,305,542	1,752,884	337,922	2,090,806
Net operating result for the year		122,891	–	122,891	79,441	–	79,441
Net operating result for the period		122,891	–	122,891	79,441	–	79,441
Gain on revaluation of infrastructure, property, plant and equipment	C1-8	–	149,621	149,621	–	135,295	135,295
Other comprehensive income		–	149,621	149,621	–	135,295	135,295
Total comprehensive income		122,891	149,621	272,512	79,441	135,295	214,736
Closing balance		1,955,216	622,838	2,578,054	1,832,325	473,217	2,305,542

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

Queanbeyan-Palerang Regional Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
107,075	Rates and annual charges		94,884	84,604
33,938	User charges and fees		43,878	37,858
2,009	Interest received		10,553	6,327
38,732	Grants and contributions		59,056	73,780
–	Bonds, deposits and retentions received		1,370	432
1,071	Other		10,483	20,048
<i>Payments:</i>				
(49,086)	Payments to employees		(44,515)	(41,767)
(59,426)	Payments for materials and services		(80,893)	(87,688)
(8,339)	Borrowing costs		(4,874)	(3,196)
–	Bonds, deposits and retentions refunded		(1,457)	(188)
(1,663)	Other		(6,304)	(7,680)
64,311	Net cash flows from operating activities	G1-1	82,181	82,530
Cash flows from investing activities				
<i>Receipts:</i>				
8,400	Sale of investments		11,518	29,926
–	Redemption of term deposits		193,000	114,000
–	Sale of real estate assets		–	9,727
–	Proceeds from sale of IPPE		796	690
–	Deferred debtors receipts		12	9
<i>Payments:</i>				
–	Purchase of investments		(62,483)	(39,519)
–	Acquisition of term deposits		(169,510)	(125,000)
(97,021)	Payments for IPPE		(42,301)	(111,317)
(88,621)	Net cash flows from investing activities		(68,968)	(121,484)
Cash flows from financing activities				
<i>Receipts:</i>				
16,000	Proceeds from borrowings		6,108	45,556
<i>Payments:</i>				
(9,325)	Repayment of borrowings		(10,248)	(9,483)
–	Principal component of lease payments		(50)	(62)
6,675	Net cash flows from financing activities		(4,190)	36,011
(17,635)	Net change in cash and cash equivalents		9,023	(2,943)
155,115	Cash and cash equivalents at beginning of year		25,808	28,751
137,480	Cash and cash equivalents at end of year	C1-1	34,831	25,808

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

Queanbeyan-Palerang Regional Council

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Queanbeyan-Palerang Regional Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 23 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these financial statements is set out below.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* (Act) and *Local Government (General) Regulation 2022* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

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

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- i. fair values of infrastructure, property, plant and equipment – refer Note C1-8
- ii. tip 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.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

Monies and other assets received by Council

The Consolidated Fund

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

The 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

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A1-1 Basis of preparation (continued)

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)*, 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 not been included in these reports.

The following Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements:

- South East Weights and Loads
- Unclaimed money, funds held for sale of land, RFS donations and other money held in trust

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 does not recognise volunteer services in the income statement. Council does not rely on volunteers in the provision of services, and would not purchase those services if they were not provided for free.

New accounting standards and interpretations issued but not yet effective

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

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

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 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

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.

Although Council is yet to fully determine the impact of this standard, it is expected that there will be little impact as an assessment of the appropriate classification of liabilities as current or non-current is undertaken.

This standard applies from the annual reporting period beginning on or after 1 January 2023; i.e., councils' financial statements for the year ended 30 June 2024.

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

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A1-1 Basis of preparation (continued)

This Standard amends a number of standards as follows:

- AASB 7 to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101 to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108 to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134 to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The standard may have significant impact on Council as it requires Council to consider the materiality of the accounting policy information to be included in the financial statements.

AASB 101 Presentation of Financial Statements requires the disclosure of material accounting policy information rather than significant accounting policies.

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements."

Accounting policy information is likely to be considered material if that information relates to material transactions, other events or conditions and:

- the entity has changed accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements.
- the entity (or OLG) chose the accounting policy from one or more options permitted by Australian Accounting Standards.
- the accounting policy was developed in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* in the absence of an Australian Accounting Standard that specifically applies.
- the accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in the financial statements
- the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions.

Further AASB 101 notes that *'Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.'*

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

AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

This Standard amends AASB 16 to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale.

AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments made by this Standard ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.

Although Council is yet to fully determine the impact of this standard, it is expected that there will be little impact, however requirements will be reviewed if council is entering into sale and lease back arrangements.

This standard applies from annual reporting periods beginning on or after 1 January 2024, i.e., councils' financial statements for the year ended 30 June 2025.

continued on next page ...

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A1-1 Basis of preparation (continued)

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

This Standard modifies AASB 13 Fair Value Measurement for application by not-for-profit public sector entities such as Council.

It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to generate cash inflows and also provides guidance and clarification when valuing assets that are restricted (in their use) at Council.

This includes guidance and clarification regarding the determination of an assets highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values.

Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value.

The standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

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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 results		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Community	11,394	19,036	22,136	19,680	(10,742)	(644)	4,469	11,795	5,292	7,706
Choice	(1,487)	9,591	4,829	3,772	(6,316)	5,819	(4,083)	6,233	-	-
Character	12,611	12,874	22,064	14,712	(9,453)	(1,838)	9,972	9,426	208,506	160,098
Connection	206,083	139,706	113,979	98,951	92,104	40,755	119,040	61,483	2,573,647	2,337,706
Capability	61,585	55,194	4,287	19,845	57,298	35,349	7,163	9,062	11,010	10,970
Total functions and activities	290,186	236,401	167,295	156,960	122,891	79,441	136,561	97,999	2,798,455	2,516,480

B1-2 Components of functions or activities

Community

- We are a friendly and caring community
- We feel safe in the places we visit in our built and natural environment
- We respect the indigenous relationships with the land we live on
- Our community and our identity are made vibrant by the expression of arts and culture around us

Choice

- We have a diverse, resilient and smart economy fostering businesses that create jobs and wealth for all in our community

Character

- We enjoy the natural beauty and opportunity of our natural environment, and act to protect it through our management of waste and energy

Connection

- We are well connected to accessible services and facilities that provide our needs for living, work and leisure

Capability

- We are served by a Council that listens to us and responds in our best interest in all their actions, and provides the leadership we need to achieve our common aspirations

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B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	39,966	33,177
Farmland	3,202	2,757
Business	8,106	6,918
Mining	29	24
Less: Pensioner rebates	(578)	(530)
Rates levied to ratepayers	50,725	42,346
Pensioner rate subsidies received	272	287
Total ordinary rates	50,997	42,633
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	7,513	7,007
Water supply	8,725	8,126
Sewerage services	21,251	19,548
Stormwater management services charge	526	517
Waste management services (not domestic)	6,808	6,087
Recycled water supply	941	753
Less: Pensioner rebates	(429)	(432)
Annual charges levied	45,335	41,606
Pensioner annual charges subsidies received	227	206
Total annual charges	45,562	41,812
Total rates and annual charges	96,559	84,445

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	2024	2023
User charges		
Water supply services	19,186	17,031
Sewerage services	1,879	1,505
Waste management services (not domestic)	76	38
Total user charges	21,141	18,574
Fees		
Private works - s67	665	1,347
Transport for NSW works (state roads not controlled by Council)	7,930	6,945
Building services - other	231	266
Planning and building - regulatory	2,178	3,070
Inspection fees	1,412	1,437
s10.7 certificates (EP&A Act)	209	201
s603 certificates	275	255
Registration fees	79	71
Cemeteries	875	1,272
Sports and aquatic centres	1,137	1,283
Community centres	2,627	2,407
Childcare	46	43
Saleyards	202	147
Regional waste	705	673
Other	496	382
Total fees	19,067	19,799
Total other user charges and fees	19,067	19,799
Total user charges and fees	40,208	38,373
Timing of revenue recognition for user charges and fees		
User charges and fees recognised at a point in time	40,208	38,373
Total user charges and fees	40,208	38,373

Material accounting policy information

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided. However, Development Application fees are recognised as income prior to the development application being determined.

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. Where an upfront fee is charged such as membership fees for the aquatic centre the fee is recognised on a straight-line basis over the expected life of the membership. For the prepayment of theatre tickets at The Q then income is recognised at a point in time when the show is performed.

B2-3 Other revenues

\$ '000	2024	2023
Parking fines	491	1,164
Other fines	420	189
Recycling income	209	167
Insurance claims recoveries	515	12
Commissions and agency fees	10	11
Diesel rebate	156	9
Legal fees recovery	129	575
Risk management rebate	128	124
Other reimbursements	298	80
Other	98	86
Total other revenue	2,454	2,417
Timing of revenue recognition for other revenue		
Other revenue recognised at a point in time	2,454	2,417
Total other revenue	2,454	2,417

Material accounting policy information for other revenue

Where the revenue is earned via the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the 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	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)				
Financial Assistance Grant ¹				
– Relating to current year	371	1,832	–	–
– Prepayment received in advance for subsequent year	6,671	7,452	–	–
Amount recognised as income during current year	7,042	9,284	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water supplies	82	17	198	–
Sewerage services	–	738	1,239	1,366
Community care	1,781	1,557	35	–
Economic development	40	296	38	210
Environmental programs	129	14	156	–
Recreation and culture	242	288	3,579	12,113
Storm/flood/fire damage	2,558	11,435	–	–
Transport for NSW contributions (regional roads, block grant)	2,167	1,942	–	–
Roads to recovery	1,045	1,817	–	–
Other roads and bridges	2,348	646	7,909	21,584
Local Infrastructure Renewal Scheme	1,230	404	–	–
NSW Rural Fire Services	457	591	452	87
Other	294	339	–	669
Total special purpose grants and non-developer contributions (tied)	12,373	20,084	13,606	36,029
Total grants and non-developer contributions	19,415	29,368	13,606	36,029
Comprising:				
– Commonwealth funding	9,613	12,461	4,399	3,950
– State funding	7,826	15,776	7,109	31,499
– Other funding	1,976	1,131	2,098	580
	19,415	29,368	13,606	36,029

(1) \$6.671m of the 2024/25 Financial Assistance Grant from the Commonwealth Government was received by QPRC in June 2024 and hence it is reported as 2023/24 income although it relates to the 2024/25 financial year.

Developer contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
Cash contributions		2	2,047	346	12,494	5,661
S 7.11 – contributions towards amenities/services			–	–	19	–
S 64 – water supply contributions		2	–	–	1,165	2,018
S 64 – sewerage service contributions		2	–	–	346	1,996
Total developer contributions – cash			2,047	346	14,024	9,675
Non-cash contributions						
S 64 – water supply contributions		2	–	–	10,224	2,895
S 64 – sewerage service contributions		2	–	–	5,433	5,433
S 64 – stormwater contributions		2	–	–	19,974	9,026

continued on next page ...

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B2-4 Grants and contributions (continued)

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Non-cash contributions		2	–	–	51,838	5,227
Total developer contributions non-cash			–	–	87,469	22,581
Total developer contributions			2,047	346	101,493	32,256
Total contributions			2,047	346	101,493	32,256
Total grants and contributions			21,462	29,714	115,099	68,285
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			–	386	–	29,135
Grants and contributions recognised at a point in time (2)			21,462	29,328	115,099	39,150
Total grants and contributions			21,462	29,714	115,099	68,285

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent funds at 1 July	5,620	8,031	17,487	22,841
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,059	15	176	–
Add: Funds received and not recognised as revenue in the current year	530	1,069	16,330	19,896
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(292)	(1,137)	(774)	(5,454)
Less: Funds received in prior year but revenue recognised and funds spent in current year	(133)	(2,277)	(14,954)	(17,843)
Less: Funds not yet received for expenses incurred in the current year	(33)	(81)	5,721	(1,953)
Unspent funds at 30 June	6,751	5,620	23,986	17,487

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges	750	422
– Cash and investments	1,523	639
Interest on financial assets measured at fair value through the profit and loss		
– Cash and investments	8,591	5,442
Total interest and investment income	10,864	6,503

B2-6 Other income

\$ '000	2024	2023
Other lease income		
Room/Facility Hire	458	457
Leaseback fees - council vehicles	532	488
Total other lease income	990	945
Fair value increment on investments		
Fair value increment on investments through profit and loss	2,550	2,350
Total Fair value increment on investments	2,550	2,350
Other		
Reversal of Remediation (tip) Provision	-	3,369
Total other	-	3,369
Total other income	3,540	6,664

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	35,815	33,890
Employee leave entitlements	4,231	4,140
Superannuation	4,231	3,882
Workers' compensation insurance	1,729	1,360
FBT	61	57
Payroll tax	146	158
Less: capitalised costs	(1,563)	(2,219)
Total employee costs expensed	44,650	41,268
Number of 'full-time equivalent' employees (FTE) at year end	438	403

Material accounting policy information

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		10,975	8,136
Consultancy costs		1,715	1,301
Contractor costs		30,042	35,179
IT expenses		2,950	2,804
Insurance		2,686	2,375
Street lighting		829	807
Electricity		2,459	2,447
Subscriptions and publications		582	693
Telephone		598	791
Repairs and maintenance		1,624	1,449
Postage, printing and stationery		601	568
Audit Fees	F2-1	111	343
Councillor and Mayoral fees and associated expenses	F1-2	396	422
Election expenses		-	8
Bank charges		309	276
Travel expenses		59	40
Training costs (other than salaries and wages)		551	421
Asset valuation fees		220	200
Child care – parent payments		1,262	1,021
Waterwise subsidy		41	21
– Legal expenses: planning and development		311	474
– Legal expenses: debt recovery		204	483
– Legal expenses: other		250	245
Water charges		12,922	11,830
Other		127	208
Total materials and services		71,824	72,542

B3-3 Borrowing costs

\$ '000	2024	2023
Interest on loans and advances	7,045	6,275
Interest on leases	2	3
Less: capitalised costs	(2,184)	(3,111)
Amortisation of discounts and premiums:		
– Remediation (tip) - Note C3-5	136	151
Total borrowing costs expensed	4,999	3,318

Material accounting policy information

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

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Infrastructure, property, plant and equipment	C1-8,1	39,568	36,707
Right of use assets	C2-1	45	62
Intangible assets	C1-9	463	463
Total depreciation and amortisation costs		40,076	37,232
Total depreciation, amortisation and impairment for non-financial assets		40,076	37,232

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of receivables	C1-4	86	6
Other assurance services		188	107
Donations, contributions and assistance to other organisations (s356)		291	372
Emergency services levy (includes FRNSW, SES, and RFS levies)		1,857	1,639
Remediation (tip) provision		786	-
Total other expenses		3,208	2,124

B4 Gains or losses

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of infrastructure, property, plant and equipment	C1-8		
Proceeds from disposal		796	690
Less: carrying amount of assets sold		(3,334)	(1,192)
Gain (or loss) on disposal		(2,538)	(502)
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal		11,518	29,926
Less: carrying value of investments		(11,518)	(29,900)
Gain (or loss) on disposal		-	26
Gain (or loss) on disposal of term deposits	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		101,500	114,000
Less: carrying amount of term deposits sold/redeemed/matured		(101,500)	(114,000)
Gain (or loss) on disposal		-	-
Net gain (or loss) from disposal of assets		(2,538)	(476)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 28 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
Rates and annual charges	95,142	96,559	1,417	1% F
User charges and fees	40,511	40,208	(303)	(1)% U
Other revenues	1,429	2,454	1,025	72% F
Other revenue was higher than originally forecast primarily due to environmental compliance actions linked to the level of development. Council also received one off settlement amounts from insurance claims. This was offset by lower than expected income from compliance activities. Council did not have the Aero Ranger in use during the 2023/24 year which monitors parking compliance.				
Operating grants and contributions	17,616	21,462	3,846	22% F
Through the year Council was successful in gaining additional grant funding for: <ul style="list-style-type: none"> • Regional Roads program • Regional Drought Resilience Planning program Council took up an opportunity to finalise the funding agreement under the Low Cost Loan Initiative which resulted in the final claims under this program being paid out in this financial year.				
Capital grants and contributions	41,358	115,099	73,741	178% F
Capital grants are linked to the capital works program. There were a number of projects that were delayed and are ongoing into 2024/25 which has impacted the ability to recognise the revenue for these works. This has been offset by the receipt of approximately \$88m of contributed assets consisting of roads, stormwater, sewer and water network assets.				
Interest and investment income	4,358	10,864	6,506	149% F
Interest revenue is favourable to the original budget early on in the financial year due to a conservative approach to setting the original budget. As there has been higher than expected levels of cash on hand, this has improved the interest income earned.				
Net gains from disposal of assets	4,429	-	(4,429)	(100)% U
Council had earmarked a number of properties to be sold during the 2023/24 financial year. The sale of these properties was reliant upon the completion of the Nellie Hamilton Centre construction. With some delays experience with finalisation of the construction, the sale of the properties was delayed. This is now expected to occur in the 2024/25 financial year.				
Other income	720	3,540	2,820	392% F
This variance is due to the recognition of a Fair Value increment in investments which is not budgetted for.				
Expenses				
Employee benefits and on-costs	46,272	44,650	1,622	4% F
Materials and services	73,598	71,824	1,774	2% F

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B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Borrowing costs	7,568	4,999	2,569	34% F
Council has loan funding in place that has been used to fund capital projects. While these projects are still under construction, the interest payable on these loans is able to be capitalised. When setting the original budget it was expected that these construction projects would be finalised and the costs would be operational. As these projects were delayed, the interest costs were able to be capitalised. These projects were the construction of the Nellie Hamilton Centre and the Regionals Sports Centre.				
Depreciation, amortisation and impairment of non-financial assets	38,081	40,076	(1,995)	(5)% U
Following the finalisation of the 2022/23 audit, an updated forecast of depreciation costs was run. This updated forecast included gifted assets received in the 22/23 and an increase in asset values due to indexation and revaluation. These increases to the asset base required a re forecast of the depreciation costs, which had not been included in the original depreciation budget projections.				
Other expenses	2,087	3,208	(1,121)	(54)% U
This expense item includes the costs associated with the impairment of receivables. This expense is not budgeted for. Councils donations and contributions program is allocated to this expense line item. These expenses were slightly higher than that originally budgetted for.				
Net losses from disposal of assets	–	2,538	(2,538)	∞ U
As part of the asset renewal program, it was identified that a number of transport assets were required to be written off as they were replaced. These costs were not originally budgetted for.				
Statement of cash flows				
Cash flows from operating activities	64,311	82,181	17,870	28% F
The favourable variance is primarily due to the excess of grants and user charges over what was originally budgetted for.				
Cash flows from investing activities	(88,621)	(68,968)	19,653	(22)% F
The favourable variance is due to a combination of: <ul style="list-style-type: none"> • lower than budgetted cash payments for the purchase of Infrastructure, property, plant and equipment • the net movement of investments throughout the year is not budgetted for 				
Cash flows from financing activities	6,675	(4,190)	(10,865)	(163)% U
This unfavourable variance is primarily due to the timing of new borrowings compared to the original budget. This impacted the receipt of cash from borrowings in the current year. The timing of the repayment of borrowings is affected by the timing of the drawdown of loans.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash at bank and on hand	20,470	8,547
Deposits at call	14,361	17,261
Total cash and cash equivalents	34,831	25,808

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	34,831	25,808
Balance as per the Statement of Cash Flows	34,831	25,808

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Financial assets at fair value through the profit and loss				
Managed funds	31,134	–	28,584	–
Non-convertible debentures or floating rate notes	20,986	115,840	11,361	74,500
Debt securities at amortised cost				
Term deposits	64,510	5,000	85,000	8,000
Total	116,630	120,840	124,945	82,500

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	272,301	233,253
Less: Externally restricted cash, cash equivalents and investments	(242,602)	(203,713)
Cash, cash equivalents and investments not subject to external restrictions	29,699	29,540
External restrictions – included in liabilities		
Specific purpose unexpended grants – general fund	26,956	21,439
Specific purpose unexpended grants – sewer fund	–	50
External restrictions - other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Water fund	47,309	32,387
Sewer fund	82,604	74,912
Developer contributions:		
– General fund	43,713	34,305
– Water fund	13,010	9,834

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

\$ '000	2024	2023
– Sewer fund	13,366	11,891
Specific purpose unexpended grants:		
– General fund	1,519	1,620
Specific purpose unexpended loans:		
– General fund	1,319	6,334
Domestic waste management	10,859	9,990
Stormwater management	1,165	639
Other	782	312
External restrictions – other	215,646	182,224
Total external restrictions	242,602	203,713

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.

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

\$ '000	2024	2023
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(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions	29,699	29,540
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Internal allocations

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

Infrastructure replacement	3,243	2,159
Employees leave entitlement	820	820
Business waste management	7,161	6,145
WH&S	272	287
Heritage grant program	244	244
Deposits, retentions and bonds	196	196
Plant and vehicle replacement	2,975	3,162
Property reserve	609	649
Elections	402	252
Revolving energy	121	121
Strategic	-	111
Financial assistance grant	4,085	7,452
Department of Education Compensation	6,571	7,719
Total internal allocations	26,699	29,317

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.

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

\$ '000	2024	2023
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(c) Unrestricted and unallocated

Unrestricted and unallocated cash, cash equivalents and investments	3,000	223
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C1-4 Receivables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Rates and annual charges	7,903	135	6,223	157
Interest and extra charges	1,248	20	937	18
User charges and fees	18,499	–	13,772	–
Private works	3,953	–	6,298	–
– Sale of land ¹	1,081	–	1,081	–
Government grants and subsidies	1,375	–	9,298	–
Deferred debtors	11	64	12	75
Net GST receivable	1,481	–	1,984	–
Accrued Interest on Investments	2,387	–	1,171	–
Total	37,938	219	40,776	250
Less: provision for impairment:				
– Rates and annual charges	–	(135)	–	(157)
– Interest and extra charges	–	(20)	–	(18)
– User charges and fees	(180)	–	(94)	–
Total	(180)	(155)	(94)	(175)
NET RECEIVABLES	37,758	64	40,682	75

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C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
At cost:				
Stores and materials	204	-	325	-
Total inventories	204	-	325	-

C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	7,721	-	2,034	-
Total contract assets and contract cost assets	7,721	-	2,034	-

Contract assets

Work relating to infrastructure grants	7,721	-	2,034	-
Total contract assets	7,721	-	2,034	-

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C1-7 Non-current assets classified as held for sale

\$ '000	2024	2023
Land	2,506	2,506
Buildings	8,313	—
	<u>10,819</u>	<u>2,506</u>

This value reflects the properties on Rutledge Street, Queanbeyan which have been identified as being sold in the 2024/25 financial year.

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C1-8 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period								At 30 June 2024		
	Gross carrying amount	Accumulated depreciation & impairment	Net carrying amount	Renewals	New assets	Carrying value of disposals	Depreciation	WIP transfers	Transfers	Tfrs from/(to) 'held for sale' category	Revaluation increments / (decrements)	Gross carrying amount	Accumulated depreciation & impairment	Net carrying amount
\$ '000														
Capital work in progress	148,271	–	148,271	8,962	5,218	–	–	(125,561)	–	–	–	36,890	–	36,890
Plant, equipment, furniture and fittings	29,691	(19,969)	9,722	3,093	–	(371)	(2,772)	–	–	–	–	31,095	(21,423)	9,672
Land	207,678	–	207,678	4	12,678	(771)	–	32	–	–	18,513	238,135	–	238,135
Land improvements	1,363	–	1,363	–	–	–	–	–	–	–	–	1,363	–	1,363
Infrastructure:														
– Buildings and other structures	166,544	(58,403)	108,141	3,238	10,033	(296)	(3,422)	83,832	–	(8,313)	31,725	297,373	(72,436)	224,937
– Roads, bridges and footpaths	657,141	(159,158)	497,983	3,790	30,793	(1,754)	(16,045)	12,521	–	–	25,165	736,988	(184,534)	552,454
– Other road assets (including bulk earthworks)	714,245	(34,768)	679,477	1,186	4,588	(22)	(1,872)	6,363	–	–	37,613	765,752	(38,419)	727,333
– Stormwater drainage	253,575	(88,096)	165,479	13	20,398	–	(2,566)	2,383	–	–	8,742	289,978	(95,529)	194,449
– Water supply network	291,446	(120,833)	170,613	251	1,834	–	(4,439)	311	–	–	9,049	309,244	(131,625)	177,619
– Sewerage network	338,279	(132,459)	205,820	245	14,442	(6)	(7,130)	1,468	–	–	9,448	370,873	(146,586)	224,287
– Open space / recreational assets	49,152	(13,790)	35,362	170	9,604	(885)	(1,208)	18,651	–	–	9,366	96,873	(25,813)	71,060
Other assets	827	(515)	312	–	–	–	(114)	–	–	–	–	827	(629)	198
Tip assets	8,827	(8,827)	–	–	–	–	–	–	–	–	–	8,827	(8,827)	–
Totals	2,867,039	(636,818)	2,230,221	20,952	109,588	(4,105)	(39,568)	–	–	(8,313)	149,621	3,184,218	(725,821)	2,458,397

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C1-8 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation & impairment	Net carrying amount	Renewals	New assets	Carrying value of disposals	Depreciation ¹	WIP transfers Restated	Transfers	Revaluation increments / (decrements)	Gross carrying amount	Accumulated depreciation & impairment	Net carrying amount
\$ '000													
Capital work in progress ¹	108,776	–	108,776	20,272	68,283	–	–	(49,060)	–	–	148,271	–	148,271
Plant, equipment, furniture and fittings	29,141	(17,851)	11,290	1,893	–	(339)	(3,122)	–	–	–	29,691	(19,969)	9,722
Land	177,517	–	177,517	–	1,344	–	–	126	–	28,691	207,678	–	207,678
Land:													
Land improvements	1,264	–	1,264	–	–	–	–	–	–	99	1,363	–	1,363
Infrastructure:													
– Buildings and other structures ²	152,526	(51,587)	100,939	1,224	1,359	(363)	(3,083)	412	–	7,653	166,544	(58,403)	108,141
– Roads, bridges and footpaths	597,462	(136,643)	460,819	7,522	2,507	(289)	(14,518)	15,581	–	26,361	657,141	(159,158)	497,983
– Other road assets (including bulk earthworks)	655,686	(31,292)	624,394	1,834	2,423	(15)	(1,538)	15,088	–	37,291	714,245	(34,768)	679,477
– Stormwater drainage	225,081	(80,890)	144,191	286	9,838	–	(2,292)	5,068	–	8,388	253,575	(88,096)	165,479
– Water supply network	254,927	(108,327)	146,600	774	7,498	–	(3,861)	8,593	–	11,009	291,446	(120,833)	170,613
– Sewerage network	304,644	(116,592)	188,052	607	5,754	(186)	(6,503)	4,111	–	13,985	338,279	(132,459)	205,820
– Open space / recreational assets	45,918	(11,721)	34,197	383	16	–	(1,289)	81	–	1,975	49,152	(13,790)	35,362
Other assets	745	(377)	368	81	–	–	(138)	–	–	–	827	(515)	312
Tip assets	8,983	(8,463)	520	–	–	–	(363)	–	–	(157)	8,827	(8,827)	–
Totals	2,562,670	(563,743)	1,998,927	34,876	99,022	(1,192)	(36,707)	–	–	135,295	2,867,039	(636,818)	2,230,221

(1) 2022 Restated, reclassified from Work in progress to Land, see Note G4-2 for details

continued on next page ...

C1-8 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

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

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

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Useful lives of IPPE

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:

	Useful lives
Plant, equipment, furniture and fittings	3-30
Land	n/a
Land improvements	n/a
Infrastructure:	
– Buildings and other structures	2-200
– Roads, bridges and footpaths	10-100
– Bulk earthworks	n/a
– Stormwater drainage	10-100
– Water supply network	2-100
– Sewerage network	1-112
– Open space / recreational assets	5-100
Other assets	5
Tip assets	20

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 5 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

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

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

Land under roads

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

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

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Where the Crown reserves are under a lease agreement they are accounted for under AASB 16 Leases, refer to Note C2-1.

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C1-8 Infrastructure, property, plant and equipment (continued)

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".

The NSW Government has confirmed its view that these assets are not controlled by the NSW Rural Fire Services or the State.

Council has made an assessment under AASB116 and concluded that Council does not control the rural firefighting equipment referred to as 'red fleet' and as such this equipment is not recognised in these financial statements, however Council continues to recognise the RFS lands and buildings in these statements.

An assessment of the materiality level of the RFS red fleet assets has been undertaken. This assessment has resulted in the value of the RFS Red Fleet assets being immaterial.

C1-9 Intangible assets

\$ '000	2024	2023
Software		
Opening values at 1 July		
Gross book value	4,642	4,642
Accumulated amortisation	(2,157)	(1,694)
Net book value	2,485	2,948
Movements for the year		
Amortisation charges	(463)	(463)
Closing values at 30 June		
Gross book value	4,642	4,642
Accumulated amortisation	(2,620)	(2,157)
Total software – net book value	2,022	2,485
Bio-banking credit		
Opening values at 1 July		
Gross book value	3,059	3,059
Net book value	3,059	3,059
Closing values at 30 June		
Gross book value	3,059	3,059
Total Bio-banking credit – net book value	3,059	3,059
Total intangible assets – net book value	5,081	5,544

C1-10 Other

Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	5,889	–	1,769	–

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C1-10 Other (continued)

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Total other assets	5,889	–	1,769	–

Accounting Policy

Prepayments are recognised when Council pays for goods or services which it does not consume during the reporting period.

Prepayments are subsequently recognised as expenses in the pattern by which the goods and services are consumed. This can be at a point in time, or over time.

Council has recognised all prepayments with a monetary value of \$20,000 or greater.

Common prepayments recognised by Council include licenses and subscriptions which are prospective and cover future periods beyond the reporting year

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C2 Leasing activities

C2-1 Council as lessee

Council has leases over office equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 3 and 5 years with no renewal option, and the payments are fixed.

(a) Right of use assets

\$ '000	Office Equipment	Total
2024		
Opening balance at 1 July	71	71
Additions	195	195
Depreciation charge	(45)	(45)
Balance at 30 June	220	220
2023		
Opening balance at 1 July	132	132
Additions	–	–
Depreciation charge	(62)	(62)
Balance at 30 June	71	71

(b) Lease liabilities

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2024					
Cash flows	67	150	–	217	217
2023					
Cash flows	38	35	–	73	73

(c) Income Statement

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

\$ '000	2024	2023
Interest on lease liabilities	2	3
Depreciation of right of use assets	45	62
Expenses relating to leases of low-value assets	128	121
	175	186

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C2-1 Council as lessee (continued)

(d) Statement of Cash Flows

\$ '000	2024	2023
Total cash outflow for leases	(193)	(186)
	(193)	(186)

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

Council has a lease at significantly below market for land and buildings which is used for the sewerage treatment works

The lease is for 99 years and requires payments of a maximum amount of \$80 per year. The use of the right-to-use asset is restricted by the lessor to specified community services which Council must provide, these services are detailed in the lease.

Council does not believe that the lease in place is material from a statement of financial position or performance perspective.

C2-2 Council as a lessor

\$ '000	2024	2023
(i) Assets held as investment property		
The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below		
Lease income (excluding variable lease payments not dependent on an index or rate)	-	-
Total income relating to operating leases for investment property assets	-	-
(ii) Assets held as property, plant and equipment		
Council provides operating leases on Council vehicles and Council land and buildings for the purpose of telecommunication towers, sporting fields and community centres. The table below relates to operating leases on assets disclosed in C1-8.		
Lease income (excluding variable lease payments not dependent on an index or rate)	990	945
Total income relating to operating leases for Council assets	990	945

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Goods and services	14,531	–	14,051	–
Accrued wages and salaries	1,227	–	1,002	–
Accrued Interest	652	–	663	–
Deposits and retentions	3,310	–	3,397	–
Prepaid rates	3,345	–	3,340	–
Advances	3,354	–	–	–
Total payables	26,419	–	22,453	–

\$ '000	2024	2023
Current payables not expected to be settled within the next 12 months	705	772

C3-2 Contract Liabilities

\$ '000	Notes	2024		2023	
		Current	Non-current	Current	Non-current
Funds to construct Council controlled assets	(i)	29,217	–	21,489	–
Upfront fees - sports, aquatic, and community centres		87	–	49	–
Upfront fees- Development Applications		571	–	–	–
Upfront fees - Ticket sales		151	–	–	–
Total contract liabilities		30,026	–	21,538	–

Notes

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

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

\$ '000	2024	2023
Funds to construct Council controlled assets	11,542	8,251
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	3,546	90
	15,088	8,341

C3-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – unsecured	10,691	138,082	10,201	142,712
Total borrowings	10,691	138,082	10,201	142,712

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C3-3 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

\$ '000	2023		Non-cash movements		2024
	Opening Balance	Cash flows	Acquisition	Other	Closing balance
Loans – unsecured	152,913	(4,140)	–	–	148,773
Lease liability (Note C2-1b)	73	144	–	–	217
Total liabilities from financing activities	152,986	(3,996)	–	–	148,990

\$ '000	2022		Non-cash movements		2023
	Opening Balance	Cash flows	Acquisition	Other	Closing balance
Loans – unsecured	116,840	36,073	–	–	152,913
Lease liability (Note C2-1b)	134	(61)	–	–	73
Total liabilities from financing activities	116,974	36,012	–	–	152,986

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C3-3 Borrowings (continued)

(b) Financing arrangements

\$ '000	2024	2023
(i) Total facilities:		
Bank overdraft facility ¹	2,000	2,000
Corporate credit cards	210	210
	<u>2,210</u>	<u>2,210</u>
Drawn facilities		
Corporate credit cards	116	78
	<u>116</u>	<u>78</u>
Undrawn facilities		
– Bank overdraft facilities	2,000	2,000
– Corporate credit cards	94	132
	<u>2,094</u>	<u>2,132</u>

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

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C3-4 Employee benefit provisions

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Annual leave	2,895	–	2,974	–
Long service leave	6,391	973	6,553	634
Total employee benefit provisions	9,286	973	9,527	634

Current provisions not expected to be settled within the next twelve months

\$ '000	2024	2023
Provisions – employees benefits	5,363	5,710
	5,363	5,710

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C3-5 Provisions

\$ '000	2024		2023	
	Current	Non-Current	Current	Non-Current
Asset remediation	14	4,692	–	3,800
Total provisions	14	4,692	–	3,800

Movements in provisions

\$ '000	Asset remediation		Total
2024			
At beginning of year		3,800	3,800
Amounts used (payments)		(16)	(16)
Remeasurement effects		786	786
Unwinding of discount		136	136
Total		4,706	4,706
2023			
At beginning of year		8,092	8,092
Amounts used (payments)		(1,073)	(1,073)
Remeasurement effects		(2,093)	(2,093)
Unwinding of discount		150	150
Unused amounts reversed		(1,276)	(1,276)
Total		3,800	3,800

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	65,843	8,649	22,067
User charges and fees	18,238	19,774	2,196
Other revenues	2,449	5	-
Grants and contributions provided for operating purposes	21,380	82	-
Grants and contributions provided for capital purposes	91,774	14,810	8,515
Interest and investment income	1,958	2,855	6,051
Other income	3,540	-	-
Total income from continuing operations	205,182	46,175	38,829
Expenses from continuing operations			
Employee benefits and on-costs	40,594	1,514	2,542
Materials and services	41,420	21,039	9,365
Borrowing costs	4,359	241	399
Depreciation, amortisation and impairment of non-financial assets	28,507	4,439	7,130
Other expenses	3,208	-	-
Net loss from the disposal of assets	2,532	-	6
Total expenses from continuing operations	120,620	27,233	19,442
Operating result from continuing operations	84,562	18,942	19,387
Net operating result for the year attributable to Council	84,562	18,942	19,387
Net operating result for the year before grants and contributions provided for capital purposes	(7,212)	4,132	10,872

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	23,081	4,559	7,191
Investments	41,597	29,017	46,016
Receivables	31,084	4,491	2,183
Inventories	204	–	–
Contract assets and contract cost assets	7,721	–	–
Other	5,889	–	–
Non-current assets classified as held for sale	10,819	–	–
Total current assets	120,395	38,067	55,390
Non-current assets			
Investments	51,622	26,768	42,450
Receivables	64	–	–
Infrastructure, property, plant and equipment	2,029,270	183,796	245,331
Intangible assets	5,081	–	–
Right of use assets	220	–	–
Total non-current assets	2,086,257	210,564	287,781
Total assets	2,206,652	248,631	343,171
LIABILITIES			
Current liabilities			
Payables	25,762	606	51
Contract liabilities	30,026	–	–
Lease liabilities	67	–	–
Borrowings	9,940	278	473
Employee benefit provisions	8,555	319	412
Provisions	14	–	–
Total current liabilities	74,364	1,203	936
Non-current liabilities			
Lease liabilities	150	–	–
Borrowings	128,308	3,833	5,941
Employee benefit provisions	973	–	–
Provisions	4,692	–	–
Total non-current liabilities	134,123	3,833	5,941
Total liabilities	208,487	5,036	6,877
Net assets	1,998,165	243,595	336,294
EQUITY			
Accumulated surplus	1,476,638	176,981	301,597
IPPE revaluation reserve	521,527	66,614	34,697
Total equity	1,998,165	243,595	336,294

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Finance team manages the cash and investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with s.625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

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 the finance team under policies approved by the Councillors.

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

The risks associated with the financial instruments held are:

- Market risk - interest rate risk – the risk that movements in interest rates could affect returns
- 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 a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

Council manages these risks 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 cash and investments.

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
---------	------	------

The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

Impact of a 1% movement in interest rates		
– Equity / Income Statement	2,725	2,335
Impact of a 10% movement in price of investments		
– Equity / Income Statement	3,113	2,858

(b) Credit risk

Council's major receivables comprise rates, annual charges, 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 other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	overdue rates and annual charges			Total
	Not yet due	< 5 years	≥ 5 years	
2024				
Gross carrying amount	1,231	6,153	654	8,038
2023				
Gross carrying amount	–	4,852	1,522	6,374

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet due	< 90 days overdue				Total
		< 30 days overdue	30 - 60 days overdue	61 - 90 days overdue	> 90 days overdue	
2024						
Gross carrying amount	30,671	659	404	2,396	3,710	37,840
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	4.85%	0.48%
ECL provision	–	–	–	–	180	180
2023						
Gross carrying amount	31,577	579	293	29	4,197	36,675
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	2.25%	0.26%
ECL provision	–	–	–	–	94	94

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

(c) Liquidity risk

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

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

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

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

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

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash outflows	Carrying values
2024						
Payables	0.00%	16,968	–	–	16,968	26,419
Borrowings	4.71%	17,508	78,805	110,736	207,049	148,773
Lease liabilities	1.39%	67	150	–	217	217
Total financial liabilities		34,543	78,955	110,736	224,234	175,409
2023						
Payables	0.00%	19,113	–	–	19,113	22,453
Borrowings	4.69%	17,181	81,189	115,505	213,875	152,913
Lease liabilities	2.94%	38	35	–	73	73
Total financial liabilities		36,332	81,224	115,505	233,061	175,439

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

Fair value hierarchy

All assets and liabilities measured at fair value are 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: Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2024	2023
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Financial investments	C1-2						
At fair value through profit or loss		167,974	114,445	–	–	167,974	114,445
Infrastructure, property, plant and equipment							
Plant, Equipment, furniture and fittings		–	–	9,672	9,722	9,672	9,722
Land	C1-8	53,984	53,984	184,151	153,694	238,135	207,678
Land improvements		–	–	1,363	1,363	1,363	1,363
Buildings and other structures		–	–	224,938	108,141	224,938	108,141
Roads, bridges and footpaths		–	–	552,454	497,983	552,454	497,983
Other road assets (including bulk earthworks)		–	–	727,333	679,477	727,333	679,477
Stormwater drainage		–	–	194,449	165,479	194,449	165,479
Water supply network		–	–	177,619	170,613	177,619	170,613
Sewerage network		–	–	224,287	205,820	224,287	205,820
Open space/recreation assets		–	–	71,060	35,362	71,060	35,362
Other assets		–	–	198	312	198	312
Total infrastructure, property, plant and equipment		53,984	53,984	2,367,524	2,027,966	2,421,508	2,081,950
Non-recurring fair value measurements							
Non-current assets classified as held for sale							
Land	C1-7	2,506	2,506	–	–	2,506	2,506
Buildings		8,313	–	–	–	8,313	–
Total non-recurring fair value measurements		10,819	2,506	–	–	10,819	2,506

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).

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E2-1 Fair value measurement (continued)

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

Level 2 measurements

Where investments are valued at fair value through profit or loss, Council obtains valuations from its investment adviser (Laminar Capital) at the end of each reporting period ensuring financial statements reflect the most up to date valuation.

Council employed the services of Cardno to assess the fair value of Council's Operational Land assets as at 30 June, using sales transactions of similar assets.

Level 3 measurements

Council undertook an independent valuation through Stantec to assess the fair value of operational land, building, waste, swimming pools and open space assets as at 30 June 2024, using unobservable inputs.

Fair value measurements using significant unobservable inputs (level 3)

The valuation process for level 3 fair value measurements

An independent fair value assessment and valuation was performed during the 2022 financial year by Morrison Low on the following asset classes:

- Buildings & other structures
- Roads, bridges, footpaths
- Other road assets
- Water supply network
- Sewerage network
- Open space/recreational assets

The process involved comparing costs with the most recent public cost indices available accounting for increases in inflation.

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.

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Plant, equipment, furniture, fittings and office equipment	Cost approach	Current replacement cost and residual value of modern equivalent asset, asset condition and useful life.
Land	Community and Crown Land: Values obtained from the NSW Valuer-General. Land under roads: Market-based direct comparison.	Community and Crown Land: Land value, land area, level of restriction. Land under roads: Extent and Impact of use, market cost of land per square metre. The market value of land varies significantly depending on location and current market conditions.
Buildings and others structures (including swimming pools and other recreational buildings)	Cost approach	Buildings: Current replacement cost and residual value of modern equivalent asset using componentisation, asset condition, and remaining lives. Other structures: Current replacement cost of modern equivalent asset, asset condition, and remaining lives.
Roads (including bridges, footpaths, bulk earthworks) and other similar assets	Cost approach	Asset condition, remaining lives using componentisation.
Stormwater drainage	Unit rates per square metre or length	Asset condition, remaining lives
Water supply and sewerage network infrastructure	Cost approach	Asset condition, remaining lives using componentisation.
Tips assets	Cost approach	Environmental legislation, timing of expected cash outflows, asset condition.

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E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Library books	Cost approach	Current replacement cost and residual value of modern equivalent asset, asset condition, remaining lives.

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

\$ '000	Equipment, furniture & fittings	
	2024	2023
Opening balance	2,027,967	1,843,320
Recognised in profit or loss – realised (refer to Note B4-1) ¹	–	–
Recognised in other comprehensive income – revaluation surplus	149,622	130,425
Transfers from/(to) level 1 FV hierarchy	–	–
Total gains or losses for the period		
Other movements		
Transfers from/(to) level 2 FV hierarchy	–	(1,338)
Transfers from/(to) another asset class	117,248	49,060
Purchases (GBV)	116,362	44,398
Disposals (WDV)	(4,105)	(1,192)
Depreciation and impairment	(39,570)	(36,707)
Revaluation Decrement	–	–
Other asset transfers	–	–
Crown Land	–	–
Buildings	–	–
Closing balance	2,367,524	2,027,966

(1) FV gains recognised in the Income Statement relating to assets still on hand at year end total

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

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.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$214,891.45. The last valuation of the Scheme was performed by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

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E3-1 Contingencies (continued)

Council's expected contribution to the plan for the next annual reporting period is \$129,107.94.

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

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

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of 0.72% as at 30 June 2024.

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

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

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

* Plus promotional increases

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

2. Other contingent liabilities

continued on next page ...

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E3-1 Contingencies (continued)

(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) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

The Council is involved from time to time in land acquisitions for the purpose of building community infrastructure. Where land is compulsorily acquired and compensation is disputed, the Council may be required to cover other costs including severance and disturbance costs.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

ASSETS NOT RECOGNISED

(i) Land under roads

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

(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.

(iii) Contingent Asset - Outstanding Legal Matters

Council has no legal matters requiring recognition of a contingent asset.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	1,616	1,514
Post-employment benefits	170	145
Other Long Term Benefits	62	–
Total	1,848	1,659

Council recorded no other Related Party transactions with KMP during the financial year to June 30 2023.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	71	63
Councillors' fees	287	312
Councillors' (including Mayor) expenses	38	47
Total	396	422

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
Auditors of the Council - NSW Auditor-General:		
Audit and review of financial statements	111	343
Remuneration for audit and other assurance services	111	343
Total fees paid or payable to the Auditor-General	111	343
Non NSW Auditor-General audit firms		
Total remuneration of non NSW Auditor-General audit firms	–	–
Total audit fees	111	343

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2024	2023
Operating result	122,891	79,441
Add/(less) non-cash items:		
(Gain)/loss on disposal of assets	2,538	476
Depreciation and amortisation	40,076	37,232
Non-cash capital grants and contributions	(87,469)	(22,581)
Fair value decrements on investments through P&L	(2,550)	(2,350)
Unwinding of discount rates on reinstatement provisions	136	150
Changes in assets and liabilities:		
Movements in operating assets and liabilities		
(Increase)/decrease in receivables	2,857	(7,804)
(Increase)/decrease in other assets	(4,120)	(1,227)
(Increase)/decrease in inventories	121	63
(Increase) / decrease of contract asset	(5,687)	(2,034)
Increase/(decrease) in trade payables	480	675
Increase / (decrease) in contract liabilities	8,488	5,031
Increase/(decrease) in employee benefit provision	98	(669)
Increase / (decrease) in provision for impairment of receivables	66	(24)
Increase / (decrease) in accrued interest payable	(11)	(28)
Increase / (decrease) in other accrued expenses payable	225	170
Increase / (decrease) in other provisions	770	(4,442)
Increase/(decrease) in other liabilities and accruals	3,272	451
Net cash flows from operating activities	82,181	82,530

(b) Non-cash investing and financing activities

Developer contributions 'in kind'	88,329	22,582
	88,329	22,582

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Sewerage & water infrastructure	9,152	9,931
Buildings	6,383	12,054
Road infrastructure	4,920	3,224
Total commitments	20,455	25,209

Details of capital commitments

Council hold commitments for major projects as listed. The projects are due to be completed within the next 5 years and are funded by a combination of grants, contributions, loans and Council reserves.

G3-1 Events occurring after the reporting period

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

DRAFT

G4 Statement of developer contributions as at 30 June 2024

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Roads	12,771	3,537	-	-	142	-	-	16,450	-
Parking	3	-	-	-	-	-	-	3	-
Open space	212	28	-	-	1	(202)	-	39	-
Community facilities	5,495	2,340	-	-	78	-	-	7,913	-
Other	10,792	1,922	-	-	41	-	-	12,755	-
Bushfire	204	18	-	-	1	1	-	226	-
Waste management	310	-	-	-	-	-	-	312	-
Rural addressing	19	-	-	-	-	-	-	20	-
Recreation facilities	1,869	928	-	-	26	(126)	-	2,697	-
Pathway	431	181	-	-	9	-	-	621	-
Street upgrade	1,138	499	-	-	26	-	-	1,660	-
S7.11 contributions – under a plan	33,244	9,453	-	-	324	(327)	-	42,696	-
Total S7.11 and S7.12 revenue under plans	33,244	9,453	-	-	324	(327)	-	42,696	-
S7.11 not under plans	273	254	-	-	9	(323)	-	213	-
S7.4 planning agreements	788	131	-	88,329	6	(121)	-	804	-
S64 contributions	21,725	6,233	-	-	275	(1,857)	-	26,376	-
Total contributions	56,030	16,071	-	88,329	614	(2,628)	-	70,089	-

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

G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
CONTRIBUTION PLAN (former Palerang)									
Roads	5,909	1,352	-	-	51	-	-	7,312	-
Community facilities	1,531	20	-	-	8	-	-	1,559	-
Bushfire	204	18	-	-	1	1	-	226	-
Waste management	310	-	-	-	-	-	-	312	-
Rural addressing	19	-	-	-	-	-	-	20	-
Recreation facilities	1,869	928	-	-	26	(126)	-	2,697	-

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G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
Pathway	431	181	-	-	9	-	-	621	-	
Street upgrade	1,138	499	-	-	26	-	-	1,660	-	
Total	11,411	2,998	-	-	121	(125)	-	14,407	-	
CONTRIBUTION PLAN (former QCC)										
Roads	6,862	2,185	-	-	91	-	-	9,138	-	
Parking	3	-	-	-	-	-	-	3	-	
Open space	212	28	-	-	1	(202)	-	39	-	
Community facilities	3,964	2,320	-	-	70	-	-	6,354	-	
Other (Googong Development, Extractive Industries - C.S.R)	10,792	1,922	-	-	41	-	-	12,755	-	
Total	21,833	6,455	-	-	203	(202)	-	28,289	-	

G4-3 Contributions not under plans

(former Palerang)										
Roads	172	150	-	-	4	(323)	-	3	-	
Parking	101	104	-	-	5	-	-	210	-	
Total	273	254	-	-	9	(323)	-	213	-	

G4-4 S7.4 planning agreements

Roads	788	131	-	-	6	(121)	-	804	-
Community Facilities	-	-	-	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Sewer	-	-	-	-	-	-	-	-	-
Total	788	131	-	-	6	(121)	-	804	-

G4-5 S64 contributions

Section 64 Water	9,845	4,389	-	-	180	(1,393)	-	13,010	-
Section 64 Sewer	11,881	1,843	-	-	95	(463)	-	13,366	-
Total	21,726	6,232	-	-	275	(1,856)	-	26,376	-

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	2023	Indicators 2022	2021	Benchmark
1. Operating performance						
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	8,054	4.67%	5.60%	(1.72)%	(0.29)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	172,537					
2. Own source operating revenue						
Total continuing operating revenue excluding all grants and contributions ¹	151,075	52.52%	58.13%	46.97%	49.15%	> 60.00%
Total continuing operating revenue	287,636					
3. Unrestricted current ratio						
Current assets less all external restrictions	85,416	2.07x	2.14x	1.42x	1.78x	> 1.50x
Current liabilities less specific purpose liabilities	41,340					
4. Debt service cover ratio						
Operating result before capital excluding interest, depreciation, impairment and amortisation ¹	53,129	3.47x	3.87x	3.78x	2.98x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	15,297					
5. Rates and annual charges outstanding percentage						
Rates and annual charges outstanding	9,151	8.75%	7.75%	8.02%	9.25%	< 10.00%
Rates and annual charges collectible	104,598					
6. Cash expense cover ratio						
Current year's cash and cash equivalents plus term deposits	104,341	8.44	9.50	9.31	8.10	> 3.00
Payments from cash flow of operating and financing activities	12,362	months	months	months	months	months

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

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

G5-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(6.27)%	(3.72)%	13.17%	19.04%	35.88%	30.32%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue							
Total continuing operating revenue excluding capital grants and contributions ¹	44.16%	49.53%	67.75%	84.94%	78.07%	75.14%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.07x	2.14x	20.83x	∞	44.90x	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest, depreciation, impairment and amortisation ¹	1.86x	2.14x	17.42x	22.29x	21.47x	26.98x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	8.63%	6.78%	11.34%	7.73%	8.09%	10.61%	< 10.00%
Rates and annual charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	3.89 months	5.70 months	989.57 months	12.18 months	906.97 months	30.96 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note G5-1 above.

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

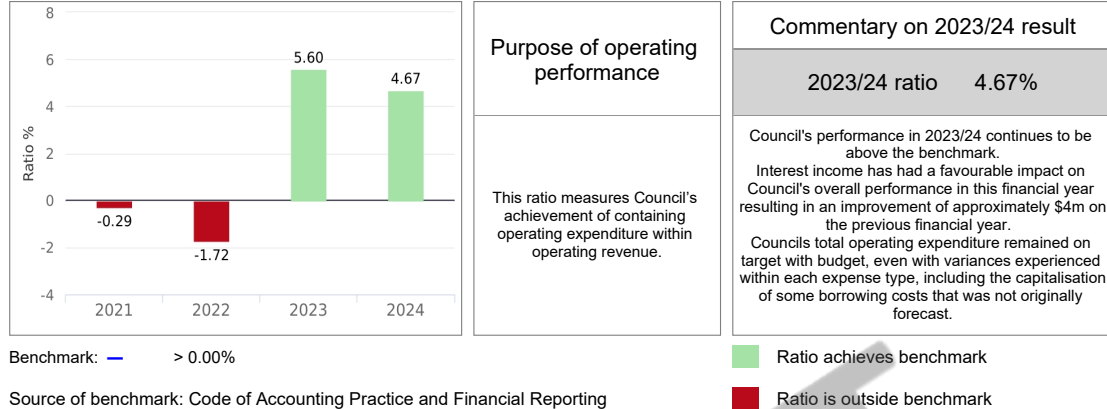
End of the audited financial statements

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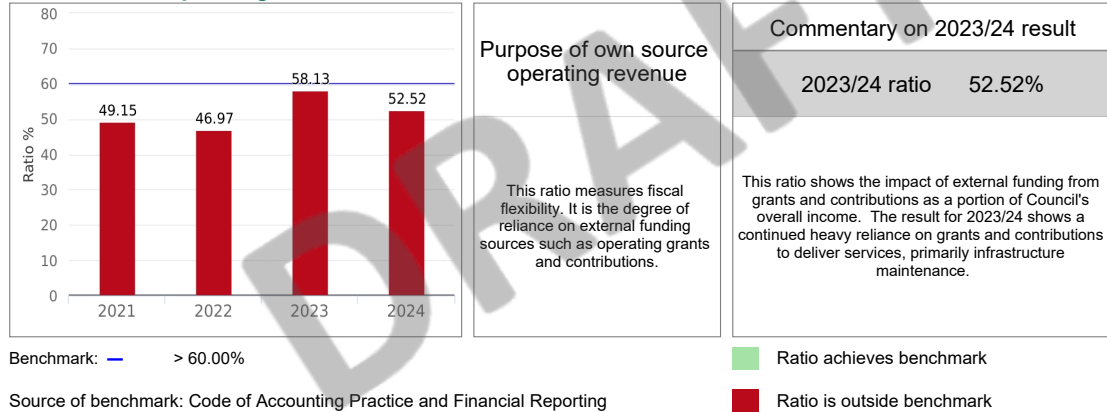
H Additional Council disclosures (unaudited)

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

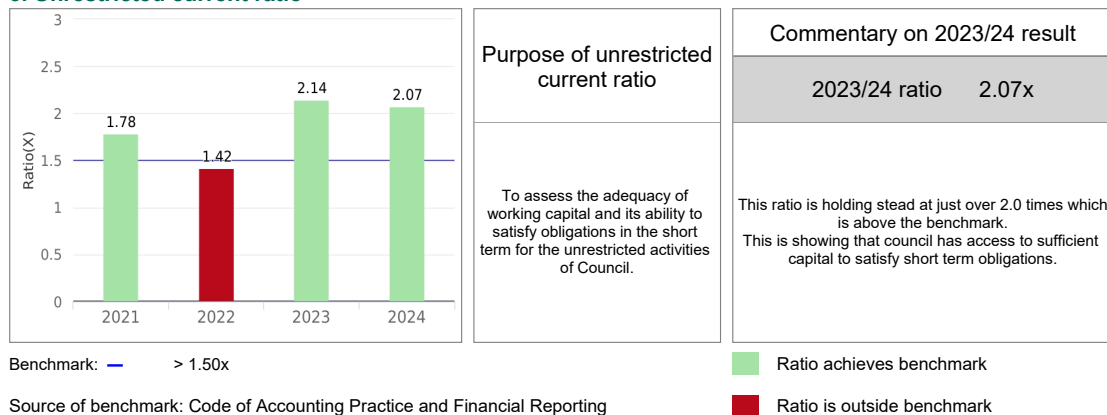
1. Operating performance



2. Own source operating revenue



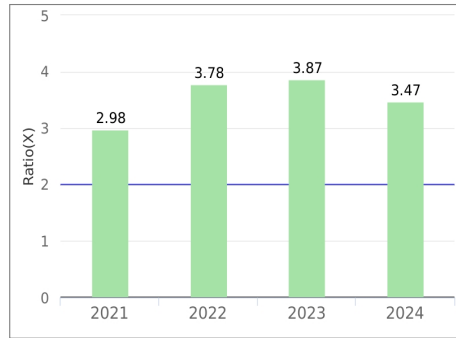
3. Unrestricted current ratio



continued on next page ...

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 3.47x

This result indicates that Council can adequately services its outstanding debts. This result reflects additional borrowings during 2023/24 of \$6.1m as the final drawdown on loan borrowings for the Nellie Hamilton Centre construction.

Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2023/24 result

2023/24 ratio 8.75%

This ratio remains below the benchmark of 10%. This is a result of Council's Hardship policy working to support all ratepayers during the challenging economic environment experienced in 2023/24.

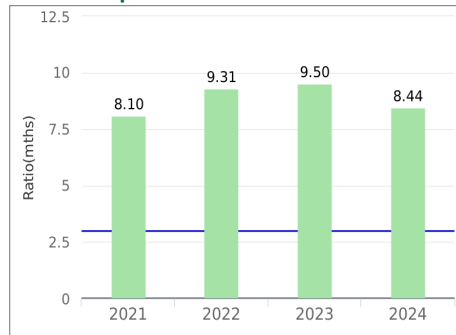
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 8.44 months

Council continues to maintain a cash expense cover ratio above the benchmark of 3 months. The result of this measure continues to reflect a high level of liquidity in Council's investments portfolio at the end of 2023/24.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business:

256 Crawford Street
Queanbeyan NSW 2620

13 Gibraltar Street
Bungendore NSW 2621

144 Wallace Street
Braidwood NSW 2622

Contact details

Mailing Address:

PO Box 90
Queanbeyan NSW 2620

Opening hours:

8:30am - 4:30pm - Weekdays

Telephone: 02 6285 6000

Internet: www.qprc.nsw.gov.au

Email: council@qprc.nsw.gov.au

Officers

General Manager

Rebecca Ryan

Responsible Accounting Officer

Tracy Sligar

Auditors

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

Elected members

Mayor

TBA

Deputy Mayor

Esma Livermore

Councillors

Katrina Willis
Louise Burton
Bryce Wilson
Mareeta Grundy
Steve Taskovski
Edwina Webster
Michele Biscotti
John Preston
Ross Macdonald

Other information

ABN: 95 933 070 982

Queanbeyan-Palerang Regional Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports:

[On the Financial Statements \(Sect 417 \[2\]\)](#)

Independent Auditor's Report

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

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Queanbeyan-Palerang Regional Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports: (continued)

[On the Financial Statements \(Sect 417 \[3\]\)](#)

Independent Auditor's Report

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

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QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

11 SEPTEMBER 2024

ITEM 9.1 DRAFT FINANCIAL STATEMENTS 30 JUNE 2024

ATTACHMENT 3 DRAFT SPECIAL PURPOSE FINANCIAL STATEMENTS 2023-
24

DRAFT

Queanbeyan-Palerang Regional Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Queanbeyan-Palerang Regional Council
Special Purpose Financial Statements
for the year ended 30 June 2024

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Statement by Councillors and Management	3
Special Purpose Financial Statements:	
Income Statement of water supply business activity	4
Income Statement of sewerage business activity	5
Statement of Financial Position of water supply business activity	6
Statement of Financial Position of sewerage business activity	7
Note – Material accounting policy information	8
Auditor's Report on Special Purpose Financial Statements	11

Background

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

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Queanbeyan-Palerang Regional Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 23 October 2024.

TBA
Mayor
23 October 2024

TBA
Deputy Mayor
23 October 2024

Rebecca Ryan
General Manager
23 October 2024

Tracy Sligar
Responsible Accounting Officer
23 October 2024

Queanbeyan-Palerang Regional Council | Income Statement of water supply business activity | for the year ended 30 June 2024

Queanbeyan-Palerang Regional Council
Income Statement of water supply business activity
for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	8,649	8,797
User charges	19,774	17,989
Interest and investment income	2,855	1,591
Grants and contributions provided for operating purposes	82	17
Other income	5	3
Total income from continuing operations	31,365	28,397
Expenses from continuing operations		
Employee benefits and on-costs	1,514	1,755
Borrowing costs	241	250
Materials and services	8,166	5,221
Depreciation, amortisation and impairment	4,439	3,861
Water purchase charges	12,873	11,904
Total expenses from continuing operations	27,233	22,991
Surplus (deficit) from continuing operations before capital amounts	4,132	5,406
Grants and contributions provided for capital purposes	14,810	5,013
Surplus (deficit) from continuing operations after capital amounts	18,942	10,419
Surplus (deficit) from all operations before tax	18,942	10,419
Less: corporate taxation equivalent 25% [based on result before capital]	(1,033)	(1,352)
Surplus (deficit) after tax	17,909	9,067
opening accumulated surplus	158,039	147,620
Adjustments for amounts unpaid:		
– Corporate taxation equivalent	1,033	1,352
Closing accumulated surplus	176,981	158,039
Return on capital %	2.4%	3.2%
Subsidy from Council	3,530	1,403
Calculation of dividend payable:		
Surplus (deficit) after tax	17,909	9,067
Less: capital grants and contributions (excluding developer contributions)	(14,810)	(2,895)
Surplus for dividend calculation purposes	3,099	6,172
Potential dividend calculated from surplus	1,550	3,086

Queanbeyan-Palerang Regional Council
Income Statement of sewerage business activity
for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	22,067	19,435
User charges	1,879	1,505
Liquid trade waste charges	50	26
Fees	267	191
Interest and investment income	6,051	3,164
Grants and contributions provided for operating purposes	-	2,104
Total income from continuing operations	30,314	26,425
Expenses from continuing operations		
Employee benefits and on-costs	2,542	2,232
Borrowing costs	399	404
Materials and services	9,365	9,274
Depreciation, amortisation, impairment and revaluation decrement	7,130	6,503
Net loss from the disposal of assets	6	186
Total expenses from continuing operations	19,442	18,599
Surplus (deficit) from continuing operations before capital amounts	10,872	7,826
Grants and contributions provided for capital purposes	8,515	5,942
Surplus (deficit) from continuing operations after capital amounts	19,387	13,768
Surplus (deficit) from all operations before tax	19,387	13,768
Less: corporate taxation equivalent 25% [based on result before capital]	(2,718)	(1,957)
Surplus (deficit) after tax	16,669	11,811
Opening accumulated surplus	282,210	268,442
Adjustments for amounts unpaid:		
– Corporate taxation equivalent	2,718	1,957
Closing accumulated surplus	301,597	282,210
Return on capital %	4.6%	3.7%
Subsidy from Council	-	768
Calculation of dividend payable:		
Surplus (deficit) after tax	16,669	11,811
Less: capital grants and contributions (excluding developer contributions)	(8,515)	(5,533)
Surplus for dividend calculation purposes	8,154	6,278
Potential dividend calculated from surplus	4,077	3,139

Queanbeyan-Palerang Regional Council | Statement of Financial Position of water supply business activity | as at 30 June 2024

Queanbeyan-Palerang Regional Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	4,559	4,671
Investments	29,017	22,617
Receivables	4,491	3,403
Total current assets	38,067	30,691
Non-current assets		
Investments	26,768	14,933
Infrastructure, property, plant and equipment	183,796	175,603
Total non-current assets	210,564	190,536
Total assets	248,631	221,227
LIABILITIES		
Current liabilities		
Payables	606	691
Borrowings	278	256
Employee benefit provisions	319	379
Total current liabilities	1,203	1,326
Non-current liabilities		
Borrowings	3,833	4,120
Total non-current liabilities	3,833	4,120
Total liabilities	5,036	5,446
Net assets	243,595	215,781
EQUITY		
Accumulated surplus	176,981	158,039
IPPE Revaluation reserves	66,614	57,742
Total equity	243,595	215,781

Queanbeyan-Palerang Regional Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	7,191	9,609
Investments	46,016	46,524
Receivables	2,183	1,693
Total current assets	55,390	57,826
Non-current assets		
Investments	42,450	30,720
Infrastructure, property, plant and equipment	245,331	223,824
Total non-current assets	287,781	254,544
Total assets	343,171	312,370
LIABILITIES		
Current liabilities		
Payables	51	37
Borrowings	473	434
Employee benefit provisions	412	433
Total current liabilities	936	904
Non-current liabilities		
Borrowings	5,941	6,438
Total non-current liabilities	5,941	6,438
Total liabilities	6,877	7,342
Net assets	336,294	305,028
EQUITY		
Accumulated surplus	301,597	282,210
IPPE Revaluation reserves	34,697	22,818
Total equity	336,294	305,028

Note – Material accounting policy information

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

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

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

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993 (Act)*, the *Local Government (General) Regulation 2022 (Regulation)* and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Water Supplies

Provision of water services to the Local Government Area.

b. Sewerage Services

Provision of waste water services to the Local Government Area.

Category 2

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

Nil

Taxation equivalent charges

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

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

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

continued on next page ...

Page 8 of 11

Note – Material accounting policy information (continued)

Notional rate applied (%)

Corporate income tax rate – 25% (2022/23 - 25%)

Land tax – the first \$1,075,000 of combined land values attracts 0%. For the combined land values in excess of \$1,075,000 up to \$6,571,000 the rate is \$100 + 1.6%. For the remaining combined land value that exceeds \$6,571,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with DCCEEW's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to DCCEEW's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the relevant corporate income tax rate, currently 25% (2022/23 - 25%)

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

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

The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

continued on next page ...

Page 9 of 11

Note – Material accounting policy information (continued)

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.30% at 30/6/24.

(iii) Dividends

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

A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with DCCEEW's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with DCCEEW's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DCCEEW.

Queanbeyan-Palerang Regional Council
Special Purpose Financial Statements
for the year ended 30 June 2024

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QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

11 SEPTEMBER 2024

ITEM 9.2 ABBEYFIELD BUNGENDORE MEMORANDUM OF
 UNDERSTANDING

ATTACHMENT 1 DRAFT MEMORANDUM OF UNDERSTANDING - QPRC AND
 ABBEYFIELD



Memorandum of Understanding

PARTIES

Queanbeyan-Palerang Regional Council (ABN 95 933 070 982)
of 257 Crawford Street QUEANBEYAN NSW 2620
Hereinafter referred to as '**QPRC**'.

AND

Abbeyfield Australia Limited (ABN 91 005 954 905)
of Suite 4, 860 Doncaster Road DONCASTER EAST VIC 3109
Hereinafter referred to as '**Abbeyfield**'.

PURPOSE

This Memorandum of Understanding (MoU) is to set out the undertakings, conditions and agreements between the parties to facilitate the Development Approval process of a new seniors housing facility at Majara Street, Bungendore NSW.

DEFINITIONS

Site

The portion of land formally within the road reserve of Majara Street, Bungendore, approximately 1,800m² in size, between 64 and 66 Turallo Terrace, Bungendore and as described in Planning Proposal PP.2024.0001.

Development

The construction of a seniors community housing facility on the site.

Development Application

The application prepared by Abbeyfield under the *Environmental Planning and Assessment Act 1979* for construction of the Development at the Site.

Consent Authority

Consent Authority as defined under Division 4.2 of the *Environmental Planning and Assessment Act 1979*. For the purposes of this MoU, the Consent Authority is QPRC unless otherwise stated.

OFFICES

144 Wallace St, Braidwood
13 Gibraltar St, Bungendore
257 Crawford St, Queanbeyan

POSTAL

PO Box 90, Queanbeyan NSW 2620

PHONE

P: 1300 735 025

EMAIL/WEB

E: council@qprc.nsw.gov.au
W: www.qprc.nsw.gov.au

ABN 95 933 070 982

Funds

The grant funding provided through the NSW Office of Local Government (OLG) under the Stronger Communities Fund and allocated to Abbeyfield by QPRC as the administering authority as per QPRC Council Resolution No 081/17.

Agreed Costs

Costs directly associated with the Development Application and Development Approval process, to be allocated for from the funds in accordance and consistent with the conditions of the OLG under the Stronger Communities Funding.

This includes but is not limited to:

- a) Architectural designs
- b) Technical documentation
- c) Expert reports
- d) Costs for the external assessment of the Development Application

Any costs agreed by the parties and in accordance with QPRC Fees and Charges in relation to:

- e) Development Contributions
- f) Costs to subdivide the land
- g) Internal QPRC staff costs

Allocated Limit

The allocated limit of all agreed costs is \$500,000 as per QPRC Council Resolution 411/24.

Subdivision

Subdivision of the required section of the Majara Street Road Reserve as described in Planning Proposal PP.2024.0001.

Subdivision Certificate

The certificate provided by the consent authority under the *Environmental Planning and Assessment Act 1979* confirming the above subdivision has been lodged and approved.

Section 64 Contributions

Contributions levied under section 64 of the *Local Government Act 1993* for a development likely to increase the demand for water supply, and to cover costs of additional water and sewer access needed for the development.

Section 7.11 Contributions

Contributions levied under section 7.11 of the *Environmental Planning and Assessment Act* to contribute towards costs of providing local infrastructure.

UNDERTAKINGS

1) Lease Agreement

- a. The parties will enter into an exclusive lease agreement over the site.
- b. Payment under the lease agreement is to be set at a nominal peppercorn rate of \$1 per annum, if and when requested.
- c. The term of this lease agreement is to be perpetual, remaining in place until one of the following occurs:
 - i. The development consent is granted to Abbeyfield over the site, or;
 - ii. Development consent is refused and determined unlikely to ever be approved even with modifications to the application, or;
 - iii. No development application is put forward by Abbeyfield within five years of signing this MoU, or as otherwise agreed by the parties or;
 - iv. The agreement is terminated by mutual consent of the parties.
- d. Costs for preparation of this lease agreement will be borne by QPRC.
- e. Costs for lodgement and registration of this lease agreement through Land Registry Services will be borne by Abbeyfield.

2) Administration of Stronger Communities Fund Grant Funding

- a. Abbeyfield shall use the funds (as defined above) cover Agreed Costs to prepare the Development Application
- b. Funds shall be allocated towards the Agreed Costs up to the Allocated Limit.
- c. QPRC will assist Abbeyfield in administering funds towards the Agreed Costs.
- d. Any costs for the preparation of the Development Application beyond the allocated limit shall be borne by Abbeyfield.
- e. The allocation of the money towards the agreed costs must not be reallocated or put towards any other purpose.
- f. QPRC's role in administering funds is to be done in accordance with the grant administration requirements of the NSW Office of Local Government (OLG). Abbeyfield is to assist QPRC and provide any necessary information to meet the OLG grant acquittal and reporting requirements.
- g. In the event that there are funds remaining, after Development Consent has been issued and all Agreed Costs have been met, any remaining funds shall be granted and transferred to Abbeyfield.

3) Development Application and Contribution Requirements

- a. Development of the site as proposed by Abbeyfield requires development consent. QPRC is the determining authority under the *Environment Planning and Assessment Act* as well as the landowner of the site.
- b. QPRC will provide landowners consent to the Development Application over the site.
- c. The Development Application will require a subdivision, as defined above. In relation to the subdivision:
 - i. QPRC agrees to consent to the subdivision process as the landowner.
 - ii. QPRC agrees to progress this subdivision as the consent authority.
 - iii. Costs payable to obtain a subdivision certificate for the subdivision are included as an Agreed Costs payable from the funding.
- d. As QPRC is the landowner, the Development Application will need to be externally accessed. The external assessment of the Development Application is an Agreed Cost to be paid out of the allocated grant funding.
- e. The Development application will require payment of section 64 contributions as defined above to cover costs of providing water and sewer access to the site. These contributions are an Agreed Costs and are to be paid out of the allocated Funding.
- f. The Development Application will require payment of section 7.11 contributions, as defined above. These contributions are an Agreed Costs and are to be paid out of the allocated funding.
- g. Abbeyfield is entitled to submit a request for consideration of Fee Waivers relating to the planning process. All such requests will be considered by Council.

LAND GIFTING AND TRANSFER

- a. Once Development Consent is obtained for development at the site, the lease agreement shall be terminated and QPRC will initiate the process to gift the site to Abbeyfield.
- b. This gift will result in the transfer of ownership over the land from QPRC to Abbeyfield as the titleholder over the land as freehold.
- c. Before this transfer can occur, Abbeyfield must be able to reasonably demonstrate the presence of funding to commence the first stage of development on over the land.
- d. All costs for the transfer, including any legal fees, registration fees, and any payable taxes or duties shall be borne by Abbeyfield.
- e. Upon the gifting and transfer of the land from QPRC to Abbeyfield, both parties will have discharged their obligations under this MoU.

OTHER UNDERTAKINGS

Jurisdiction

This MoU is to be read in accordance with the laws of New South Wales.

Indemnity

Both parties agree to indemnify one another against all forms of loss, including consequential loss, or any action either under statute or common law, brought about through the operation of this MoU.

Signed and dated this _____ day of _____

**Signed and executed on the part of
the Queanbeyan-Palerang Regional
Council by an authorised Officer**

**Signed and executed on behalf of
Abbeyfield Australia by an
authorised Officer.**

Signature

Signature

Print Name

Print Name

Office Held

Office Held

In the presence of

In the presence of

Signature of Witness

Signature of Witness

Print Name

Print Name

QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

11 SEPTEMBER 2024

ITEM 9.5 POST-EXHIBITION REPORT - PROPOSED PROPERTY
INFORMATION PACKAGE FEE

ATTACHMENT 1 SUBMISSIONS - PROPERTY INFORMATION PACKAGE FEE



SUBMISSIONS – Property Information Package Fee

Submission 1	This is outrageous. Conveyancers already pass on costs associated. You should improve your services. It's not complex to look up these details and you should have them on record/automated and the like. I'd rather know you have digitised your records than accept this cost. It's sneaky maths on your behalf as you think it will fly under radar versus more rate increases. It's your job to offer these services to rate payers and/or potential rate payers.
Submission 2	The proposed fee is too high. Prospective buyers already face significant upfront costs (stamp duty, solicitors etc), another \$500 burden is extreme, especially given there must be some kind of legal obligation for council to provide this information without cost. I would support a \$150-200 fee to expedite the process, but \$500 is too high.
Submission 3	People do not need another cost. For gods sake use common sense. People do not have an infinite amount of funds.
Submission 4	This is a very logical step, as a one stop shop on vital information buyers are fully entitled to receive. This is a fundamental right.
Submission 5	I support the fee - but ONLY IF there is one fee per property, not per applicant. Clear guidelines need to be established with the free sharing of this information between all interested parties (real estate agents/ conveyancers / solicitors)
Submission 6	Disagree
Submission 7	New fees are never welcome and ultimately, they are always borne by the consumer (regardless of the business intermediary). The new fee is no exception. Citizens should still be able to access this service for free, albeit, with the current 4-6 week wait for information. A new tier of service should be established for 'expedited' applications where a response is required in 10 business days or less and your \$500 fee charge for this higher level of service. This would be a fairer approach, rather than using a one size fits all approach with slams everyone with a new,

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	excessive fee (including those who are in no rush).
Submission 8	Does the QPRC really need to introduce a new fee after the 18% increase in rates. How about the QPRC introduce courses in priorities and budgeting for its members.
Submission 9	It is not clear if the fee is subject to all property transactions? Is the fee only payable on application by interested party? To add more fees onto property transactions is not desirable, due to the enormous costs associated with property transactions already in place. If the fee is optional I suppose people are able to weigh up the cost vs benefit? If it becomes just another fee for the consumer that they are forced to pay just for the privilege of purchasing a home then I do not support it.
Submission 10	I don't have an issue with the fee and why it is required BUT I would like to think that it could be removed for first home buyers. How do you do that? Maybe it is refunded at the end of the settlement process if they are a first home buyer. OR all properties under \$600K are not charged or have it on a sliding scale according to the value of the property. i.e. properties up to \$600K \$100; Properties \$600K to \$1M - \$300; \$1m-\$1.5M \$500 and everything over \$1.5M \$750
Submission 11	Strongly against another fee by QPRC. Sounds like an unnecessary position and waste of money. If this position is actually required money should be found by finding efficiencies from within the QPRC. Residents are already paying higher rates charges.
Submission 12	Has council considered ways where the information could be accessed directly by those that need the information rather than having to rely on council resources to look up the information? What about incorporating AI into performing the searches and providing that data to requesters? What about automating the process through an online form with question/answer type fields to generate the response?

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<p align="center">Submission 13</p>	<p>I am against the fee. The council should look for internal savings and greater efficiency rather than passing on even more fees to ratepayers. This is a council service that is standard and should be routine council business - not an exceptional requirements requiring an additional fee.</p>
<p align="center">Submission 14</p>	<p>I'm not sure it's very fare to add yet another cost to buyers when it is not at all clear if this added cost will absolutely guarantee a 10 day turn around and even if it did...how long will this last? Will this situation simply creep up again with the passing of a year or two and then be repeated again? And \$500? Surely increasing the bill by so much would pay for more than extra staff member?</p>
<p align="center">Submission 15</p>	<p>As an agent in Queanbeyan, this information can be vital to the sale and current wait times are unreasonable. \$500 is a huge fee to obtain a property file. This fee will be oncharged to the seller. 10 day turnaround would need to be guaranteed.</p>
<p align="center">Submission 16</p>	<p>I think this is a brilliant idea. Anything that can save on timeframes, especially when dealing with property transactions is a definite plus.</p>
<p align="center">Submission 17</p>	<ol style="list-style-type: none"> 1. We make these submissions in response to Council's proposal to create a new \$500 fee titled "Property Information Package" (the New Fee) as part of a sale of a property. 2. Conveyancing is one of BDN's main areas of practice. 3. As such, when we act for purchasers of a dwelling within the Queanbeyan-Palerang region, as part and parcel of our due diligence process, we recommend that our clients inspect the relevant council files. 4. It is a critical part of our conveyancing process that we advise our clients to inspect Council files for any documents, including but not limited to records of approvals granted or refused, building certificates and occupation certificates. 5. The above documents that we would ordinarily seek constitute open access information as per the Government Information (Public Access) Act 2009 (the Act). 6. Without this open access information readily available, our ability to provide

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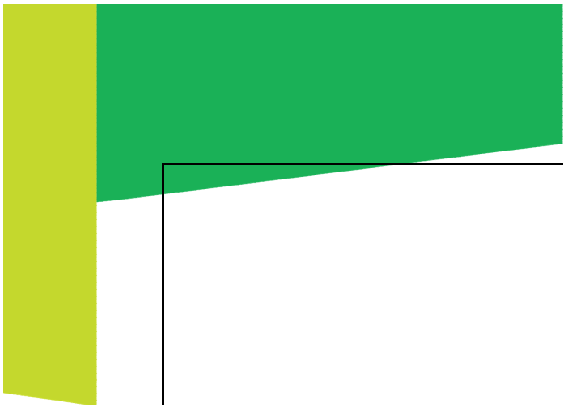
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	<p>sound and appropriate advice to our clients is significantly reduced. For example:</p> <p>(a) When acting for vendors, we may lose purchasers as some purchasers may not be ready to proceed to exchange and bid at auctions because they lack sufficient information to satisfy themselves about potential risks; and</p> <p>(b) When acting for purchasers, purchasers may be faced with the choice of either losing the property or proceed with purchase of the property with risk that there may be unapproved structures which may have an impact on the overall value of the property, insurance implications and future dealings with Council.</p> <p>7. Currently, to avoid the delays caused due to availability of open access information, when we act for vendors, we apply for open access information to assist all parties, even though this may technically not be in the vendor's best interest to do so.</p> <p>8. Even then, there are times when we still do not have the open access information ready by the time of exchange of contracts, which is very frustrating.</p> <p>Inspection of Council Documents</p> <p>9. Pre-Covid days, we used to be able to meet with planners and council officers in person at the office of Council to discuss and inspect open access information.</p> <p>10. These in-person meetings were highly valuable; noting there was no fee for attending these meetings, we were able to build rapport with council officers whom we regularly communicate with, as well as physically inspect files and have our queries dealt with on the spot.</p> <p>11. If we needed to obtain copies of any documents, we were able to do with payment of photocopying fees.</p> <p>Current Timeframe</p> <p>12. Council's advice is that "on average, the turnaround time for such requests is 4-6 weeks given the volume of applications received".</p> <p>13. Whilst large numbers of applications fit within this average timeframe, we have had to wait for up to 9 weeks for residential properties. There is also a matter where we've been waiting to hear back from council for over 7 months.</p>
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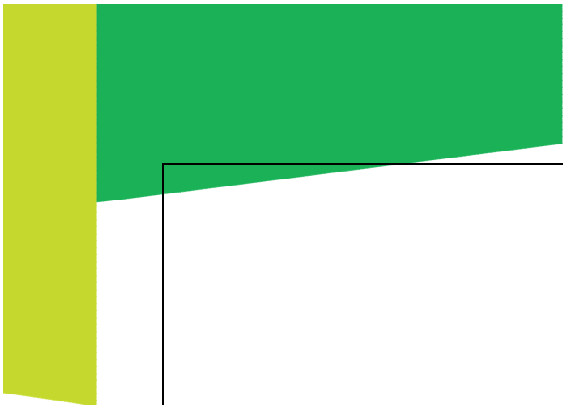
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	<p>14. It is unfortunate that the Act does not provide a timeframe for an agency to make a determination on any open access information request, noting the Act provides 20 working days for access applications.</p> <p>15. Council advises as follows: What does the new fee cover? This fee provides applicants with a complete approval history on a property. This often requires extensive research into historical records and approvals from former Council entities. It provides access to all Consents, Building Information Certificates, Occupation Certificates, plans and reports (pending Copyright consent). Further advice as to how to deal with structures which may not have documented approval is also provided. Once property information is released, Council may receive numerous follow up calls/emails from both parties in the sale and/or their representatives to clarify information and assist with interpreting plans/consents etc.</p> <p>16. With all due respect, we do not believe the above statement provides a true representation of what the New Fee will cover, as the scope of what will be provided, as stated above, is what is currently provided without the New Fee, and therefore is misleading.</p> <p>17. We do not see the value in payment of the New Fee, when Council used to make open access information available to the requested party well within 10 working days.</p> <p>18. Unless we are given detailed information to justify the need for the New Fee, we believe implementation of the New Fee would be against public interest.</p> <p>19. Further, quite often, once we finally hear from Council advising information that Council holds with respect to a property, there are still documents that are subject to copyright, and we need to seek those parties' consent. Whilst we appreciate that Council is not obliged by law to provide this information, this inevitably delays the process further.</p> <p>Suggestions</p> <p>20. In the event the New Fee is implemented, perhaps Council could consider an urgency system.</p>
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	<p>21. A clear timeframe should be provided for both urgent and non-urgent applications, but ideally, even for non-urgent applications, the timeframes should not exceed those timeframes stipulated in the Act for access applications.</p> <p>22. This system would alleviate the pressure on the vendors, yet still impose the due diligence requirement on the purchasers. If the purchasers are keen to proceed with their proper due diligence process, they may be willing to pay the fee, whereas some may choose to forego this inspection.</p> <p>23. We would be happy to provide further feedback in this regard should you wish.</p>
<p align="center">Submission 18</p>	<p>Ian believes this is a good project providing the \$500 fee does realise benefits as process being a proposed process is unknown, so if an effective risk mgt process has been conducted I give it the tick of approval Ian Godfrey</p>
<p align="center">Submission 19</p>	<p>1. Cost - the fee is too high. An expediency fee on a gipa for other councils is usually around \$60-\$80. An increase in price from \$120 for a gipa to an additional \$380 for essentially an expedited application is exorbitant.</p> <p>2. The cost will go directly to purchasers. They are already paying increasing prices on property prices, stamp duty, govt and bank fees. \$500 is a quarter of the professional fees for the lawyer/conveyancing fee from offer to settlement. Real estate agents would generally pass the fees onto the purchaser or vendor, but their fees are much higher.</p> <p>3. Other councils offer a property information request. This type of application is complied by town planning rather than governance. It provides occupation certificate, development approvals, construction certificates, and plans related to the issue of a construction certificate. It explains that all other documents come under a gipa application. The turnaround for this application with snow Monaro regional council is generally less than a week and is free. Perhaps this could be considered as an alternative.</p> <p>4. The onus to inspect the property file is on the purchaser, not the vendor. Real</p>

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	<p>estate agents will have no obligation to order this. The purchaser will be pressured to pay the high fee as they are under pressure from the vendor and the agent for a quick exchange. Improvements should be made for gipa turn around, not at the high cost to the purchaser.</p> <p>5. Could a solution be to provide property owners their council file under their rates. This would allow for an orderly digitisation of property files. Then once digitised the file can be sent to the owner as the property transfers to the new owner, or within one year of their new ownership.</p>
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QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

11 SEPTEMBER 2024

ITEM 10.2 COST SHIFTING BY STATE AND FEDERAL GOVERNMENTS

ATTACHMENT 1 QPRC LETTER TO MINISTER FOR LOCAL GOVERNMENT -
COST SHIFTING BY STATE AND FEDERAL
GOVERNMENTS



OFFICE OF THE MAYOR

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Council ref: 52.5.2-04/43.7.3-03

27 February 2024

The Hon. Ron Hoenig MP
Minister for Local Government

By email: [REDACTED]

Dear Minister Hoenig,

Re: Cost Shifting by State and Federal Governments

Queanbeyan-Palerang Regional Council recently considered a report produced by independent consultants Morrison Low on behalf of LGNSW, show for the 2021/2022 financial year an amount of \$1.36 billion of expense has been passed on to Councils to fund. This report is now published on our website at: <https://www.qprc.nsw.gov.au/News-Media/Cost-Shifting-report-from-Local-Government-NSW>

This is an increase of \$540 million since the last report (2017/2018) and represents lost services, lost opportunity and lost amenity for all our residents and businesses. On average, this represents an additional cost of \$460.67 for every ratepayer across the state.

The Country Mayors Association have collated data from member Councils' which showed that operating expenses are far higher per capita, yet low rate bases mean our smaller Councils rely on up to 80 percent of their revenue coming from grants. Grant income is often variable and project funding is subject to cost escalations at little to no notice.

Whilst Council is supportive of the review into NSW Local Government Financial Sustainability to be undertaken by IPART and will be making a submission; it is important to all Councils and our communities that the NSW Government urgently addresses cost shifting through a combination of regulatory reform, budgetary provision and appropriate funding.

The current model of Councils having to undertake its own Special Rate Variation process to correct the increasing costs against the rate peg is not sustainable.

Yours sincerely,

[REDACTED]

Cr Kenrick Winchester
Mayor
Queanbeyan-Palerang Regional Council

CC. Premier of NSW, The Hon Chris Minns MP
Treasurer of NSW, The Hon Daniel Mookhey MLC
Member for Monaro, The Hon Steve Whan MP

QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

11 SEPTEMBER 2024

ITEM 10.2 COST SHIFTING BY STATE AND FEDERAL GOVERNMENTS

ATTACHMENT 2 RESPONSE FROM THE MINISTER FOR LOCAL
GOVERNMENT RE COST SHIFTING TO COUNCILS

The Hon. Ron Hoenig MP

Leader of the House in the Legislative Assembly
Vice-President of the Executive Council
Minister for Local Government



Our Ref: A894276 / M024-0178
Your Ref: 52.5.2-04/43.7.3-03

His Worship the Mayor
Cr Kenrick Winchester
Queanbeyan-Palerang Regional Council
PO Box 90
QUEANBEYAN NSW 2620

Via email: Cr.kenrick.winchester@qprc.nsw.gov.au

Dear Cr Winchester,

Thank you for your letter to the NSW Government regarding cost shifting to councils.

The financial sustainability of councils is a key priority for the NSW Government and, together with the Office of Local Government (OLG), I have been in regular discussions to investigate paths forward. While the NSW Government funds billions of dollars of services and infrastructure for councils across the state every year, it is irrefutable that councils are facing financial challenges at a growing rate and something must be done to address this matter.

Accordingly, I have asked the Legislative Council's Standing Committee on State Development to report and inquire into the ability of local governments to fund infrastructure and services (the Inquiry). The Inquiry is examining the income received by councils to ascertain whether the rate peg has kept up with council expenses. It will also look at whether current levels of service delivery and financial sustainability in local government, including the impact of cost shifting on service delivery and financial sustainability, has changed over time.

At the request of the Government, the Independent Pricing and Regulatory Tribunal has made changes to the rate peg methodology to ensure the general income of councils is more reflective of the changes in costs incurred. As you would be aware, these changes commenced this financial year and include a more direct reflection of the costs of the emergency services levy, ensuring this expense is not a burden to a council's financial sustainability.

To improve community confidence in the local government sector, the 2024-25 NSW Budget invests an additional \$37.4 million to bolster the capacity of the OLG, which has been under-resourced for decades. This will empower the OLG to provide the sector with improved regulatory oversight and enhance the OLG's ability to quickly identify and intervene when issues of governance and financial mismanagement arise across any of the state's 128 councils. In addition, the OLG will utilise the funding to prioritise reform to

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the councillor code of conduct and identify methods for increased transparency and accountability across the sector.

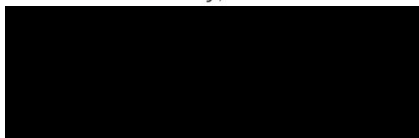
The NSW Government also recognises councils' critical role in addressing the housing crisis. The Budget reserves \$200 million in grants for councils to meet and beat their housing targets and to help councils deliver infrastructure including roads, open spaces, and community facilities to their local communities.

In addition, the NSW Government is investing \$252 million for councils to employ 1,300 apprentices and trainees across the local government sector. This investment will enhance the capacity of the local government workforce by training up the next generation of plumbers, engineers, civil construction workers, mechanics, childcare workers and planning cadets that local governments rely on. The guidelines for the administration of the scheme are currently in development with the first batch of apprentices and trainees to start their new careers early next year.

The Inquiry, the commencement of the new rate peg methodology, and the 2024-25 Budget announcements demonstrate the NSW Government's commitment to empowering councils and addressing financial sustainability issues across the local government sector.

I trust this information is of assistance.

Yours sincerely,



23 AUG 2024

The Hon. Ron Hoenig MP
Leader of the House in the Legislative Assembly
Vice-President of the Executive Council
Minister for Local Government

CC: Member for Monaro, The Hon Steve Whan MP

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QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

11 SEPTEMBER 2024

ITEM 11.1 CULTURAL DEVELOPMENT AND PUBLIC ART COMMITTEE
MINUTES - 13 JUNE 2024

ATTACHMENT 1 CDPA COMMITTEE MINUTES - 13 JUNE 2024

QPRC

Agenda & Minutes



Date:	Thursday 13 June 2024	Time:	5:30pm	Venue:	QCCP Building -
Chairperson:	Councillor Esma Livermore			Minutes:	Janita Byrne - Team Leader Culture, Arts and Museums & committee secretary
Participants:	Cr. Livermore, Helen Ferguson, Ali Clinch			Apologies:	Helen Musa, Bill Waterhouse, Kristy Griffin.
	Rose Marin, Dennis Mortimer, Victor Petroff			Absent:	Cveta Taleski
Meeting Objective:	Advance the DRAFT Cultural Policy & Review Art Donation proposal				

Code of co-operation

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. We start on time and finish on time 2. We respect the Chair and direct all comments through the Chair 3. We all participate and contribute – everyone is given the opportunity to voice their opinions 4. We use improvement tools that enhance meeting efficiency and effectiveness | <ol style="list-style-type: none"> 5. We actively listen to what others have to say, seeking first to understand, then to be understood 6. We follow up on the actions for which we are assigned responsibility and complete them on time 7. We give and receive open and honest feedback in a constructive manner 8. We use data to make decisions (whenever possible) |
|--|---|

No.	Item	Details	Who	Notes
1	Acknowledgement of Country	By Deputy Mayor Livermore	Cr. Esma Livermore	
2	Tabling and review of minutes from previous meeting	Minutes from the Meeting of 21 March 2024 were tabled by the secretary Janita Byrne for acceptance by the committee	Janita Byrne	Ali Clinch moved to accept the minutes as a true and accurate record of the meeting Seconded by Rose Marin
3	Art Donation proposal from Queanbeyan Art Society Review and discussion of donation	The Queanbeyan Art Society have offered the donation of an artwork by their member John Bosler 'All that Glitters' to commemorate the opening of the new Cultural & Civic Building	Janita Byrne	See attached 2 documents pertaining to the proposed art donation Rose Marin commended the quality of the work and its relevant imagery depicting local built and natural environment. Ali Clinch moved a motion to recommend that council accept the donation of this

		<p>Imagery and information was presented to the committee, whereby the committee discussed the merits and relevance of the offer</p> <p>Resolution No.1 The CDPA Committee unanimously recommends that council accepts the artwork donation as presented .</p>		<p>artwork. The remaining committee members present, unanimously seconded that motion. And wished to express their thanks to the QBN Art Society for the kind donation and their ongoing work in the QBN arts community.</p>
4	Review remaining timeline for Cultural Policy development.	Current timeline outlining council meetings and submission time for a policy was presented	Janita Byrne	<p>Committee discussed the remaining time to complete the development of the policy and the possibly of it being achievable.</p> <p>Ali Clinch expressed her concerns for an adequate public consultation to take place.</p> <p>Vicktor Petroff clarified aspects of the discussion making process for Council Policy adoption and the mandatory 28 day public comment period had not been factored into the timeline which would push the process into the next council year post the elections.</p>
5	Review of DRAFT Cultural Policy visual documentation	Cultural Policy Visual summary from previous meeting was presented to the Committee – for comments & discussion	Janita Byrne	Committee wide discussion about the visual summary and the on going work needed to translate it into a written Policy form
6	Discussion of current/additional content for DRAFT QPRC Cultural Policy	CDPA Committee recommends the additional items be added to the visual summary	Committee	<p>1] Arts & Cultural Infrastructure add + Soft Infrastructure/ expert personal</p> <p>2] Arts Accessibility add + Accessibility to Expert systems & Platforms</p> <p>Include relevant links to the State & Federal Arts policies, from which this draft</p>



				has developed and council related policies such as the Public Art Policy etc
7	Call for other business from the floor.	<p>Create NSW Funding changes and impacts to regional arts services</p> <p>Donated Freebody sculpture placement on Bicentennial Hall mezzanine landing</p> <p>Resolution No.2 The CDPA Chair & Committee have requested a clarification from Council and QPRC Management the decision process for the permanent site placement of the donated Freebody sculpture.</p>	<p>Rose Marin</p> <p>Cr. Esma Livermore</p>	<p>Rose outlined that a full briefing from Create NSW was not forth coming yet and that she was expecting challenges in the new format plus no disclosure of the overall NSW arts budget.</p> <p>Cr. Livermore informed the committee that the placement of the donated Freebody sculpture had reappeared at Council the previous night with a decision for it to be placed on the Mezzanine landing of the Bicentennial building near the new council chambers and she was concerned that the committee's recommendations had been overlooked. Committee wide discussion followed, with many concerns and objections to the process and decision, particularly the lack of transparency of the decision.</p>

No.	Actions and Agreements	Who	When	Completed
1				
2				

Meeting Closed:		Time:	6:57 pm	Venue:	257 Crawford St QBN
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Next Meeting:		July or Aug TBC	Time:		Venue:	
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QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

11 SEPTEMBER 2024

ITEM 11.1 CULTURAL DEVELOPMENT AND PUBLIC ART COMMITTEE
MINUTES - 13 JUNE 2024

ATTACHMENT 2 QUEANBEYAN ART SOCIETY ARTWORK DONATION OFFER
2024

Queanbeyan Art Society Artwork Donation Offer 2024

Artist: John Bosler 'All That Glitters' 2023

Framed Acrylic painting. Size: 102 x 72 cm approx.

- The title of the work is borrowed from a line in Shakespeare's "Merchant of Venice": All that glitters is not gold.
- The painting features willows (possibly crack willows) along the banks of the Molonglo River, just downstream of Burbong Bridge on the Kings Highway. The willows are wearing their best autumn coats. They provide a beautiful splash of colour on the landscape.

Rationale for Donation:

- To commemorate the new QCCP building and the long relationship between Queanbeyan Council and the Queanbeyan Art Society

Recommendation by Janita:

- To accept this donation as it is a good artistic example of our regions landscape and built environment.
- It comes with no caveats; no positioning demands and when not on display will not have storage issues
- A full significance assessment can follow on request.



Queanbeyan Art Society Artwork Donation Offer 2024

CERTIFICATE OF AUTHENTICITY

Artwork: "All That Glitters"

Artist: John Bosler Date: ...2023.....

ARTWORK DETAILS:

"All That Glitters" Framed Acrylic painting. Size: 102 x 72 cm approx

The work was painted for submission to the 2023 QAS Molonglo Conservation Group Art Exhibition which had as its theme "People for Nature, Nature for People In and Around the Molonglo Catchment".

The painting features willows along the banks of the Molonglo River, just downstream of Burbong Bridge on the Kings Highway. The willows are wearing their best autumn coats. They provide a beautiful splash of colour on the landscape.

JOHN BOSLER

John painted in his teens and early twenties. Helping raise a family, work responsibilities and other distractions drew him away from art in his mid-twenties, but a decade ago, as retirement approached, he returned to it with a newfound passion. John works in oils, acrylics and soft pastels. He loves exploring the endless beauty in nature, its ever-changing patterns and how mankind interacts with it.

John is a member of the Queanbeyan Art Society and the Artists Society of Canberra.