



# Financial Statements

2023-24



Children enjoying the performance and food at St Marys Lights up

# Penrith City Council

## ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

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*Our regional city is inclusive and prosperous and offers the  
best in urban living and a sustainable rural environment*

# Penrith City Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

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*Our regional city is inclusive and prosperous and offers the  
best in urban living and a sustainable rural environment*

# Penrith City Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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Contents	Page
<b>Statement by Councillors and Management</b>	<b>3</b>
<b>Primary Financial Statements:</b>	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
<b>Contents for the notes to the Financial Statements</b>	<b>9</b>
<b>Independent Auditor's Reports:</b>	
On the Financial Statements (Sect 417 [2])	86
On the Financial Statements (Sect 417 [3])	87

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### Overview

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

601 High St  
Penrith NSW 2750

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

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

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

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

# Penrith City Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 28 October 2024.



Clr Todd Carney  
**Mayor**  
28 October 2024



Clr Ross Fowler OAM  
**Deputy Mayor**  
28 October 2024



Andrew Moore  
**General Manager**  
28 October 2024



Neil Farquharson  
**Responsible Accounting Officer**  
28 October 2024

# Penrith City Council

## Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Income from continuing operations</b>				
198,909	Rates and annual charges	B2-1	<b>198,395</b>	186,830
49,984	User charges and fees	B2-2	<b>47,784</b>	43,181
2,750	Other revenues	B2-3	<b>6,047</b>	8,425
18,538	Grants and contributions provided for operating purposes	B2-4	<b>31,244</b>	30,287
71,886	Grants and contributions provided for capital purposes	B2-4	<b>92,062</b>	76,321
7,663	Interest and investment income	B2-5	<b>10,644</b>	8,236
4,441	Other income	B2-6	<b>4,933</b>	7,953
40,127	Net gain from the disposal of assets	B4-1	<b>20,834</b>	–
394,298	<b>Total income from continuing operations</b>		<b>411,943</b>	361,233
<b>Expenses from continuing operations</b>				
147,873	Employee benefits and on-costs	B3-1	<b>137,787</b>	125,563
91,895	Materials and services	B3-2	<b>98,180</b>	96,453
2,731	Borrowing costs	B3-3	<b>1,096</b>	1,529
53,921	Depreciation, amortisation and impairment of non-financial assets	B3-4	<b>62,808</b>	56,555
14,201	Other expenses	B3-5	<b>15,167</b>	13,988
–	Net loss from the disposal of assets	B4-1	–	4,126
310,621	<b>Total expenses from continuing operations</b>		<b>315,038</b>	298,214
<b>83,677</b>	<b>Operating result from continuing operations</b>		<b>96,905</b>	<b>63,019</b>
<b>Discontinued operations</b>				
–	Operating result from discontinued operations	D2	<b>(361)</b>	(634)
<b>83,677</b>	<b>Net operating result for the year attributable to Council</b>		<b>96,544</b>	<b>62,385</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>				
11,791			<b>4,482</b>	(13,936)

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

## Penrith City Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Net operating result for the year – from Income Statement</b>		<b>96,544</b>	62,385
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	<u>139,151</u>	<u>887,517</u>
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>139,151</b>	887,517
<b>Total other comprehensive income for the year</b>		<b>139,151</b>	887,517
<b>Total comprehensive income for the year attributable to Council</b>		<b>235,695</b>	949,902

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

# Penrith City Council

## Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	88,665	16,655
Investments	C1-2	169,574	164,434
Receivables	C1-4	23,253	17,513
Inventories	C1-5	781	751
Contract assets and contract cost assets	C1-6	11,123	15,038
Other	C1-11	4,632	4,379
<b>Total current assets</b>		<b>298,028</b>	<b>218,770</b>
<b>Non-current assets</b>			
Investments	C1-2	25,693	48,529
Receivables	C1-4	4,249	3,309
Infrastructure, property, plant and equipment (IPPE)	C1-8	3,829,359	3,631,878
Investment property	C1-9	45,648	97,939
Intangible assets	C1-10	360	423
Right of use assets	C2-1	-	22
<b>Total non-current assets</b>		<b>3,905,309</b>	<b>3,782,100</b>
<b>Total assets</b>		<b>4,203,337</b>	<b>4,000,870</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	52,809	49,205
Contract liabilities	C3-2	18,446	21,405
Lease liabilities	C2-1	-	16
Borrowings	C3-3	5,017	5,653
Employee benefit provisions	C3-4	39,300	36,884
Provisions	C3-5	189	503
<b>Total current liabilities</b>		<b>115,761</b>	<b>113,666</b>
<b>Non-current liabilities</b>			
Contract liabilities	C3-2	23,300	23,300
Lease liabilities	C2-1	-	6
Borrowings	C3-3	29,784	64,802
Employee benefit provisions	C3-4	960	1,259
<b>Total non-current liabilities</b>		<b>54,044</b>	<b>89,367</b>
<b>Total liabilities</b>		<b>169,805</b>	<b>203,033</b>
<b>Net assets</b>		<b>4,033,532</b>	<b>3,797,837</b>
<b>EQUITY</b>			
Accumulated surplus		1,498,369	1,401,825
IPPE revaluation reserve	C4-1	2,535,163	2,396,012
<b>Council equity interest</b>		<b>4,033,532</b>	<b>3,797,837</b>
<b>Total equity</b>		<b>4,033,532</b>	<b>3,797,837</b>

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



## Penrith City 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		1,401,825	2,396,012	3,797,837	1,339,440	1,508,495	2,847,935
Net operating result for the year		96,544	–	96,544	62,385	–	62,385
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	–	139,151	139,151	–	887,517	887,517
<b>Other comprehensive income</b>		–	139,151	139,151	–	887,517	887,517
<b>Total comprehensive income</b>		96,544	139,151	235,695	62,385	887,517	949,902
<b>Closing balance at 30 June</b>		1,498,369	2,535,163	4,033,532	1,401,825	2,396,012	3,797,837

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

## Penrith City Council

### Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
198,909	Rates and annual charges		198,764	187,404
54,768	User charges and fees		53,562	42,781
7,663	Interest received		10,357	5,209
90,423	Grants and contributions		99,043	99,328
5,000	Bonds, deposits and retentions received		4,991	7,451
23,098	Other		27,904	12,303
<i>Payments:</i>				
(147,874)	Payments to employees		(135,771)	(126,906)
(91,895)	Payments for materials and services		(106,511)	(95,285)
(2,731)	Borrowing costs		(1,096)	(1,529)
(3,000)	Bonds, deposits and retentions refunded		(3,360)	(5,135)
(14,201)	Other		(26,809)	(3,013)
120,160	<b>Net cash flows from operating activities</b>	G1-1	<b>121,074</b>	122,608
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Sale of investment		126	3,900
160,000	Redemption of term deposits		167,700	128,203
90,682	Sale of investment property		77,200	–
–	Proceeds from sale of IPPE		2,082	5,528
90	Deferred debtors receipts		97	78
<i>Payments:</i>				
(3,850)	Purchase of investment		(2,399)	(4,697)
(150,000)	Acquisition of term deposits		(147,034)	(131,492)
(2,500)	Purchase of investment property		(2,515)	(52,100)
(156,153)	Payments for IPPE		(107,114)	(95,841)
(1,638)	Deferred debtors and advances made		(1,547)	–
(63,369)	<b>Net cash flows from investing activities</b>		<b>(13,404)</b>	(146,421)
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
–	Proceeds from borrowings		–	33,800
<i>Payments:</i>				
(11,029)	Repayment of borrowings		(35,654)	(6,525)
(6)	Principal component of lease payments		(6)	(47)
(11,035)	<b>Net cash flows from financing activities</b>		<b>(35,660)</b>	27,228
45,756	<b>Net change in cash and cash equivalents</b>		<b>72,010</b>	3,415
16,000	Cash and cash equivalents at beginning of year		16,655	13,240
61,756	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>88,665</b>	16,655
200,000	plus: Investments on hand at end of year	C1-2	195,267	212,963
261,756	<b>Total cash, cash equivalents and investments</b>		<b>283,932</b>	229,618

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

# Penrith City Council

## Contents for the notes to the Financial Statements for the year ended 30 June 2024

<b>A About Council and these financial statements</b>	<b>11</b>
A1-1 Basis of preparation	11
<b>B Financial Performance</b>	<b>13</b>
<b>B1 Functions or activities</b>	<b>13</b>
B1-1 Functions or activities – income, expenses and assets	13
B1-2 Components of functions or activities	14
<b>B2 Sources of income</b>	<b>16</b>
B2-1 Rates and annual charges	16
B2-2 User charges and fees	17
B2-3 Other revenues	18
B2-4 Grants and contributions	19
B2-5 Interest and investment income	23
B2-6 Other income	24
<b>B3 Costs of providing services</b>	<b>25</b>
B3-1 Employee benefits and on-costs	25
B3-2 Materials and services	26
B3-3 Borrowing costs	27
B3-4 Depreciation, amortisation and impairment of non-financial assets	28
B3-5 Other expenses	29
<b>B4 Gains or losses</b>	<b>30</b>
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	30
<b>B5 Performance against budget</b>	<b>31</b>
B5-1 Material budget variations	31
<b>C Financial position</b>	<b>33</b>
<b>C1 Assets we manage</b>	<b>33</b>
C1-1 Cash and cash equivalents	33
C1-2 Financial investments	34
C1-3 Restricted and allocated cash, cash equivalents and investments	35
C1-4 Receivables	37
C1-5 Inventories	38
C1-6 Contract assets	39
C1-7 Non-current assets classified as held for sale	40
C1-8 Infrastructure, property, plant and equipment	41
C1-9 Investment properties	45
C1-10 Intangible assets	46
C1-11 Other	47
<b>C2 Leasing activities</b>	<b>48</b>
C2-1 Council as a lessee	48
C2-2 Council as a lessor	50
<b>C3 Liabilities of Council</b>	<b>51</b>
C3-1 Payables	51
C3-2 Contract Liabilities	52
C3-3 Borrowings	53

# Penrith City Council

## Contents for the notes to the Financial Statements for the year ended 30 June 2024

C3-4 Employee benefit provisions	54
C3-5 Provisions	55
<b>C4 Reserves</b>	<b>56</b>
C4-1 Nature and purpose of reserves	56
<b>D Council structure</b>	<b>57</b>
<b>D1 Interests in other entities</b>	<b>57</b>
D1-1 Subsidiaries	57
<b>D2 Discontinued operations</b>	<b>60</b>
<b>E Risks and accounting uncertainties</b>	<b>61</b>
E1-1 Risks relating to financial instruments held	61
E2-1 Fair value measurement	65
E3-1 Contingencies	68
<b>F People and relationships</b>	<b>71</b>
<b>F1 Related party disclosures</b>	<b>71</b>
F1-1 Key management personnel (KMP)	71
F1-2 Councillor and Mayoral fees and associated expenses	74
<b>F2 Other relationships</b>	<b>75</b>
F2-1 Audit fees	75
<b>G Other matters</b>	<b>76</b>
G1-1 Statement of Cash Flows information	76
G2-1 Commitments	77
G3-1 Events occurring after the reporting date	78
<b>G4 Statement of developer contributions</b>	<b>79</b>
G4-1 Summary of developer contributions	79
G4-2 Developer contributions by plan	80
G4-3 S7.4 planning agreements	82
<b>G5 Statement of performance measures</b>	<b>83</b>
G5-1 Statement of performance measures – consolidated results	83
<b>H Additional Council disclosures (unaudited)</b>	<b>84</b>
H1-1 Statement of performance measures – consolidated results (graphs)	84

## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 28 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 consolidated financial statements are set out below and contextually throughout the note disclosures. 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 (NSW)* and Regulations, 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 infrastructure, property, plant and equipment and investment property.

#### **Significant accounting estimates and judgements**

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

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

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

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

- i. estimated fair values of investment property – refer Note C1-9
- ii. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-8
- iii. employee benefit provisions and on-cost – 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 (NSW)*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

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

- General purpose operations
- Penrith Performing and Visual Arts

## A1-1 Basis of preparation (continued)

### The Trust Fund

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

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge.

### Goods and Services Tax (GST)

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

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

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

### Volunteer services

Council has a number of volunteers including S.355 Committees, these volunteer services cannot be reliably measured and have not been included in the financial statements. Donated items and services including advertising and bus transportation at events, are included in the statements as these can be valued using ordinary supplier rates.

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

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2023.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

### New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2024.

The following new standard is effective for the first time at 30 June 2024:

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

The most significant change introduced by this standard is to remove the requirement to disclose significant accounting policies and instead require disclosure of material accounting policy information.

*“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.”*

In applying the new requirements, Council has after taking into account the various specific facts and circumstances applied professional judgement to ensure it discloses only material accounting policies as opposed to significant accounting policies throughout these financial statements.

## B Financial Performance

### B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Functions or activities from continuing operations</b>										
We protect & enhance an ecologically sustainable environment	47,347	42,574	47,777	44,716	(430)	(2,142)	2,566	2,678	2,115	1,961
We are welcoming, healthy, happy, creative and connected	51,912	51,371	82,192	73,625	(30,280)	(22,254)	13,487	11,629	4,903	6,442
We plan and shape our growing city	48,196	28,776	17,929	17,309	30,267	11,467	39,275	22,714	437	72
We manage and improve our built environment	65,316	49,721	115,899	112,975	(50,583)	(63,254)	55,753	50,639	3,399,585	3,193,360
We have open and collaborative leadership	199,172	188,791	51,241	49,589	147,931	139,202	12,225	18,948	796,297	799,035
<b>Total functions or activities from continuing operations</b>	<b>411,943</b>	<b>361,233</b>	<b>315,038</b>	<b>298,214</b>	<b>96,905</b>	<b>63,019</b>	<b>123,306</b>	<b>106,608</b>	<b>4,203,337</b>	<b>4,000,870</b>

Functions have been condensed and aligned to Outcomes as reported in Councils Operational Plan and Annual Report. The number of functions and activities reported in the current year's financial statements have reduced from 59 to 5 when compared to the prior year. The prior year comparatives have been reclassified to align with the current year presentation as well as adjusted for Penrith Whitewater Stadium which was reclassified to a discontinued operation and removed from Councils Outcome "We are welcoming, healthy, happy, creative and connected"

## B1-2 Components of functions or activities

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

### We protect and enhance an ecologically sustainable environment

We are committed to preserving natural resources and promoting eco-friendly practices to ensure a Sustainable future for our communities. Through Sustainable initiatives we strive to protect our Environment.

Includes income, expenditure and assets relating to:

Environmental Health	Waste and Resource Recovery
City Presentation–Nursery Operations & Bushcare	Floodplain and Stormwater Management
Sustainability	Regional Illegal Dumping (RID)

### We are welcoming, healthy, happy, creative, and connected.

Our council is committed to building a vibrant and inclusive community where everyone feels welcome and supported. Through our programs and initiatives, we aim for a sense of belonging and to empower our community to reach its potential.

Includes income, expenditure and assets relating to:

City Activation, Community and Place- Community Resilience	Fire Safety Certification
City Activation, Community and Place - Social Strategy	Aquatic and Leisure Services
City Activation, Community and Place - Place and Activation Resilience	Library Services
Animal Services	Children's Services
Environmental Health	Cemeteries
	Communications

### We plan and shape our growing city.

Through collaborative thinking, we aim to create a vibrant, resilient, and thriving city that meets the needs of our diverse community.

Includes income, expenditure and assets relating to:

City Economy and Marketing	City Strategy
City Economy and Marketing - Tourism and International Partnerships	City Planning
Development Applications	Development Compliance
Development Engineering	

### We manage and improve our built environment

Our council is committed to effectively managing and maintaining our community's infrastructure and public spaces, ensuring a safe, accessible, and sustainably built environment that supports the wellbeing of our communities.

Includes income, expenditure and assets relating to:

Traffic Management, Parking and Road Safety	City Presentation – Parks, Sportsgrounds and Open Space Maintenance
City Presentation – Civil Operations	City Presentation – Public Space and Building Maintenance
Ranger Services	Ranger Services
Design and Projects	Community Facilities and Recreation Planning



## B1-2 Components of functions or activities (continued)

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### **We have open and collaborative leadership.**

Our council's leaderships team is committed to transparency, accountability, and community engagement, working hand in hand with residents, businesses and stakeholders to build a brighter future for our community.

Includes income, expenditure and assets relating to:

Communications	Financial Services
Customer Experience	Corporate Strategy
Corporate Strategy	Corporate Planning and Performance
Property Development and Management	Business Improvement
Information Technology	Business Systems
Strategic Asset Management	People and Culture

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	112,761	111,092
Farmland	4,841	3,701
Business	35,635	31,564
Less: pensioner rebates	(1,836)	(1,874)
<b>Rates levied to ratepayers</b>	<b>151,401</b>	<b>144,483</b>
Pensioner rate subsidies received	1,016	975
<b>Total ordinary rates</b>	<b>152,417</b>	<b>145,458</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	43,893	39,213
Stormwater management services	2,491	2,481
Waste management services (non-domestic)	36	33
Section 611 charges	92	94
Less: pensioner rebates (Domestic waste services)	(678)	(631)
Less: pensioner rebates (Stormwater management services)	(222)	(221)
<b>Annual charges levied</b>	<b>45,612</b>	<b>40,969</b>
Pensioner annual charges subsidies received:		
– Domestic waste management	366	403
<b>Total annual charges</b>	<b>45,978</b>	<b>41,372</b>
<b>Total rates and annual charges</b>	<b>198,395</b>	<b>186,830</b>

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
<b>User charges</b>		
Domestic waste management services	4	–
Waste management services (non-domestic)	211	24
<b>Total user charges</b>	<b>215</b>	<b>24</b>
<b>Fees</b>		
Building Regulation	727	649
Planning and building regulation	3,116	2,852
Other regulatory/statutory fees	1,090	1,068
Section 10.7 certificates (EP&A Act)	544	462
Section 603 Certificates	396	310
Cemeteries	885	865
Child care	28,364	25,506
Companion animals	266	336
Halls and community centres	825	865
Performing Arts Centre/Gallery	1,748	1,591
Road reinstatements	4,118	2,626
Sport and recreation	625	601
Swimming centres	4,428	4,772
Other	437	654
<b>Total fees <sup>1</sup></b>	<b>47,569</b>	<b>43,157</b>
<b>Total user charges and fees</b>	<b>47,784</b>	<b>43,181</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised over time	29,779	26,383
User charges and fees recognised at a point in time	18,005	16,798
<b>Total user charges and fees</b>	<b>47,784</b>	<b>43,181</b>

### Material accounting policy information

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as membership fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership. Childcare fees are recognised over-time during the period of service.

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

(1) Prior year Whitewater Stadium Fees \$1.35m reclassified from continuing operations to discontinuing operations in the Income Statement. The Penrith Whitewater Stadium prior year amount of \$1.35m has been removed and total amended from \$44,531,000 to \$43,181,000.

## B2-3 Other revenues

\$ '000	2024	2023
Fines	4,153	2,848
Legal fees recovery	327	466
Purchasing / performance rebate	620	132
Insurance claims recoveries	845	4,890
Other	102	89
<b>Total other revenue</b>	<b>6,047</b>	<b>8,425</b>
<b>Timing of revenue recognition for other revenue</b>		
Other revenue recognised over time	-	-
Other revenue recognised at a point in time	6,047	8,425
<b>Total other revenue</b>	<b>6,047</b>	<b>8,425</b>

### Material accounting policy information for other revenue

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

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

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

## B2-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>General purpose (untied)</b>				
<b>Financial Assistance</b>				
Prepayment received in advance for subsequent year <sup>1</sup>	7,880	9,627	–	–
Relating to current year	92	2,222	–	–
<b>Financial Assistance - Roads Component</b>				
Relating to current year	138	727	–	–
Prepayment received in advance for subsequent year <sup>1</sup>	2,846	3,212	–	–
<b>Amount recognised as income during current year</b>	<b>10,956</b>	<b>15,788</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Bushfire and emergency services	357	292	552	139
Children's services	10,048	7,501	–	86
Civil construction (roads and drainage)	1,906	–	3,156	17,780
Community services	196	174	–	–
Cultural facilities	147	436	–	–
Design and major projects	76	–	24,194	5,896
Domestic waste	354	674	–	–
Library	694	682	–	–
Local infrastructure renewal scheme (LIRS)	4	9	–	–
Other contributions	946	589	151	645
Parks environmental management	57	335	–	–
Other specific grants	1,823	1,258	293	4,146
Recreation and leisure facilities management	–	–	9,162	9,455
Recreation and culture	–	–	20	159
RID squad	947	546	–	–
Roads maintenance	938	238	–	14
Street lighting	583	571	458	2
Traffic and transport	57	137	–	–
Transport for NSW contributions (regional roads, block grant)	1,094	1,057	156	456
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>20,227</b>	<b>14,499</b>	<b>38,142</b>	<b>38,778</b>
<b>Non-cash contributions</b>				
Bushfire services	–	–	480	368
Other	61	–	–	–
Subdivision Dedications (other than by s7.11)	–	–	14,176	14,603
<b>Total other contributions – non-cash</b>	<b>61</b>	<b>–</b>	<b>14,656</b>	<b>14,971</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>20,288</b>	<b>14,499</b>	<b>52,798</b>	<b>53,749</b>
<b>Total grants and non-developer contributions</b>	<b>31,244</b>	<b>30,287</b>	<b>52,798</b>	<b>53,749</b>
<b>Comprising:</b>				
– Commonwealth funding	12,267	16,646	1,200	3,457
– State funding	14,637	10,536	36,610	33,985
– Other funding	4,340	3,105	14,988	16,307
	<b>31,244</b>	<b>30,287</b>	<b>52,798</b>	<b>53,749</b>

(1) \$10.726m of the 2024 – 2025 Financial Assistance Grant from Commonwealth Government was received in June 2024 and hence is reported as 2023 – 2024 income although it relates to 2024 – 2025 financial year.

## B2-4 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	<b>Operating 2024</b>	Operating 2023	<b>Capital 2024</b>	Capital 2023
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.4 – contributions using planning agreements	G4	–	–	9,005	10,099
S 7.11 – contributions towards amenities/services		–	–	24,308	5,962
S 7.12 – fixed development consent levies		–	–	3,071	4,144
<b>Total developer contributions – cash</b>		<b>–</b>	<b>–</b>	<b>36,384</b>	<b>20,205</b>
<b>Non-cash contributions</b>					
Other developer contributions		–	–	2,880	2,367
<b>Total developer contributions non-cash</b>		<b>–</b>	<b>–</b>	<b>2,880</b>	<b>2,367</b>
<b>Total developer contributions</b>		<b>–</b>	<b>–</b>	<b>39,264</b>	<b>22,572</b>
<b>Total contributions</b>		<b>–</b>	<b>–</b>	<b>39,264</b>	<b>22,572</b>
<b>Total grants and contributions</b>		<b>31,244</b>	<b>30,287</b>	<b>92,062</b>	<b>76,321</b>
<b>Timing of revenue recognition for grants and contributions</b>					
Grants and contributions recognised over time		–	–	39,126	25,158
Grants and contributions recognised at a point in time		31,244	30,287	52,936	51,163
<b>Total grants and contributions</b>		<b>31,244</b>	<b>30,287</b>	<b>92,062</b>	<b>76,321</b>

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Unspent grants</b>				
Unspent funds at 1 July	3,049	3,807	46,194	37,150
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,129	976	–	–
<b>Less:</b> Funds recognised in a previous reporting period now spent	(2,184)	(2,248)	(12,976)	–
<b>Add:</b> Funds received and not recognised as revenue in the current year	621	624	1,261	20,136
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(252)	(110)	(6,136)	(11,092)
<b>Unspent grants at 30 June</b>	<b>2,363</b>	<b>3,049</b>	<b>28,343</b>	<b>46,194</b>
<b>Unspent Contributions</b>				
Unspent funds at 1 July	2,992	7,725	64,445	55,034
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,984	1,185	42,937	22,098
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	(1,010)	(5,622)	(11,996)	(12,675)
<b>Add:</b> contributions received and not recognised as revenue in the current year	–	419	18	13
<b>Less:</b> contributions received in prior year but revenue recognised and funds spent in current year	(420)	(715)	(13)	(25)
<b>Unspent contributions at 30 June</b>	<b>3,546</b>	<b>2,992</b>	<b>95,391</b>	<b>64,445</b>
<b>Total unspent grants and contributions</b>	<b>5,909</b>	<b>6,041</b>	<b>123,734</b>	<b>110,639</b>

### Material accounting policy information

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

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

The performance obligations vary according to the agreement but include Road Safety Programs and Waste Initiatives. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

## B2-4 Grants and contributions (continued)

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### Capital grants

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

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

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

### Developer contributions

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

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

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

### Other grants and contributions

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

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



**B2-5 Interest and investment income**

<b>\$ '000</b>	<b>2024</b>	2023
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	<b>659</b>	458
– Cash and investments <sup>1</sup>	<b>9,985</b>	7,778
<b>Total interest and investment income (losses)</b>	<b>10,644</b>	<b>8,236</b>

(1) Prior year Whitewater Stadium Interest earned \$1,000 reclassified from continuing operations to discontinuing operations in the Income Statement. Cash and investments amount has amended from \$7.779m to \$7.778m.

## B2-6 Other income

\$ '000	Notes	2024	2023
<b>Fair value increment on investment properties</b>			
Fair value increment on investment properties		–	2,838
<b>Total fair value increment on investment properties</b>	C1-9	<b>–</b>	<b>2,838</b>
<b>Rental income</b>			
<b>Investment properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		1,699	1,641
<b>Total lease income from Investment properties</b>	C2-2	<b>1,699</b>	<b>1,641</b>
Other		2,537	2,546
<b>Total other lease income</b>	C2-2	<b>2,537</b>	<b>2,546</b>
<b>Total rental income</b>		<b>4,236</b>	<b>4,187</b>
<b>Fair value increment on investments</b>			
Fair value increment on investments through profit and loss		697	928
<b>Total Fair value increment on investments</b>		<b>697</b>	<b>928</b>
<b>Total other income</b>		<b>4,933</b>	<b>7,953</b>

## B3 Costs of providing services

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

\$ '000	2024	2023
Salaries and wages <sup>1</sup>	107,165	96,872
Employee leave entitlements (ELE)	21,891	18,498
Superannuation – guarantee levy	12,752	10,973
Superannuation – defined benefit plans	929	851
Workers' compensation insurance	1,160	1,443
Fringe benefit tax (FBT)	249	244
Other	223	117
<b>Total employee costs</b>	<b>144,369</b>	<b>128,998</b>
Less: capitalised costs	(6,582)	(3,435)
<b>Total employee costs expensed</b>	<b>137,787</b>	<b>125,563</b>

#### 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.

(1) Prior year Whitewater Stadium Salaries and Wages \$1.298m reclassified from continuing operations to discontinuing operations in the Income Statement. The amount has amended from \$98.17m to \$96.872m.

## B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		8,845	14,561
Building and parks services		8,197	8,967
Cleaning services		2,507	1,964
Computer software maintenance		6,942	5,987
Engineering services		381	599
Garbage services		8,970	9,008
Organic services		9,137	3,705
Recycling services		4,716	3,123
Security services		1,210	1,056
Sullage services		139	129
Tipping services		2,603	9,583
Contractor and consultancy costs <sup>1</sup>		17,380	13,613
Audit Fees	F2-1	174	154
Councillor and Mayoral fees and associated expenses	F1-2	664	673
Training costs (other than salaries and wages)		1,151	1,012
Advertising		208	189
Electricity and heating		2,752	2,889
Insurance		3,643	3,599
Postage		596	549
Printing and stationery		514	602
Street lighting		3,693	3,682
Subscriptions and publications		655	618
Telephone and communications		824	1,104
Cost of sales		307	334
Other expenses <sup>2</sup>		9,360	6,236
Water rates and charges		823	972
<b>Operating leases expense:</b>			
Expenses from leases of low value assets	C2-1	–	32
<b>Legal expenses:</b>			
– Legal expenses: planning and development		1,608	1,250
– Legal expenses: other		181	263
<b>Total materials and services</b>		<b>98,180</b>	<b>96,453</b>

(1) Prior year Whitewater Stadium Contractor and consultancy costs \$0.050m reclassified from continuing operations to discontinuing operations in the Income Statement. The amount has amended from \$13.663m to \$13,613m.

(2) Prior year Whitewater Stadium Other expenses \$0.561m reclassified from continuing operations to discontinuing operations in the Income Statement. The amount has amended from \$6.797m to \$6.236m.

### B3-3 Borrowing costs

\$ '000	2024	2023
<b>(i) Interest bearing liability costs</b>		
Interest on leases	–	1
Interest on loans	<u>1,096</u>	<u>1,528</u>
<b>Total interest bearing liability costs expensed</b>	<b><u>1,096</u></b>	<b><u>1,529</u></b>
<b>Total borrowing costs expensed</b>	<b><u>1,096</u></b>	<b><u>1,529</u></b>

#### 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. In 2023-24 \$1.7m was capitalised as Investment Property in Note C1-9. Other borrowing costs are expensed as incurred.

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

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment	C1-8	4,068	3,592
Office equipment	C1-8	2,046	2,063
Furniture and fittings <sup>1</sup>	C1-8	130	672
Land improvements (depreciable)	C1-8	667	3,274
<b>Infrastructure:</b>			
– Buildings	C1-8	13,526	12,763
– Roads	C1-8	24,951	23,332
– Stormwater drainage	C1-8	9,429	8,327
– Other open space/recreational assets	c1-8	6,939	1,897
– Other structure	C1-8	488	95
Right of use assets	C2-1	6	48
<b>Other assets:</b>			
– Library books	C1-8	471	405
– Other	C1-8	24	24
Intangible assets	C1-10	63	63
<b>Total depreciation and amortisation costs</b>		<b>62,808</b>	<b>56,555</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>62,808</b>	<b>56,555</b>

### 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.

(1) Prior year Whitewater Stadium Furniture and Fittings \$0.076m reclassified from continuing operations to discontinuing operations in the Income Statement. The amount has amended from \$0.748m to \$0.672m.

### B3-5 Other expenses

\$ '000	2024	2023
Impairment of receivables	54	38
Contributions/levies to other levels of government		
– Department of planning levy	443	971
– Emergency services levy (includes FRNSW, SES, and RFS levies)	3,659	2,837
– Waste levy	7,040	6,836
– Other donations and contributions	3,327	2,648
Other	644	658
<b>Total other expenses</b>	<b>15,167</b>	<b>13,988</b>

#### Material accounting policy information

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

Impairment expenses are recognised when identified.

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

<b>\$ '000</b>	Notes	<b>2024</b>	2023
<b>Infrastructure, property, plant and equipment</b>			
	C1-8		
Proceeds from disposal		<b>2,082</b>	5,528
Less: carrying amount of assets sold/written off <sup>1</sup>		<b>(3,642)</b>	(9,654)
<b>Gain (or loss) on disposal</b>		<b>(1,560)</b>	<b>(4,126)</b>
<b>Investment property</b>			
	C1-9		
Proceeds from disposal – investment property		<b>77,200</b>	–
Less: carrying amount of investment property sold/written off		<b>(54,806)</b>	–
<b>Gain (or loss) on disposal</b>		<b>22,394</b>	–
<b>Net gain (or loss) from disposal of assets</b>		<b>20,834</b>	<b>(4,126)</b>

(1) Carrying amount of sold/written off amount reported in C1-8 IPPE included \$574,000 carrying value of Penrith Whitewater Stadium assets. This has been included under Note D2-1 Discontinued Operations.



## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 26 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 -----	
<b>Revenues</b>				
<b>Other revenues</b>	<b>2,750</b>	<b>6,047</b>	<b>3,297</b>	<b>120% F</b>
Material Budget Variation for Other Revenues was favourable for Council. This attributed to several areas performing greater than the original budgets for the year, including: Workers Compensation Recovered \$311,000, Car Parking Fines \$1,621,000, Fines Miscellaneous \$327,000, Legal & Other Costs Recovered \$182,000, Insurance Claims Recovery \$350,000 & Performance Rebates \$454,000.				
<b>Operating grants and contributions</b>	<b>18,538</b>	<b>31,244</b>	<b>12,706</b>	<b>69% F</b>
Variances for Operating Grants and Contributions was favourable and attributed primarily due to Childcare and Preschool grants of \$8.9m which were offset by expenditure.				
<b>Capital grants and contributions</b>	<b>71,886</b>	<b>92,062</b>	<b>20,176</b>	<b>28% F</b>
Variances for Capital Grants & Contributions was favourable. This was recognised in the following areas where Grants and Contributions were greater than anticipated: S7.11 & S7.12 Contributions \$14.748m, Voluntary Planning Agreements \$11.885m, and Other Capital Grants \$2.878m. Other Grants received which were less than anticipated include Roadworks Capital Grants \$10.332m.				
<b>Interest and investment revenue</b>	<b>7,663</b>	<b>10,644</b>	<b>2,981</b>	<b>39% F</b>
The Council attained a favourable increase/variance on its actual Interest Income in comparison to the 2023-24 Original Budget. The budget for interest income was calculated on a lower total average of Investment Portfolio. Due to the timing of incoming grants and contributions and expenditure, the Council's average Investment Portfolio for the reportable year was significantly higher than what was budgeted. Furthermore, the projected rate of return assumed two rate cuts to have occurred in 2023-24 Financial Year. However, contrary to the initial 2023-24 economic outlook, the Reserve Bank of Australia (RBA) increased the cash rate in November-2023 to 4.35%, from 4.10% at the beginning of the financial year. Inherent to this, interest rates on offer remained higher than expected, with the Council's average rate of return 4.85% for 2023-24 .				
<b>Net gains from disposal of assets</b>	<b>40,127</b>	<b>20,834</b>	<b>(19,293)</b>	<b>(48)% U</b>
Material budget variation relates to the sale of Investment Property 158-164 Old Bathurst Rd Emu Plains, the option which was originally used for budget estimation was that the sale of the site would be sold as 2 lots which would attract a higher value, the entire site was sold to one buyer. The sale price was in line with independent valuations received and considered by Council. The net gain was calculated based on gross estimated sale amount of \$90.682m less purchase price of \$50m and did not include the subsequent expenditure of \$4.8m including DA costs, interest and sales commission. Actual profit was \$22.394m, which was partially offset by the \$1.56m loss on disposal of Infrastructure, Property, Plant and Equipment.				

## B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	147,873	137,787	10,086	7% <b>F</b>
Material variances for Employee Benefits was favourable and relates to saving in the following areas: Employee costs charged to capital projects \$4.8m, Ordinary Labour salary savings \$4.3m and unused employee provisions \$2.4m. Superannuation was greater than originally anticipated \$1.2m and has partially offset the favourable variances.				
<b>Materials and services</b>	91,895	98,180	(6,285)	(7)% <b>U</b>
Material Budget Variation on Materials and Services was significantly influenced by Children Services Operational cost due to increased number of services \$2.4m which was offset by a corresponding amount of income as well as increased unplanned & reactive Building Maintenance \$1.3m and Road Maintenance \$1.1m. Other unfavourable variations were also observed in the following areas: Sporting Field Restoration Works post flood \$723,000, Legal Projects Development Services \$810,000, Corporate Advertising \$490,000. Areas which were less than anticipated include: Domestic Waste where waste tonnages was less than anticipated for some waste types \$2m and Core Systems Transformation \$747,000.				
<b>Borrowing costs</b>	2,731	1,096	1,635	60% <b>F</b>
The borrowing costs for the year included the Investment Property variable loan interest amount of \$1.7m which was subsequently capitalised and is included in the Net gains from disposal of assets line item within the Income Statement. Refer to profit Note C1-9 Investment Properties and reporting Note B4-1 Gain or loss from the sale of investment property for further information.				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	53,921	62,808	(8,887)	(16)% <b>U</b>
The majority of the variance relates to the revaluation of Open Space Assets in 2022-23 which had an effect on multiple asset classes for the current year. The 2022-23 fair value indexation for Buildings, Roads and Stormwater Drainage also had an impact of increased depreciation expense.				
<b>Operating result from discontinued operations</b>	-	(361)	361	∞ <b>F</b>
Penrith Whitewater Stadium ceased to be a 100% wholly owned subsidiary of Penrith City Council from 1 July 2023 and has been reported in the Financial Statements as a discontinued operation. The \$361,000 relates to the transfer of net assets of \$287,000 to the NSW Office of Sport and \$74,000 spent in the current financial year (see notes D1-1 and D2-1).				
<b>Statement of cash flows</b>				
<b>Cash flows from investing activities</b>	(63,369)	(13,404)	49,965	(79)% <b>F</b>
This favourable variation is due to \$31m worth of capital works projects not completed during 2023-24 and were subject to revotes in the June Organisational Review. In addition, the cash sale of the Investment Property was originally budgeted for \$90.6m and sold for \$77.2m with a variance of 13m.				
<b>Cash flows from financing activities</b>	(11,035)	(35,660)	(24,625)	223% <b>U</b>
Council held a \$30m variable loan with repayments budgeted over a period of 5 years, the loan was repaid in full following the sale of the Investment Property in June 2024.				

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2024	2023
<b>Cash assets</b>		
Cash on hand and at bank	13,501	3,367
Cash equivalent assets		
– Deposits at call	75,164	13,288
<b>Total cash and cash equivalents</b>	<b>88,665</b>	<b>16,655</b>
<b>Reconciliation of cash and cash equivalents</b>		
Total cash and cash equivalents per Statement of Financial Position	88,665	16,655
<b>Balance as per the Statement of Cash Flows</b>	<b>88,665</b>	<b>16,655</b>

## C1-2 Financial investments

\$ '000	Notes	2024	2024	2023	2023
		Current	Non-current	Current	Non-current
<b>Financial assets at fair value through profit and loss</b>					
- Floating Rate Notes		6,806	15,841	–	20,129
- Mortgage Backed Securities		–	1,271	–	1,371
- Other long term financial assets		–	8,581	–	8,029
<b>Debt securities at amortised cost</b>					
- Term Deposits		162,768	–	164,434	19,000
<b>Total financial investments</b>		<b>169,574</b>	<b>25,693</b>	<b>164,434</b>	<b>48,529</b>
<b>Total cash assets, cash equivalents and investments</b>	C1-1,C1-2	<b>258,239</b>	<b>25,693</b>	<b>181,089</b>	<b>48,529</b>

### Material accounting policy information

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

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

#### Financial assets

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

#### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

#### Amortised cost

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

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

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

#### Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in Floating Rate Notes, Mortgage Backed Securities and Council's mutual self insurance scheme in the Statement of Financial Position.

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>283,932</b>	229,618
Less: Externally restricted cash, cash equivalents and investments	<u>(154,111)</u>	<u>(136,327)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>129,821</b>	<b>93,291</b>
\$ '000	Notes	2024

### External restrictions

#### External restrictions – included in liabilities

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

Specific purpose unexpended loans – general	14,771	14,771
Specific purpose unexpended grants – general fund	30,706	49,243

### External restrictions

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

Developer contributions – general	G4	93,762	63,187
Domestic waste management		6,806	3,468
Stormwater management		2,929	3,106
Sullage reserve		331	561
Other		4,806	1,991
<b>Total external restrictions</b>		<b>154,111</b>	<b>136,327</b>

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.

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

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>(b) Internal allocations</b>		
<b>Internal allocations</b>		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	2,463	2,859
Employees leave entitlement	5,912	5,912
Deposits, retentions and bonds	21,568	19,887
Acquisition of land and buildings	43,160	975
Cemetery reserve	682	715
Children's services reserve <sup>1</sup>	4,098	4,478
Election reserve	804	464
Financial Assistance Grant received in advance	10,726	12,839
Financial management	16,503	13,042
Infrastructure construction	4,387	1,789
Insurance reserve	2,491	2,286
Legal reserve	830	1,131
Revote reserve	1,335	2,804
Salary administration	60	63
Sustainability revolving fund	2,680	2,131
Voted works	776	673
Other	2,929	5,177
<b>Total internal allocations</b>	<b>121,404</b>	<b>77,225</b>

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

(1) Prior year Childcare reserve \$3.219m reallocated from external to internal restrictions following review in current year.

## C1-4 Receivables

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Rates and annual charges	9,517	2,130	8,499	2,594
Interest and extra charges	788	760	599	731
User charges and fees	2,032	–	3,182	–
Accrued revenues				
– Interest on investments	3,425	–	3,223	–
Deferred debtors	102	2,311	100	863
Government grants and subsidies	9,378	–	1,571	–
Net GST Receivable	–	–	2,092	–
Other	437	–	113	–
<b>Total</b>	<b>25,679</b>	<b>5,201</b>	<b>19,379</b>	<b>4,188</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(1,978)	(515)	(1,541)	(481)
Interest and extra charges	(219)	(437)	(125)	(398)
User charges and fees	(229)	–	(200)	–
<b>Total</b>	<b>(2,426)</b>	<b>(952)</b>	<b>(1,866)</b>	<b>(879)</b>
<b>Total net receivables</b>	<b>23,253</b>	<b>4,249</b>	<b>17,513</b>	<b>3,309</b>

### Material accounting policy information

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

### Impairment

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

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

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

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

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

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

Receivables with a contractual amount of \$147,437 written off during the reporting period are still subject to enforcement activity.

Where Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

## C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>(i) Inventories at cost</b>				
Stores and materials	781	-	751	-
<b>Total inventories at cost</b>	<b>781</b>	<b>-</b>	<b>751</b>	<b>-</b>
<b>Total inventories</b>	<b>781</b>	<b>-</b>	<b>751</b>	<b>-</b>

### Material accounting policy information

#### Raw materials and stores

Costs are assigned to individual items of inventory on the basis of weighted average costs.



## C1-6 Contract assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	11,123	-	15,038	-
<b>Total contract assets</b>	<b>11,123</b>	<b>-</b>	<b>15,038</b>	<b>-</b>

### Contract assets

Work relating to infrastructure grants	11,053	-	10,439	-
Other	70	-	4,599	-
<b>Total contract assets</b>	<b>11,123</b>	<b>-</b>	<b>15,038</b>	<b>-</b>

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

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Council did not classify any non-current assets or disposal groups as 'held for sale'.

## 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 and impairment	Net carrying amount	Additions New Assets	Additions Renewals/ Upgrade Assets <sup>1</sup>	Carrying value of disposals	Depreciation expense	Transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	84,212	–	84,212	43,188	–	(2,236)	–	(31,347)	–	93,817	–	93,817
Office equipment	43,527	(35,810)	7,717	581	–	(11)	(2,046)	–	–	43,980	(37,740)	6,240
Furniture and fittings	7,106	(6,618)	488	16	–	(55)	(130)	–	–	7,010	(6,691)	319
Plant and equipment	45,980	(25,254)	20,726	5,728	–	(1,810)	(4,068)	(120)	–	47,114	(26,659)	20,455
<b>Land:</b>												
– Operational land	308,405	–	308,405	1,236	–	–	–	(273)	(207)	309,161	–	309,161
– Community land	746,820	–	746,820	1,771	–	–	–	(2,462)	(39,363)	706,766	–	706,766
– Crown land	72,355	–	72,355	–	–	–	–	–	(5,359)	66,996	–	66,996
– Land under roads	305,074	–	305,074	1,344	–	–	–	2,755	–	309,173	–	309,173
Land improvements – non-depreciable	5,850	–	5,850	2,159	–	–	–	3	–	8,014	–	8,014
Land improvements – depreciable	19,805	(4,949)	14,856	340	–	–	(667)	652	–	20,796	(5,615)	15,181
<b>Infrastructure:</b>												
– Buildings	515,354	(204,150)	311,204	10,547	–	(66)	(13,526)	10,869	21,596	571,732	(231,109)	340,623
– Roads	1,552,041	(562,585)	989,456	13,751	33,296	–	(24,951)	1,363	77,439	1,718,883	(628,529)	1,090,354
– Stormwater drainage	941,744	(302,665)	639,079	8,993	1,632	–	(9,429)	96	76,731	1,066,929	(349,827)	717,102
– Other open space/recreational assets	153,317	(40,190)	113,127	199	–	–	(6,939)	18,464	8,314	183,300	(50,134)	133,166
– Other Structure	7,312	(2,119)	5,193	–	–	–	(488)	–	–	7,312	(2,607)	4,705
<b>Other assets:</b>												
– Library books	12,887	(11,090)	1,797	504	–	(38)	(471)	–	–	13,316	(11,524)	1,792
– Other	6,073	(554)	5,519	–	–	–	(24)	–	–	6,073	(578)	5,495
<b>Total infrastructure, property, plant and equipment <sup>2</sup></b>	<b>4,827,862</b>	<b>(1,195,984)</b>	<b>3,631,878</b>	<b>90,357</b>	<b>34,928</b>	<b>(4,216)</b>	<b>(62,739)</b>	<b>–</b>	<b>139,151</b>	<b>5,180,372</b>	<b>(1,351,013)</b>	<b>3,829,359</b>

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

(2) Penrith Whitewater Stadium has been transferred to NSW Office of Sport from 1 July 2023. The Net Carrying amount of assets disposed \$574,000 has been included in Note D2-1 Discontinued Operations rather than B4-1 Gain or loss from the disposal, replacement and de-recognition of assets.

## 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 and impairment	Net carrying amount	Additions New Assets	Additions Renewals/ Upgrade Assets <sup>1</sup>	Carrying value of disposals	Depreciation expense	WIP Transfer/ Reclass	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>												
Capital work in progress	33,604	–	33,604	63,831	–	(7,235)	–	(5,989)	–	84,212	–	84,212
Plant and equipment	43,017	(23,119)	19,898	5,580	83	(1,376)	(3,592)	134	–	45,980	(25,254)	20,726
Office equipment	42,742	(33,748)	8,994	587	89	–	(2,063)	111	–	43,527	(35,810)	7,717
Furniture and fittings <sup>2</sup>	12,776	(8,834)	3,942	20	–	–	(672)	(2,727)	–	7,106	(6,618)	488
<b>Land:</b>												
– Operational land	308,060	–	308,060	–	–	(44)	–	389	–	308,405	–	308,405
– Community land	237,335	–	237,335	1,552	–	(292)	–	(310)	508,535	746,820	–	746,820
– Crown land	20,066	–	20,066	–	–	–	–	–	52,289	72,355	–	72,355
– Land under roads	180,362	–	180,362	159	–	–	–	(60)	124,612	305,074	–	305,074
Land improvements – non-depreciable	–	–	–	–	–	–	–	4,909	940	5,850	–	5,850
Land improvements – depreciable	50,108	(15,097)	35,011	4,926	1,469	–	(3,274)	(24,874)	1,599	19,805	(4,949)	14,856
<b>Infrastructure:</b>												
– Buildings	487,234	(183,945)	303,289	1,812	2,089	(682)	(12,763)	3,051	14,406	515,354	(204,150)	311,204
– Roads	1,456,243	(510,361)	945,882	9,742	10,021	–	(23,332)	586	46,556	1,552,041	(562,585)	989,456
– Stormwater drainage	832,378	(261,801)	570,577	7,267	1,433	–	(8,327)	76	68,054	941,744	(302,665)	639,079
– Other open space/recreational assets	28,324	(6,088)	22,236	418	1,368	–	(1,897)	20,506	70,494	153,317	(40,190)	113,127
– Other infrastructure	1,270	(377)	893	249	400	–	(95)	3,744	–	7,312	(2,119)	5,193
<b>Other assets:</b>												
– Library books	12,456	(10,723)	1,733	493	–	(25)	(405)	–	–	12,887	(11,090)	1,797
– Other	6,004	(530)	5,474	37	–	–	(24)	–	32	6,073	(554)	5,519
<b>Total infrastructure, property, plant and equipment<sup>3</sup></b>	<b>3,751,979</b>	<b>(1,054,623)</b>	<b>2,697,356</b>	<b>96,673</b>	<b>16,952</b>	<b>(9,654)</b>	<b>(56,444)</b>	<b>(454)</b>	<b>887,517</b>	<b>4,827,862</b>	<b>(1,195,984)</b>	<b>3,631,878</b>

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

(2) Prior year Whitewater Stadium Furniture and Fittings reclassified from continuing operations to discontinuing operations in the Income Statement. The depreciation amount has amended from \$0.748m to \$0.672m.

(3) Prior year total depreciation has been amended from \$56.52m to \$56.444m due to the reclassification of Whitewater Stadium Furniture and Fittings from continuing operations to discontinuing operations in the Income Statement.

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

### Material accounting policy information

#### Useful lives of IPPE

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

<b>Plant and equipment</b>	<b>Years</b>	<b>Open Space &amp; Recreation</b>	<b>Years</b>
Office equipment	5 to 10	Playground equipment	15
Office furniture	15	Softfall	10
Computer equipment	4	Benches, seats etc.	15 to 30
Vehicles	5	Swimming Pools	100
Heavy plant/road making equipment	5 to 8	Fencing	25
Other plant and equipment	5 to 15	Lighting	40
		Other Structures	20 to 100
<b>Transportation assets</b>		<b>Land Improvements - Depreciable</b>	
Roads Structure	100	Irrigation systems	30
Roads Pavement	30		
Bridges	40 to 80	<b>Buildings</b>	
Unsealed roads	20	Buildings: masonry	50 to 100
		Buildings: other	20 to 40
<b>Stormwater assets</b>		<b>Other infrastructure assets</b>	
Drains	100	Other infrastructure	20
Culverts	100		
Flood control structures	100		
Stormwater Pipes	100		

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. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from current fair value.

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

#### 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 to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

#### Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

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

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### **Rural Fire Service assets**

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, “all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the Council of the area for or on behalf of which the firefighting equipment has been purchased or constructed”.

These Rural Fire Service assets are recognised as assets of the Council in these financial statements and are recorded within the relevant classes.

## C1-9 Investment properties

\$ '000	2024	2023
<b>Owned investment property</b>		
Investment property on hand at fair value	45,648	97,939
<b>Total owned investment property</b>	<b>45,648</b>	<b>97,939</b>
<b>Owned investment property</b>		
<b>At fair value</b>		
Opening balance at 1 July	97,939	43,001
Capitalised subsequent expenditure	2,515	52,100
Disposals during year	(54,806)	–
Net gain/(loss) from fair value adjustments	–	2,838
<b>Closing balance at 30 June</b>	<b>45,648</b>	<b>97,939</b>

### Material accounting policy information

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council.

## C1-10 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
<b>Software</b>		
<b>Opening values at 1 July</b>		
Gross book value	1,181	1,181
Accumulated amortisation	(758)	(695)
<b>Net book value – opening balance</b>	<b>423</b>	<b>486</b>
<b>Movements for the year</b>		
Purchases	–	–
Amortisation charges	(63)	(63)
<b>Closing values at 30 June</b>		
Gross book value	1,181	1,181
Accumulated amortisation	(821)	(758)
<b>Total intangible assets – net book value</b>	<b>360</b>	<b>423</b>

### Material accounting policy information

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.



## C1-11 Other

### Other assets

<b>\$ '000</b>	<b>2024</b>	<b>2024</b>	2023	2023
	<b>Current</b>	<b>Non-current</b>	Current	Non-current
Prepayments	3,834	–	3,380	–
Refundable bonds paid by Council	798	–	999	–
<b>Total other assets</b>	<b>4,632</b>	<b>–</b>	<b>4,379</b>	<b>–</b>

## C2 Leasing activities

### C2-1 Council as a lessee

#### Office and other equipment

Leases for office and other equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 4 and 5 years, the payments are fixed, however some of the leases include variable payments based on usage.

#### Extension options

Council includes options in the office and other equipment leases to provide flexibility and certainty to Council operations; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

#### (a) Right of use assets

\$ '000	Plant & Equipment	Total
<b>2024</b>		
Opening balance at 1 July	22	22
Other movement	(22)	(22)
<b>Balance at 30 June</b>	<b>–</b>	<b>–</b>
<b>2023</b>		
Opening balance at 1 July	69	69
Depreciation charge	(47)	(47)
<b>Balance at 30 June</b>	<b>22</b>	<b>22</b>

#### (b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	–	–	16	6
<b>Total lease liabilities</b>	<b>–</b>	<b>–</b>	<b>16</b>	<b>6</b>

#### (c) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
<b>2023</b>					
Cash flows <sup>1</sup>	16	6	–	22	22

(1) Lease liabilities at 30 June 2024 are nil therefore there is no maturity analysis.

## C2-1 Council as a lessee (continued)

### (d) 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	–	1
Depreciation of right of use assets	6	48
Expenses relating to leases of low-value assets	–	32
	<b>6</b>	<b>81</b>

### (e) Statement of Cash Flows

Total cash outflow for leases	6	80
	<b>6</b>	<b>80</b>

### Material accounting policy information

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

#### **Exceptions to lease accounting**

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

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

- investment property – where the asset is held predominantly for rental or capital growth purposes (refer note C1-9)
- property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer note C1-8).

\$ '000	Notes	2024	2023
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#### (i) Assets held as investment property

Investment property operating leases relate to a number of commercial and residential premises.

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)	B2-6	1,699	1,641
Direct operating expenses from property that generated rental income		(403)	(428)
Direct operating expenses from property that did not generate rental income		(89)	(32)
<b>Total income relating to operating leases for investment property assets</b>		<b>1,207</b>	<b>1,181</b>

#### Repairs and maintenance: investment property

Refer to Note G2-1 Commitments for disclosure relating to any capital and service obligations that have been contracted.

#### (ii) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)		2,450	2,415
Lease income relating to variable lease payments not dependent on an index or a rate		87	131
<b>Total income relating to operating leases for Council assets</b>	B2-6	<b>2,537</b>	<b>2,546</b>

#### Amount of IPPE leased out by Council under operating leases

Land	60,231	110,729
Buildings	27,109	24,515
Motor Vehicles	6,404	6,094
<b>Total amount of IPPE leased out by Council under operating leases</b>	<b>93,744</b>	<b>141,338</b>

#### (iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

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

< 1 year	1,805	1,752
1–2 years	1,860	1,805
2–3 years	1,917	1,860
3–4 years	1,975	1,917
4–5 years	2,035	1,975
> 5 years	2,098	2,035
<b>Total undiscounted lease payments to be received</b>	<b>11,690</b>	<b>11,344</b>

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Government departments and agencies	294	–	252	–
Prepaid rates	4,382	–	3,930	–
Goods and services	7,632	–	6,115	–
Accrued expenses:				
– Salaries and wages	1,963	–	2,064	–
– Other expenditure accruals	10,157	–	15,860	–
Security bonds, deposits and retentions	22,496	–	20,865	–
ATO – net GST payable	5,757	–	–	–
Other	128	–	119	–
<b>Total payables</b>	<b>52,809</b>	<b>–</b>	<b>49,205</b>	<b>–</b>

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

\$ '000	2024	2023
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	15,168	14,478
<b>Total payables</b>	<b>15,168</b>	<b>14,478</b>

#### Material accounting policy information

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

## C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Funds to construct Council controlled assets	(i)	12,471	23,300	13,224	23,300
Funds received prior to performance obligations being satisfied (upfront payments) - AASB 15	(ii)	621	-	2,642	-
Deposits received in advance of services provided		1,078	-	1,069	-
Upfront fees	(iii)	4,276	-	4,470	-
<b>Total contract liabilities</b>		<b>18,446</b>	<b>23,300</b>	<b>21,405</b>	<b>23,300</b>

### Notes

(i) Council has received funding to construct assets including sporting facilities, open space recreation 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 except for \$23.3m relating to the Accelerated Infrastructure Fund Round 2 grant from the Department of Planning and Environment which is not expected to be recognised until after 2024/25. Council has classified this income as Non-Current.

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

(iii) User fees and charges received in advance include Development Applications and Inspection Fees which have been assessed as AASB 15 Contract with a Customer are recorded as a contract liability and recognised as revenue once the performance obligations have been met.

### 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	6,106	10,585
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	423	628
Deposits received in advance of services provided	586	472
Upfront fees	1,872	1,248
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>8,987</b>	<b>12,933</b>

## C3-3 Borrowings

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	5,017	29,784	5,653	64,802
<b>Total borrowings</b>	<b>5,017</b>	<b>29,784</b>	<b>5,653</b>	<b>64,802</b>

(1) Loans are secured over the general rating income of Council.  
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E.

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

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	70,455	(35,654)	–	–	–	–	34,801
Lease liabilities (Note C2-1b)	22	(22)	–	–	–	–	–
<b>Total liabilities from financing activities</b>	<b>70,477</b>	<b>(35,676)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>34,801</b>

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	43,180	27,275	–	–	–	–	70,455
Lease liability (Note C2-1b)	68	(46)	–	–	–	–	22
<b>Total liabilities from financing activities</b>	<b>43,248</b>	<b>27,229</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>70,477</b>

### (b) Financing arrangements

\$ '000	2024	2023
<b>Total facilities</b>		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities <sup>1</sup>	500	500
Credit cards/purchase cards	550	550
<b>Total financing arrangements</b>	<b>1,050</b>	<b>1,050</b>
<b>Undrawn facilities</b>		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	500	500
– Credit cards/purchase cards	409	379
<b>Total undrawn financing arrangements</b>	<b>909</b>	<b>879</b>

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

### C3-4 Employee benefit provisions

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Annual leave	11,523	–	11,391	–
Sick leave	3,402	–	3,506	–
Long service leave	24,289	960	21,912	1,259
Gratuities	86	–	75	–
<b>Total employee benefit provisions</b>	<b>39,300</b>	<b>960</b>	<b>36,884</b>	<b>1,259</b>

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employee benefits	29,724	27,692
	<b>29,724</b>	<b>27,692</b>

#### Material accounting policy information

##### Other long-term employee benefit obligations

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



## C3-5 Provisions

\$ '000	2024	2024	2023	2023
	Current	Non-Current	Current	Non-Current
<b>Other provisions</b>				
Self insurance – public liability	189	–	503	–
<b>Total provisions</b>	<b>189</b>	<b>–</b>	<b>503</b>	<b>–</b>

### Description of and movements in provisions

\$ '000	Other provisions	
	Self insurance	Total
<b>2024</b>		
At beginning of year	503	503
Other	(314)	(314)
Total other provisions at end of year	189	189
<b>2023</b>		
At beginning of year	725	725
Additional provisions	42	42
Amounts used (payments)	(264)	(264)
Total other provisions at end of year	503	503

#### Material accounting policy information

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

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

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

#### Self-insurance

Council self-insures, to defined limits, for various risks, including public liability and professional indemnity, through its membership of the Local Government insurance pool CivicRisk Mutual. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note C1-3(b).

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **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 Interests in other entities

#### D1-1 Subsidiaries

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Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 and the accounting policy described below.

## D1-1 Subsidiaries (continued)

### Name of Operation/Entity

Name of Operation/Entity	Principal activity
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Penrith Performing and Visual Arts Ltd (PPVA)	Cultural Penrith
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Interests in Subsidiary	Ownership 2024	Ownership 2023	Principal place of business	Voting rights 2024	Voting rights 2023
Council's interest in Subsidiary	100%	100%	597 High Street, Penrith, 2750	100%	100%

### The nature of risks associated with Council's interests in the Subsidiary

Council provided PPVA an amount of \$3.187m in subsidies during 2023-24. This subsidy is proposed to be \$2.489m in 2024-25.

Council will underwrite the operation of the PPVA for a period of 36 months from 1 July 2022 until 30 June 2025.

### Summarised financial information for the Subsidiary

\$ '000	2024	2023
<b>Summarised statement of income and other comprehensive income</b>		
Revenue	2,557	2,215
Expenses	(5,729)	(5,051)
<b>Operating result from continuing operations</b>	<b>(3,172)</b>	<b>(2,836)</b>
<b>Total comprehensive income</b>	<b>(3,172)</b>	<b>(2,836)</b>
<b>Summarised statement of financial position</b>		
Current assets	2,165	3,142
Non-current assets	2,027	2,079
<b>Total assets</b>	<b>4,192</b>	<b>5,221</b>
Current liabilities	1,827	2,670
Non-current liabilities	86	265
<b>Total liabilities</b>	<b>1,913</b>	<b>2,935</b>
<b>Net assets</b>	<b>2,279</b>	<b>2,286</b>
<b>Summarised statement of cash flows</b>		
Cash flows from operating activities	(576)	803
Cash flows from investing activities	(24)	–
Cash flows from financing activities	–	(61)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(600)</b>	<b>742</b>

## D1-1 Subsidiaries (continued)

### Name of Operation/Entity

Name of Operation/Entity	Principal activity
Penrith Whitewater Stadium Ltd (PWS)	Management of Whitewater Stadium, Rafting & Leisure Cranebrook

Interests in Subsidiary	Ownership 2024	Ownership 2023	Principal place of business	Voting rights 2024	Voting rights 2023
Council's interest in Subsidiary	0%	100%	McCarthys Lane, Cranebrook, NSW 2749	0%	100%

### The nature of risks associated with Council's interests in the Subsidiary

Council provided PWS an amount of \$0.073m in subsidies during 2023-24, \$0.450m in 2022-23.

### The nature and extent of significant restrictions relating to the Subsidiary

Penrith Whitewater Stadium ceased to be a 100% wholly owned subsidiary of Penrith City Council from 1 July 2023 due to a transfer of operations to NSW Office of Sport, refer to Note D2-1 Discontinued Operations for further information.

## D2 Discontinued operations

### D2-1 Discontinued operations

\$ '000	2024	2023
<b>(a) Description</b>		
Penrith Whitewater Stadium ceased to be a 100% wholly owned subsidiary of Penrith City Council from 1 July 2023 See Note D1-1 Subsidiaries.		
<b>(b) Income Statement and cash flow information</b>		
<b>Financial performance</b>		
Revenues	–	1,351
Expenses	<b>(73)</b>	(1,985)
<b>Operating result from discontinued operations</b>	<b>(73)</b>	<b>(634)</b>
<b>Gain/(losses) on reclassification and/or sale</b>		
Consideration received for discontinued operations	–	–
<b>Less:</b>		
Net carrying value of discontinued operations	<b>(288)</b>	–
<b>Gain/(loss) on reclassification/sale</b>	<b>(288)</b>	–
<b>Net operating result from discontinued operations</b>	<b>(361)</b>	<b>(634)</b>
<b>Cash flows from discontinued operations</b>		
Net cash flows from operating activities (excl. boundary adjustments)	<b>(73)</b>	–
<b>Net increase/(decrease) in cash generated by the operations</b>	<b>(73)</b>	–
<b>(c) Carrying amounts of assets and liabilities</b>		
<b>Discontinued operation</b>		
Carrying value – assets	–	1,097
Carrying value – liabilities	–	(809)
<b>Net carrying value</b>	<b>–</b>	<b>288</b>

## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

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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 the 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.

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

### (a) Market risk – interest rate risk

\$ '000	2024	2023
<p>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.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	2,834	2,199
Impact of a 10% movement in price of investments		
– Equity / Income Statement	3,195	2,953



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

### (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.

#### Credit risk profile

##### Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
<b>2024</b>				
Gross carrying amount	3,055	7,589	1,003	11,647
<b>2023</b>				
Gross carrying amount	2,818	7,350	925	11,093

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

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2024</b>						
Gross carrying amount <sup>1</sup>	25,153	164	86	128	4,825	30,356
Expected loss rate (%)	0.00%	3.64%	13.25%	16.42%	17.55%	2.92%
<b>ECL provision</b>	<b>–</b>	<b>6</b>	<b>11</b>	<b>21</b>	<b>847</b>	<b>885</b>
<b>2023</b>						
Gross carrying amount <sup>1</sup>	16,069	5,829	566	160	4,888	27,512
Expected loss rate (%)	0.00%	2.21%	2.45%	34.02%	10.76%	2.63%
<b>ECL provision</b>	<b>–</b>	<b>129</b>	<b>14</b>	<b>54</b>	<b>526</b>	<b>723</b>

(1) Gross carrying amount includes Contract Assets

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

### (c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2024</b>							
Payables	0.00%	22,496	30,313	–	–	52,809	52,809
Borrowings	0.79%	–	6,113	15,681	10,151	31,945	34,801
<b>Total financial liabilities</b>		<b>22,496</b>	<b>36,426</b>	<b>15,681</b>	<b>10,151</b>	<b>84,754</b>	<b>87,610</b>
<b>2023</b>							
Payables	0.00%	20,865	28,341	–	–	49,206	49,205
Borrowings	4.08%	–	8,482	37,146	67,387	113,015	70,455
<b>Total financial liabilities</b>		<b>20,865</b>	<b>36,823</b>	<b>37,146</b>	<b>67,387</b>	<b>162,221</b>	<b>119,660</b>

### Loan agreement breaches

There have not been any breaches to loan agreements which have occurred during the reporting year.

## E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets and liabilities

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

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

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

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

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

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
<b>Recurring fair value measurements</b>							
<b>Financial investments</b> C1-2							
At fair value through profit or loss		32,499	29,529	–	–	32,499	29,529
<b>Investment property</b> C1-9							
Land and buildings		45,648	97,939	–	–	45,648	97,939
<b>Infrastructure, property, plant and equipment</b> C1-8							
Crown Land		–	–	66,996	72,355	66,996	72,355
Operating land		309,161	308,405	–	–	309,161	308,405
Community land		–	–	706,766	746,820	706,766	746,820
Land under roads		–	–	309,173	305,074	309,173	305,074
Land improvements - Depreciable		–	–	15,181	14,856	15,181	14,856
Land Improvements - Non Depreciable		–	–	8,014	5,850	8,014	5,850
Buildings		–	–	340,620	311,204	340,620	311,204
Roads, bridges, footpaths		–	–	1,090,354	989,456	1,090,354	989,456
Stormwater drainage		–	–	717,102	639,079	717,102	639,079
Other Open Space/Recreational Assets		–	–	133,166	113,127	133,166	113,127
Other Infrastructure		–	–	4,705	5,193	4,705	5,193
<b>Total infrastructure, property, plant and equipment</b>		<b>309,161</b>	<b>308,405</b>	<b>3,392,077</b>	<b>3,203,014</b>	<b>3,701,238</b>	<b>3,511,419</b>

### Transfers between levels of the hierarchy

Prior year operating land of \$308.4 million was reclassified from Level 3 to Level 2 as valuation technique is based on market-based direct comparison.

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

## E2-1 Fair value measurement (continued)

### Valuation techniques

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

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

Class	Valuation technique(s)	Unobservable Inputs
Financial Assets	Valuation obtained by registered valuer and Actuary using income approach	Face value, expected future cash flows

Class	Valuation technique(s)	Unobservable Inputs
Investment Properties	Market Approach Valuation obtained by registered valuer	Land value, land area, building condition

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

Class	Valuation technique(s)	Unobservable Inputs
Plant & Equipment, Office Equipment, Furniture & Fittings	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Operational Land	Market-based direct comparison	Rate per square metre, land area
Community Land	Market approach Land values obtained from the NSW Valuer-General	Land value, land area, restrictions over use
Crown Land	Market approach Land Values obtained from the NSW Valuer-General	Land Value, Land area, restrictions, over use
Land Under Roads	Unit rate based on Valuer-General average m2 price less Englobo discounting methodology	Extent and impact of use, market cost of land per square metre. The market value of land varies significantly depending on the location of the land and current market conditions.
Land Improvements – Depreciable	Cost approach	Current replacement cost of modern equivalent asset, asset condition, remaining lives, residual value
Buildings	Cost Approach	Current replacement cost, asset condition, remaining lives, residual value and useful lives
Roads	Cost Approach	Asset condition, remaining lives, rates per square metre
Stormwater Drainage	Cost Approach	Asset condition, remaining lives rates per square metre
Other Open Space/ Recreational Assets	Cost Approach	Asset condition, remaining lives
Library Books	Cost approach	Current replacement cost of modern equivalent asset, asset condition, remaining lives, residual value

## E2-1 Fair value measurement (continued)

### Reconciliation of Movements

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

\$ '000	Total IPP&E	
	2024	2023
<b>Opening balance</b>	<b>3,511,419</b>	2,623,711
<b>Total gains or losses for the period</b>		
Recognised in other comprehensive income – revaluation surplus	<b>139,151</b>	887,485
<b>Other movements</b>		
Transfers from/(to) another asset class	<b>139</b>	2,944
Purchases (GBV)	<b>105,839</b>	47,984
Disposals (WDV)	<b>(66)</b>	(1,017)
Depreciation and impairment	<b>(56,000)</b>	(49,688)
<b>Closing balance</b>	<b>3,700,482</b>	3,511,419

## E3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure are 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 AASB 119 *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 formula 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 9.0% 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 and monitored annually between triennials.

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

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

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

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

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

## E3-1 Contingencies (continued)

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 \$669,841.34. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$205,443.50. Council's expected contribution to the plan for the next annual reporting period is \$447,818.42.

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

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

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

The share of this deficit that is broadly attributed to the Council is estimated to be in the order of 2.06% as at 30 June 2024.

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

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

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

\* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2024.

### (ii) CivicRisk Mutual Limited

Council is a member of CivicRisk Mutual Ltd, a mutual self-insurance scheme providing general insurance to local government.

CivicRisk Mutual Ltd membership includes the potential to share in either the net surplus or deficit of protection years depending on its past performance. Council's share of the net surplus or deficit reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 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) Loan Guarantor

At Council meeting 27 July 2020, Council has guaranteed a loan application of \$500,000 to Penrith Valley Regional Sports Stadium for a maximum term of 10 years. The loan financed building improvements on land leased to Penrith Sports Stadium Ltd by Council until 10 October 2087. This is in addition to an existing loan guarantee for \$40,000 for a total of \$540,000.

## E3-1 Contingencies (continued)

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### (iv) Bank Guarantee

Council has provided two bank guarantees to the value of \$7,603.40 to the Department of Education for two Out of School Hours facilities in Public Schools.

- Department of Education \$3,801.70
- Department of Education \$3,801.70

### (v) Other guarantees

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

## 2. Other liabilities

### (i) Third party claims

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

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

### (ii) 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.

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.

### (iii) Asset Impairment

Infrastructure assets comprising of roads, footpaths, bridges and stormwater drainage within identified parts of Jordan Springs East and Glenmore Park have experienced settlement. These assets are currently valued at \$53.82m and \$3.22m respectively. Localised repairs to assets include pavement rehabilitation and minor repairs to footpaths and kerb and gutter at the expense of the developer have occurred. Further, an asset assurance agreement has been established at Jordan Springs East with Lendlease, and a Monitoring Deed is being entered into at Glenmore Park with Stockland. These documents set agreements between Council and the developer for asset maintenance and monitoring for the next 15 years and 10 years respectively.

There is significant uncertainty at this time for Council to estimate the useful lives or any future liabilities in relation to these assets as the cumulative settlement is unknown.

## ASSETS NOT RECOGNISED

### (iv) 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.



## 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:

<b>\$ '000</b>	<b>2024</b>	2023
<b>Compensation:</b>		
Short-term benefits (including annual leave)	<b>3,149</b>	3,027
Other long-term benefits	<b>146</b>	136
Termination benefits	<b>88</b>	297
<b>Total</b>	<b>3,383</b>	<b>3,460</b>

## F1-1 Key management personnel (KMP) (continued)

### Other transactions with KMP and their related parties

#### Pre-amble

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
<b>2024</b>						
Contribution to Civic Risk Mutual	1	3,561	–	30-day terms on invoices	–	–
Loan provided to Penrith Valley Regional Sports Centre	2	2,383	–		–	–
Debt Guarantee for Penrith Valley Regional Sports Centre	3	500	–		–	–
Contributions to Penrith CBD Corporation Limited	4	467	–		–	–
Contributions to St Marys Town Centre	5	375	–		–	–
<b>2023</b>						
Contribution to Civic Risk Mutual	1	3,036	–	30-day terms on invoices	–	–
Loan provided to Penrith Valley Regional Sports Centre	2	1,200	–		–	–
Debt Guarantee for Penrith Valley Regional Sports Centre	3	500	–		–	–
Contributions to Penrith CBD Corporation Limited	4	513	–		–	–
Contributions to St Marys Town Centre	5	–	–		–	–

1 Council has a vested interest in Civic Risk Mutual who also insures Council. There is one Councillor representative on the board of directors. The General Manager is an Assembly Member.

2 Council has loaned Penrith Valley Regional Sports Centre Limited (PVRSC) a facility amount that can be drawn down, repayment commenced on 1st July 2021 on a monthly basis. The PVRSC Limited Board consists of 7 volunteer Directors including a Councillor of the Council. The auditor of PVRSC is a Councillor of the Council.

3 Council guaranteed a loan application to Penrith Valley Regional Sports Centre to finance building improvements on land leased to Penrith Sports Stadium Pty Ltd by Council until 10 October 2087. Refer to E3-1 1(iii) for further details. The PVRSC Limited Board consists of 7 volunteer Directors including a Councillor of the Council.

## F1-1 Key management personnel (KMP) (continued)

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- 4 Council collects rates from non-residential properties in the city centre to provide to Penrith CBD Corporations Limited as well as sponsorship of events. There is one Councillor representative on the board of directors.
  
- 5 Council collects rates from non-residential properties in the city centre and provides to St Marys Town Centre on a quarterly basis as per the Service Level Agreements. There is one Councillor representative on the board of directors.

## 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	93	92
Councillors' fees	459	475
Councillors superannuation	61	57
Other Councillors' expenses (including Mayor)		
– Telephone and internet services	10	12
– Training, conferences and seminars	32	32
– Other	9	5
<b>Total</b>	<b>664</b>	<b>673</b>

## F2 Other relationships

### F2-1 Audit fees

\$ '000	2024	2023
Audit and other assurance services: Auditors of NSW Council – NSW Auditor-General:		
Audit and review of financial statements	174	154
<b>Total fees paid or payable to the Auditor-General</b>	<b>174</b>	<b>154</b>

## G Other matters

### G1-1 Statement of Cash Flows information

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

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>96,544</b>	62,385
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	62,808	56,631
(Gain) / loss on disposal of assets	(20,834)	4,126
Non-cash capital grants and contributions	(17,597)	(17,338)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as ‘at fair value’	(697)	(928)
– Investment property	–	(2,838)
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(5,863)	(3,096)
Increase / (decrease) in provision for impairment of receivables	633	182
(Increase) / decrease of inventories	(30)	(16)
(Increase) / decrease of other current assets	(253)	6,505
(Increase) / decrease of contract asset	3,915	9,711
Increase / (decrease) in payables	1,517	1,795
Increase / (decrease) in other accrued expenses payable	(5,804)	4,801
Increase / (decrease) in other liabilities	7,891	2,601
Increase / (decrease) in contract liabilities	(2,959)	(1,594)
Increase / (decrease) in employee benefit provision	2,117	(97)
Increase / (decrease) in other provisions	(314)	(222)
<b>Net cash flows from operating activities</b>	<b>121,074</b>	<b>122,608</b>

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

Dedications	13,746	14,603
Bushfire grants	408	368
Developer contributions ‘in kind’	2,880	2,367
<b>Total non-cash investing and financing activities</b>	<b>17,034</b>	<b>17,338</b>

## 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:		
Buildings	4,902	12,389
Plant and equipment	953	1,497
Roadworks	5,556	3,191
Other	7,333	31,428
Investment Property	4	125
<b>Total commitments</b>	<b>18,748</b>	<b>48,630</b>

#### Details of capital commitments

Council has committed to the capital expenditures on the following major projects:

- Gipps Street Recreation Precinct
- Dunheved Road Upgrade
- Great River Walk Nepean Ave Shared Use Path
- Regatta Park Stage 1
- St Marys City Planning and Development
- Woodriff Gardens Tennis Amenity Upgrade
- Kingsway North Amenity Building Renewal
- Gipps Street Stage 2 - Westinvest
- Plant & Equipment Procurement

### G3-1 Events occurring after the reporting date

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



## G4 Statement of developer contributions

### 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					
Drainage	(6,890)	29	–	–	(169)	(141)	–	(7,171)	–
Roads	5,831	7,576	–	–	264	–	–	13,671	–
Parking	1,397	–	–	–	58	–	–	1,455	–
Open space	43,898	14,934	–	–	2,038	(8,137)	–	52,733	–
Community facilities	1,472	674	–	–	81	–	–	2,227	–
Other	(178)	1,095	–	–	78	(73)	–	922	–
<b>S7.11 contributions – under a plan</b>	45,530	<b>24,308</b>	–	–	<b>2,350</b>	<b>(8,351)</b>	–	<b>63,837</b>	–
<b>S7.12 levies – under a plan</b>	7,257	<b>3,071</b>	–	–	<b>376</b>	<b>(596)</b>	–	<b>10,108</b>	–
<b>Total S7.11 and S7.12 revenue under plans</b>	52,787	<b>27,379</b>	–	–	<b>2,726</b>	<b>(8,947)</b>	–	<b>73,945</b>	–
S7.4 planning agreements	10,400	9,005	1,236	1,644	828	(3,296)	–	19,817	–
<b>Total contributions</b>	<b>63,187</b>	<b>36,384</b>	<b>1,236</b>	<b>1,644</b>	<b>3,554</b>	<b>(12,243)</b>	–	<b>93,762</b>	–

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

## G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 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						
<b>Civic Improvement Plan</b>										
Drainage	(2,681)	15	-	-	(112)	-	-	(2,778)	-	
Roads	2,833	233	-	-	129	-	-	3,195	-	
Parking	1,397	-	-	-	58	-	-	1,455	-	
Open space	1,062	135	-	-	51	-	-	1,248	-	
Community facilities	87	75	-	-	7	-	-	169	-	
Other	(16)	4	-	-	(1)	(11)	-	(24)	-	
<b>Total</b>	<b>2,682</b>	<b>462</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>(11)</b>	<b>-</b>	<b>3,265</b>	<b>-</b>	
<b>Claremont Meadows</b>										
Drainage	(2,275)	14	-	-	(106)	(141)	-	(2,508)	-	
Roads	653	9	-	-	30	-	-	692	-	
Open space	278	62	-	-	9	(142)	-	207	-	
Community facilities	1,086	5	-	-	47	-	-	1,138	-	
Other	2,262	67	-	-	103	(3)	-	2,429	-	
<b>Total</b>	<b>2,004</b>	<b>157</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>(286)</b>	<b>-</b>	<b>1,958</b>	<b>-</b>	
<b>Cultural Facilities</b>										
Other	(1,581)	670	-	-	-	-	-	(911)	-	
<b>Total</b>	<b>(1,581)</b>	<b>670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(911)</b>	<b>-</b>	
<b>Erskine Business Park</b>										
Drainage	1,178	-	-	-	49	-	-	1,227	-	
Roads	(298)	-	-	-	(12)	-	-	(310)	-	
Other	(318)	-	-	-	(13)	(11)	-	(342)	-	
<b>Total</b>	<b>562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>(11)</b>	<b>-</b>	<b>575</b>	<b>-</b>	
<b>Glenmore Park Stage 2</b>										
Roads	74	11	-	-	8	-	-	93	-	
Open space	127	340	-	-	13	(323)	-	157	-	
Community facilities	(431)	287	-	-	(14)	-	-	(158)	-	
Other	10	29	-	-	4	(11)	-	32	-	
<b>Total</b>	<b>(220)</b>	<b>667</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>(334)</b>	<b>-</b>	<b>124</b>	<b>-</b>	

## 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						
<b>Lambridge Estate</b>										
Drainage	(3,109)	-	-	-	-	-	-	-	(3,109)	-
Roads	1,302	-	-	-	-	-	-	-	1,302	-
Other	19	-	-	-	-	-	-	-	19	-
<b>Total</b>	<b>(1,788)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,788)</b>	<b>-</b>
<b>Penrith City District Open Space</b>										
Open space	32,270	4,852	-	-	1,314	(7,265)	-	-	31,171	-
Other	66	49	-	-	3	(13)	-	-	105	-
<b>Total</b>	<b>32,336</b>	<b>4,901</b>	<b>-</b>	<b>-</b>	<b>1,317</b>	<b>(7,278)</b>	<b>-</b>	<b>-</b>	<b>31,276</b>	<b>-</b>
<b>Penrith City Local Open Space</b>										
Open space	3,099	1,280	-	-	165	(177)	-	-	4,367	-
Other	57	12	-	-	2	(2)	-	-	69	-
<b>Total</b>	<b>3,156</b>	<b>1,292</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>(179)</b>	<b>-</b>	<b>-</b>	<b>4,436</b>	<b>-</b>
<b>Waterside</b>										
Roads	1	-	-	-	-	-	-	-	1	-
Open space	206	-	-	-	10	-	-	-	216	-
Other	37	-	-	-	-	(1)	-	-	36	-
<b>Total</b>	<b>244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>253</b>	<b>-</b>
<b>Werrington Enterprise Living and Learning (WELL)</b>										
Drainage	(3)	-	-	-	-	-	-	-	(3)	-
Roads	1,266	449	-	-	68	-	-	-	1,783	-
Open space	6,856	4,946	-	-	456	(230)	-	-	12,028	-
Community facilities	730	307	-	-	41	-	-	-	1,078	-
Other	(532)	54	-	-	(20)	(21)	-	-	(519)	-
<b>Total</b>	<b>8,317</b>	<b>5,756</b>	<b>-</b>	<b>-</b>	<b>545</b>	<b>(251)</b>	<b>-</b>	<b>-</b>	<b>14,367</b>	<b>-</b>
<b>Mamre Road</b>										
Roads	-	6,874	-	-	41	-	-	-	6,915	-
Open space	-	3,319	-	-	20	-	-	-	3,339	-
Other	(182)	210	-	-	-	-	-	-	28	-
<b>Total</b>	<b>(182)</b>	<b>10,403</b>	<b>-</b>	<b>-</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,282</b>	<b>-</b>

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

### S7.12 Levies – under a 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					
<b>Citywide Non-Residential Development</b>									
Other	7,257	3,071	–	–	376	(596)	–	10,108	–
<b>Total</b>	<b>7,257</b>	<b>3,071</b>	<b>–</b>	<b>–</b>	<b>376</b>	<b>(596)</b>	<b>–</b>	<b>10,108</b>	<b>–</b>

### G4-3 S7.4 planning agreements

<b>Planning Agreements</b>									
Other	10,400	9,005	1,236	1,644	828	(3,296)	–	19,817	–
<b>Total</b>	<b>10,400</b>	<b>9,005</b>	<b>1,236</b>	<b>1,644</b>	<b>828</b>	<b>(3,296)</b>	<b>–</b>	<b>19,817</b>	<b>–</b>

## G5 Statement of performance measures

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

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022		Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2, 3</sup>	<b>(16,634)</b>	<b>(5.58)%</b>	(4.59)%	(1.30)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>298,350</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1, 4</sup>	<b>267,106</b>	<b>68.42%</b>	70.18%	68.08%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>390,412</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions <sup>5</sup>	<b>169,610</b>	<b>4.22x</b>	5.89x	4.33x	> 1.50x
Current liabilities less specific purpose liabilities	<b>40,163</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1, 6</sup>	<b>47,270</b>	<b>1.29x</b>	5.58x	5.87x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>36,756</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>10,046</b>	<b>4.81%</b>	5.01%	5.20%	< 5.00%
Rates and annual charges collectable	<b>208,932</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>251,433</b>	<b>9.76</b>	10.07	10.24	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>25,767</b>	<b>months</b>	months	months	months

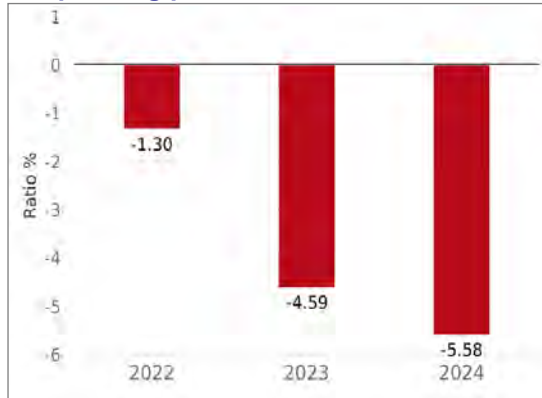
- (1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies
- (2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, impairment losses on receivables, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method
- (3) Operating performance ratio for prior year 2023 has been restated from (4.79)% to (4.59)% due to the reclassification of Penrith Whitewater Stadium from a continuing operation to a discontinued operation from 1 July 2023 (see further explanation in Note D2-1)
- (4) Own source operating revenue ratio for prior year 2023 has been restated from 70.29% to 70.18% due to the reclassification of Penrith Whitewater Stadium from a continuing operation to a discontinued operation from 1 July 2023 (see further explanation in Note D2-1).
- (5) Unrestricted current ratio for prior year 2023 has been restated from 5.74x to 5.89x due to the reclassification of Childcare reserves from external to internal restrictions.
- (6) Debt service cover ratio for prior year 2023 has been restated from 5.51% to 5.58% due to the reclassification of Penrith Whitewater Stadium from a continuing operation to a discontinued operation from 1 July 2023 (see further explanation in Note D2-1)

**End of the audited financial statements**

## H Additional Council disclosures (unaudited)

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

#### 1. Operating performance ratio



#### Purpose of operating performance ratio

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

#### Commentary on 2023/24 result

2023/24 ratio (5.58)%

The main reason for the deficit ratio result is the increase in depreciation following comprehensive revaluations. As the replacement cost of Council's assets continue to increase and further assets are constructed, depreciation expenditure will continue to increase. Council continues to plan for the long term (including managing asset management costs), forecasting asset renewal and investment in capital assets and balancing operational revenue and expenditure, with a focus on delivering balanced and sustainable budgets.

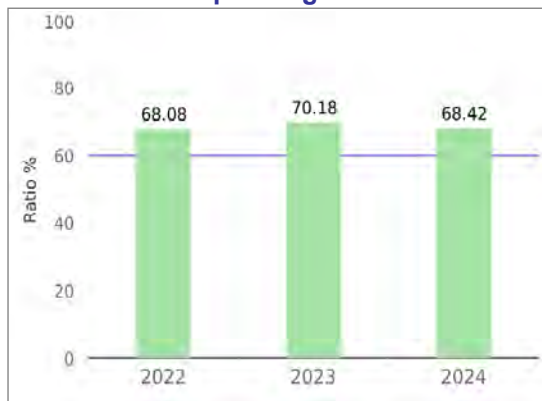
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



#### Purpose of own source operating revenue ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 68.42%

The benchmark is greater than 60% - a higher percentage means Council receives more of its revenue from Rates, Fees and Charges, and is less reliant on Grants and Contributions. Council has consistently achieved above benchmark with the majority of Councils income coming from internal funding sources

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 3. Unrestricted current ratio



#### Purpose of unrestricted current ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 4.22x

Council consistently maintains working capital and achieved better than the Office of Local Government's benchmark of 1.5:1.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

## 4. Debt service cover ratio



**Purpose of debt service cover ratio**

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

**Commentary on 2023/24 result**

**2023/24 ratio 1.29x**

Council continues to use Borrowings to fund Infrastructure Programs and Projects, however Council's level of debt is continually monitored to ensure it is sustainable without compromising service levels.

During the 2023-24 financial year a \$30m variable loan was repaid in full, following the sale of investment property for which the loan was originally used to purchase the site. This has had a significant and expected impact, the ratio will return to above benchmark in the following financial year.

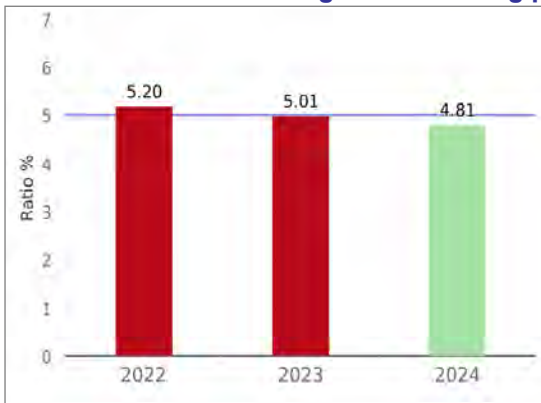
Benchmark: — > 2.00x

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 4.81%**

Rates arrears have reduced from prior peaks during the pandemic with the result now being below the benchmark. Council has returned to business as usual debt recovery processes, and continues with a compassionate approach to debt recovery to assist ratepayers experiencing cost of living pressures.

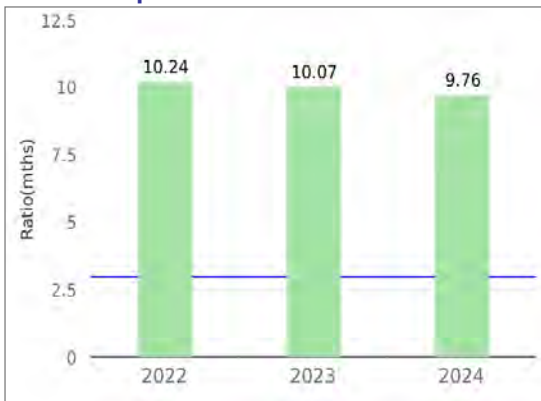
Benchmark: — < 5.00%

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 9.76 months**

Council has sufficient liquidity to meet all cash expenses and exceeds benchmark.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Penrith City Council

To the Councillors of the Penrith City Council

### Opinion

I have audited the accompanying financial statements of the Penrith City Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information. The financial statements include the consolidated financial statements of the Council and the entities it controlled at the year's end or from time to time during the year.

In my opinion:

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

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

### Basis for Opinion

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

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

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



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

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

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

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

### **Other Information**

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

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

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

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

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

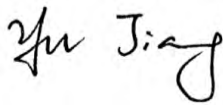
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

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

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



Reiky Jiang  
Delegate of the Auditor-General for New South Wales

30 October 2024  
SYDNEY



Councillor Todd Carney  
Mayor  
Penrith City Council  
PO Box 60  
PENRITH NSW 2751

Contact: Reiky Jiang  
Phone no: 02 9275 7281  
Our ref: R008-2124742775-8188/1777

30 October 2024

Dear Mayor

## Report on the Conduct of the Audit for the year ended 30 June 2024 Penrith City Council

I have audited the general purpose financial statements (GPFS) of the Penrith City Council (the Council) for the year ended 30 June 2024 as required by section 415 of the *Local Government Act 1993* (the Act).

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

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

### INCOME STATEMENT

#### Operating result

	2024	2023*	Variance
	\$m	\$m	%
Rates and annual charges revenue	198.4	186.8	6.2
Grants and contributions revenue	123.3	106.6	15.7
Operating result from continuing operations	96.9	63.0	53.8
Net operating result before capital grants and contributions	4.5	(13.9)	132.4

\* The 2023 comparatives have been restated because the Penrith Whitewater Stadium operations were reclassified from continuing to discontinued operations.

Rates and annual charges revenue (\$198.4 million) increased by \$11.6 million (6.2 per cent) in 2023–24 due to rate peg increase of 3.7 per cent and \$4.7 million increase in domestic waste charges.

Grants and contributions revenue (\$123.3 million) increased by \$16.7 million (15.7 per cent) in 2023–24 mainly due to an increase of \$16.7 million of developer contributions recognised during the year and additional grants of \$2.5 million recognised for children's services. These increases were offset by Council receiving 85 per cent of the financial assistance grants for 2024-25 in advance (100 per cent in 2022-23).

Council's operating result from continuing operations (\$96.9 million including depreciation, amortisation and impairment expense of \$62.8 million) was \$33.9 million higher than the 2022–23 result. This was mainly attributable to:

- \$25.0 million increase in net gain from the disposal of assets
- \$16.7 million increase in grants and contributions
- \$11.6 million increase in rates and annual charges
- \$12.2 million increase in employee benefits and on-costs
- \$6.3 million increase in depreciation, amortisation and impairment of non-financial assets.

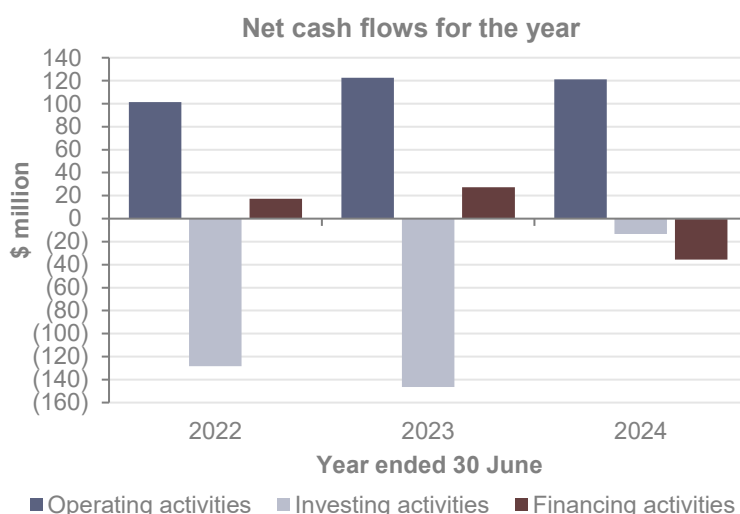
The net operating result before capital grants and contributions (\$4.5 million) was \$18.4 million higher than the 2022–23 result.

## STATEMENT OF CASH FLOWS

Cash and cash equivalents increased by \$72.0 million mainly due to:

- sale of investment property
- increases in rates and annual charges
- increases in user charges and fees.

These are offset by increases in repayment of borrowings and purchase of Infrastructure, Property, Plant and Equipment.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>283.9</b>	<b>229.6</b>	External restrictions rose by \$17.8 million mainly due to an increase in developer contributions– general of \$30.6 million offset by a decrease in special purpose unexpended grants – general fund of \$18.5 million.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change. The increase of \$44.2 million is mainly due to an increase in the allocations to acquisition of land and buildings, financial management and infrastructure construction.
• External restrictions	154.1	136.3	
• Internal allocations	121.4	77.2	

## Debt

At 30 June 2024, Council had:

- \$34.8 million in secured loans (\$70.5 million in 2022-23)
- \$500,000 in approved overdraft facility with \$nil drawn down
- \$550,000 in credit card facility with \$141,000 used.

## PERFORMANCE

### Performance measures

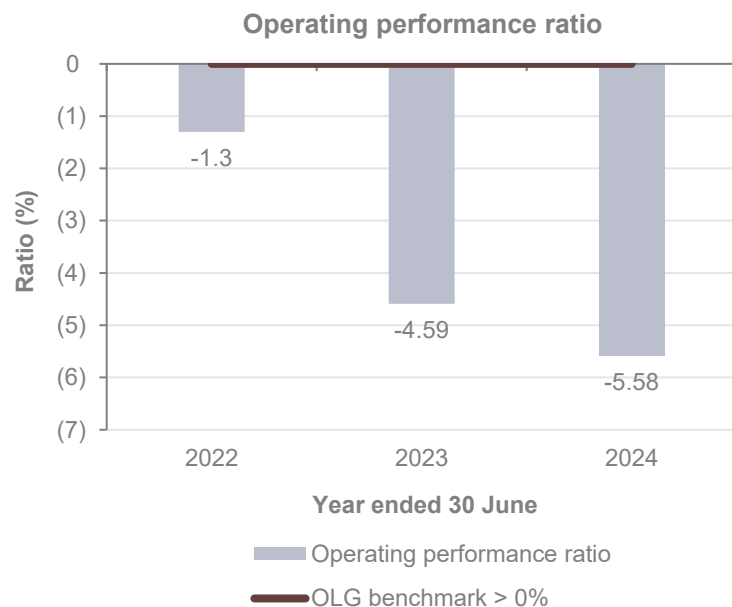
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

#### Operating performance ratio

Council did not meet the benchmark for the current reporting period. This was mainly due to the increase in depreciation expenses.

The 2023 ratio was restated because the Penrith Whitewater Stadium operations were reclassified from continuing to discontinued operations.

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



#### Own source operating revenue ratio

Council met the benchmark for the current reporting period.

The 2023 ratio was restated because the Penrith Whitewater Stadium operations were reclassified from continuing to discontinued operations.

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

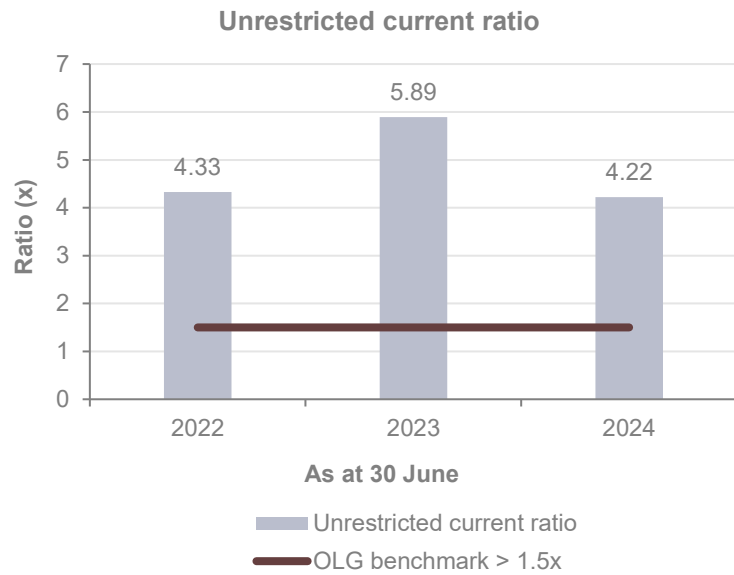


### Unrestricted current ratio

Council met the benchmark for the current reporting period.

The 2023 ratio was restated because the Penrith Whitewater Stadium operations were reclassified from continuing to discontinued operations.

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

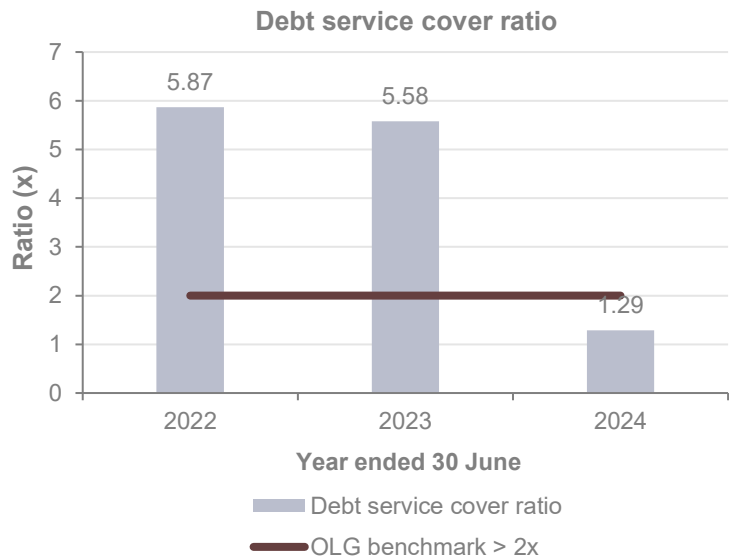


### Debt service cover ratio

Council did not meet the benchmark for the current reporting period. This was due to Council repaying a loan after the sale of an investment property during 2023-24.

The 2023 ratio was restated because the Penrith Whitewater Stadium operations were reclassified from continuing to discontinued operations.

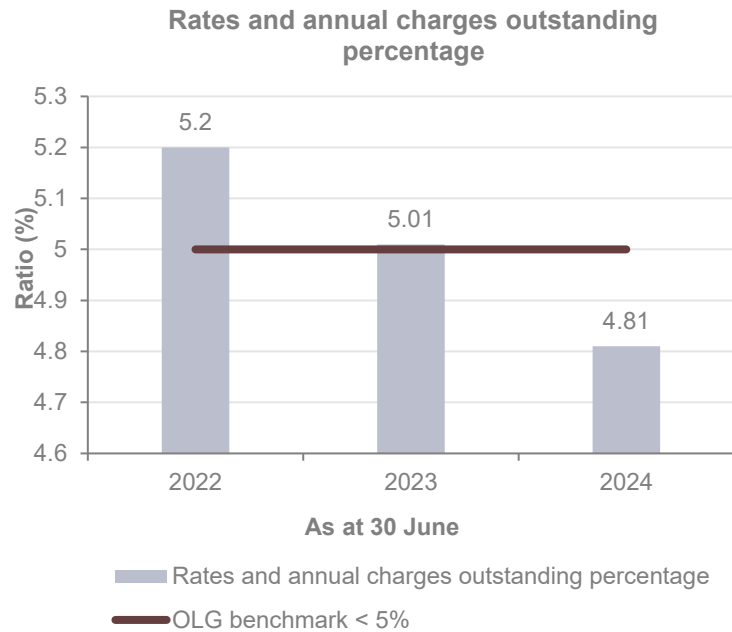
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



## Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

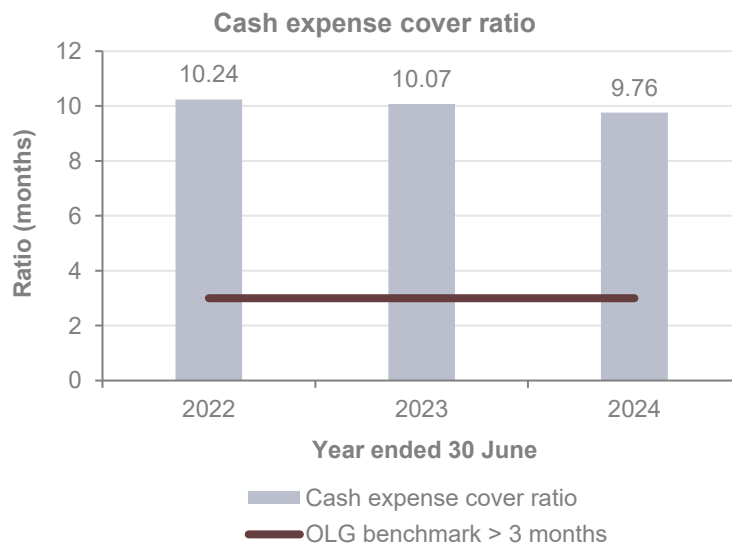
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.



## Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



## Infrastructure, property, plant and equipment renewals

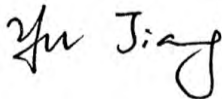
Council renewed \$34.9 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads and stormwater drainage. A further \$90.4 million was spent on new assets including capital works in progress of \$43.2 million.

## OTHER MATTERS

### Legislative compliance

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

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



Reiky Jiang  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales



# Penrith City Council

## SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

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*Our regional city is inclusive and prosperous and offers the  
best in urban living and a sustainable rural environment*

Contents	Page
<b>Statement by Councillors and Management</b>	<b>3</b>
<b>Special Purpose Financial Statements:</b>	
Income Statement of Children's Services	4
Income Statement of Property Development	5
Income Statement of Penrith Performing and Visual Arts Ltd	6
Statement of Financial Position of Childrens' Services	7
Statement of Financial Position of Property Development	8
Statement of Financial Position of Penrith Performing and Visual Arts Ltd	9
<b>Note – Material accounting policy information</b>	<b>10</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>13</b>

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### Background

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

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

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

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

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

# Penrith City Council

## Special Purpose Financial Statements

for the year ended 30 June 2024

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### 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.

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, and;
- 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.

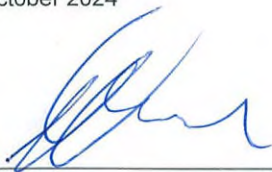
Signed in accordance with a resolution of Council made on 28 October 2024.



Clr Todd Carney  
**Mayor**  
28 October 2024



Clr Ross Fowler OAM  
**Deputy Mayor**  
28 October 2024



Andrew Moore  
**General Manager**  
28 October 2024



Neil Farquharson  
**Responsible Accounting Officer**  
28 October 2024

## Penrith City Council

### Income Statement of Children's Services

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
User charges	28,364	25,506
Grants and contributions provided for operating purposes	10,048	7,588
Other income	5	–
<b>Total income from continuing operations</b>	<b>38,417</b>	<b>33,094</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	31,980	26,523
Materials and services	9,260	6,278
Calculated taxation equivalents	1,678	1,320
Imputed rental	1,106	1,004
Other expenses	238	637
<b>Total expenses from continuing operations</b>	<b>44,262</b>	<b>35,762</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(5,845)</b>	<b>(2,668)</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(5,845)</b>	<b>(2,668)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(5,845)</b>	<b>(2,668)</b>
<b>Surplus (deficit) after tax</b>	<b>(5,845)</b>	<b>(2,668)</b>
<b>Plus accumulated surplus</b>	<b>(3,602)</b>	<b>(3,236)</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	1,678	1,320
– Imputed Rental	1,106	1,004
<b>Add:</b>		
– Subsidy paid/contribution to operations	1,518	(22)
<b>Closing accumulated surplus</b>	<b>(5,145)</b>	<b>(3,602)</b>
<b>Subsidy from Council</b>	<b>5,845</b>	<b>2,561</b>

## Penrith City Council

### Income Statement of Property Development

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
User charges	-	77
Interest and investment income	-	452
Other Income	-	2,980
Net gain from the disposal of assets	-	3,394
Other revenue	-	4,104
<b>Total income from continuing operations</b>	<b>-</b>	<b>11,007</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	-	2,731
Borrowing costs	-	305
Materials and services	-	1,720
Depreciation, amortisation and impairment	-	2,157
Calculated taxation equivalents	-	1,845
Debt guarantee fee (if applicable)	-	1,208
Other expenses	-	389
<b>Total expenses from continuing operations</b>	<b>-</b>	<b>10,355</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>-</b>	<b>652</b>
Grants and contributions provided for capital purposes	-	1,446
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>-</b>	<b>2,098</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>-</b>	<b>2,098</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	-	(163)
<b>Surplus (deficit) after tax</b>	<b>-</b>	<b>1,935</b>
<b>Plus accumulated surplus</b>	<b>-</b>	<b>56,507</b>
<b>Plus adjustments for amounts unpaid:</b>		
- Taxation equivalent payments	-	1,845
- Debt guarantee fees	-	1,208
- Corporate taxation equivalent	-	163
- Subsidy paid/contribution to operations	-	(13,975)
<b>Closing accumulated surplus <sup>1</sup></b>	<b>-</b>	<b>47,683</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>0.6%</b>
<b>Subsidy from Council</b>	<b>-</b>	<b>5,227</b>

(1) Property Development was undecleared as a business activity in 2023-24 financial year through a Council resolution on 24 June 2024. Due to this, this has no values to report in the 2024 financial year, the 2023 financial year has been left with prior year figures. Property Development provided purchase, development, rental, and management of real estate.

## Penrith City Council

### Income Statement of Penrith Performing and Visual Arts Ltd

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
User charges	-	1,591
Interest and investment income	-	30
Grants and contributions provided for operating purposes	-	593
<b>Total income from continuing operations</b>	<b>-</b>	<b>2,214</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	-	3,504
Materials and services	-	1,476
Depreciation, amortisation and impairment	-	70
Calculated taxation equivalents	-	126
Imputed rental	-	1,757
<b>Total expenses from continuing operations</b>	<b>-</b>	<b>6,933</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>-</b>	<b>(4,719)</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>-</b>	<b>(4,719)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>-</b>	<b>(4,719)</b>
<b>Surplus (deficit) after tax</b>	<b>-</b>	<b>(4,719)</b>
<b>Plus accumulated surplus</b>	<b>-</b>	<b>889</b>
<b>Plus adjustments for amounts unpaid:</b>		
- Taxation equivalent payments	-	126
- Imputed rental	-	1,757
<b>Add:</b>		
- Subsidy paid/contribution to operations	-	2,399
<b>Closing accumulated surplus <sup>1</sup></b>	<b>-</b>	<b>452</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>(229.1)%</b>
<b>Subsidy from Council</b>	<b>-</b>	<b>4,802</b>

(1) Penrith Performing and Visual Arts Limited (PPVA) was undeclared as a business activity in 2023-24 financial year through a Council resolution on 24 June 2024. Due to this, this has no values to report in the 2024 financial year, the 2023 financial year has been left with prior year figures. PPVA provided gallery, theatre, function and educational facilities.

## Penrith City Council

### Statement of Financial Position of Childrens' Services

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Investments	474	1,203
Receivables	561	884
<b>Total current assets</b>	<b>1,035</b>	<b>2,087</b>
<b>Total assets</b>	<b>1,035</b>	<b>2,087</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	78	268
Employee benefit provisions	6,102	5,421
<b>Total current liabilities</b>	<b>6,180</b>	<b>5,689</b>
<b>Total liabilities</b>	<b>6,180</b>	<b>5,689</b>
<b>Net assets</b>	<b>(5,145)</b>	<b>(3,602)</b>
<b>EQUITY</b>		
Accumulated surplus	(5,145)	(3,602)
<b>Total equity</b>	<b>(5,145)</b>	<b>(3,602)</b>

## Penrith City Council

### Statement of Financial Position of Property Development

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Investments	-	3,444
Other	-	2
<b>Total current assets</b>	<b>-</b>	<b>3,446</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	-	153,824
<b>Total non-current assets</b>	<b>-</b>	<b>153,824</b>
<b>Total assets</b>	<b>-</b>	<b>157,270</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	-	135
Borrowings	-	5,744
Contract liabilities	-	320
Employee benefit provisions	-	531
<b>Total current liabilities</b>	<b>-</b>	<b>6,730</b>
<b>Non-current liabilities</b>		
Borrowings	-	24,719
<b>Total non-current liabilities</b>	<b>-</b>	<b>24,719</b>
<b>Total liabilities</b>	<b>-</b>	<b>31,449</b>
<b>Net assets</b>	<b>-</b>	<b>125,821</b>
<b>EQUITY</b>		
Accumulated surplus	-	47,683
Revaluation reserves	-	78,138
<b>Total equity <sup>1</sup></b>	<b>-</b>	<b>125,821</b>

(1) Property Development was undeclared as a business activity in 2023-24 financial year through a Council resolution on 24 June 2024. Due to this, this has no values to report in the 2024 financial year, the 2023 financial year has been left with prior year figures. Property Development provided purchase, development, rental, and management of real estate.



## Penrith City Council

### Statement of Financial Position of Penrith Performing and Visual Arts Ltd

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	-	1,809
Investments	-	687
Receivables	-	492
Inventories	-	10
Contract assets and contract cost assets	-	56
Other	-	88
<b>Total current assets</b>	<b>-</b>	<b>3,142</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	-	2,060
Right of use assets	-	19
<b>Total non-current assets</b>	<b>-</b>	<b>2,079</b>
<b>Total assets</b>	<b>-</b>	<b>5,221</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	-	630
Contract liabilities	-	1,849
Lease liabilities	-	11
Employee benefit provisions	-	180
<b>Total current liabilities</b>	<b>-</b>	<b>2,670</b>
<b>Non-current liabilities</b>		
Lease liabilities	-	8
Employee benefit provisions	-	257
<b>Total non-current liabilities</b>	<b>-</b>	<b>265</b>
<b>Total liabilities</b>	<b>-</b>	<b>2,935</b>
<b>Net assets</b>	<b>-</b>	<b>2,286</b>
<b>EQUITY</b>		
Accumulated surplus	-	452
Revaluation reserves	-	1,834
<b>Total equity <sup>1</sup></b>	<b>-</b>	<b>2,286</b>

(1) Penrith Performing and Visual Arts Limited (PPVA) was undeclared as a business activity in 2023-24 financial year through a Council resolution on 24 June 2024. Due to this, this has no values to report in the 2024 financial year, the 2023 financial year has been left with prior year figures. PPVA provided gallery, theatre, function and educational facilities.

## Note – Material accounting policy information

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

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

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

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

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

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

### National Competition Policy

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

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

## Note – Material accounting policy information (continued)

### 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 – business activities with gross operating revenue more than \$2 million

Name	Brief description of activity
Childcare	Council operates a number of children's centres and includes the transactions associated with these centres in its consolidated fund. The centres include 18 providing long day care services, 11 providing before and after school care services, 1 occasional care service and 5 preschool services. The Penrith City Children's Services Co-operative, established in January 2003, manages the Children's Centres (excluding the Glenmore Park Child & Family Centre) through a delegation under S377 of the Local Government Act 1993.

Property Development was undeclared as a business activity in 2023-24 financial year through a Council resolution on 24 June 2024. Due to this, this has no values to report in the 2024 financial year, the 2023 financial year has been left with prior year figures. Property Development provided purchase, development, rental, and management of real estate.

Penrith Performing and Visual Arts Limited (PPVA) was undeclared as a business activity in 2023-24 financial year through a Council resolution on 24 June 2024. Due to this, this has no values to report in the 2024 financial year, the 2023 financial year has been left with prior year figures. PPVA provided gallery, theatre, function and educational facilities.

### Taxation equivalent charges

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

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

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

	Notional rate applied (%)
Company income tax rate	25% (22/23 25%) Lower company tax rate for base rate entities under the \$50m threshold.
Land tax	The first \$1,075,000 of combined land values attracts 0%. For the combined land values in excess of \$1,075,001 up to \$6,571,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$6,571,000 a premium marginal rate of 2.0% + \$88,036 applies.
Payroll tax	5.45% on the value of taxable salaries and wages in excess of \$1,200,000.

### 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 company income tax rate, currently 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 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.

## Note – Material accounting policy information (continued)

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.

#### (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, with the exception of Childrens Services which are prepared on the basis of a tenant of Council without IPPE.

The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

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**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.



**INDEPENDENT AUDITOR'S REPORT**  
**Report on the special purpose financial statements**  
**Penrith City Council**

To the Councillors of the Penrith City Council

## **Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of the Penrith City Council's (the Council) Declared Business Activity, Children's Services, which comprise the Statement by Councillors and Management, the Income Statement of the Declared Business Activity for the year ended 30 June 2024, the Statement of Financial Position of the Declared Business Activity as at 30 June 2024 and the Material accounting policy information note.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activity as at 30 June 2024, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Material accounting policy information note and the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (LG Code).

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

## **Basis for Opinion**

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

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

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

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

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

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

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

## **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the Material accounting policy information note to the financial statements which describes the basis of accounting. The financial statements have been

prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

## **Other Information**

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

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

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

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

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

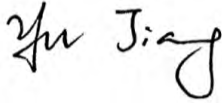
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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

A handwritten signature in black ink, appearing to read 'Yu Jiang'.

Reiky Jiang  
Delegate of the Auditor-General for New South Wales

30 October 2024  
SYDNEY

# Penrith City Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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*Our regional city is inclusive and prosperous and offers the  
best in urban living and a sustainable rural environment*



Penrith City Council

Special Schedules

for the year ended 30 June 2024

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Contents

Page

**Special Schedules<sup>1</sup>:**

Permissible income for general rates 3

Report on infrastructure assets as at 30 June 2024 4

<sup>1</sup> Special Schedules are not audited (with the exception of Permissible income for general rates).

# Penrith City Council

## Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	145,536	<b>152,473</b>
Plus or minus adjustments <sup>2</sup>	b	2,248	<b>1,784</b>
<b>Notional general income</b>	c = a + b	<b>147,784</b>	<b>154,257</b>
<b>Permissible income calculation</b>			
Percentage increase	d	3.70%	<b>4.80%</b>
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	5,468	<b>7,404</b>
<b>Sub-total</b>	g = (c + e + f)	<b>153,252</b>	<b>161,661</b>
Plus (or minus) last year's carry forward total	h	1	<b>413</b>
Less valuation objections claimed in the previous year	i	(367)	<b>–</b>
<b>Sub-total</b>	j = (h + i)	<b>(366)</b>	<b>413</b>
<b>Total permissible income</b>	k = g + j	<b>152,886</b>	<b>162,074</b>
Less notional general income yield	l	152,473	<b>162,672</b>
<b>Catch-up or (excess) result</b>	m = k – l	413	<b>(598)</b>
Plus income lost due to valuation objections claimed <sup>4</sup>	n	–	<b>599</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	413	<b>1</b>

### Notes

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



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Penrith City Council

To the Councillors of the Penrith City Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of the Penrith City Council (the Council) for the year ending 30 June 2025.

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

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

### Basis for Opinion

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

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

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

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

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

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

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

### Emphasis of Matter - Basis of Accounting

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

## Other Information

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

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

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

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

## Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

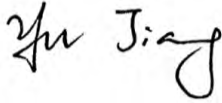
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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

A handwritten signature in black ink, appearing to read 'Yu Jiang'.

Reiky Jiang  
Delegate of the Auditor-General for New South Wales

30 October 2024  
SYDNEY

# Penrith City Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard		Estimated cost to bring to the agreed level of service set by Council	2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
<b>Buildings</b>	Buildings	22,869	22,869	8,576	4,437	340,623	571,729	15.0%	49.0%	20.0%	16.0%	0.0%	
	<b>Sub-total</b>	<b>22,869</b>	<b>22,869</b>	<b>8,576</b>	<b>4,437</b>	<b>340,623</b>	<b>571,729</b>	<b>15.0%</b>	<b>49.0%</b>	<b>20.0%</b>	<b>16.0%</b>	<b>0.0%</b>	
<b>Roads</b>	Sealed roads	45,358	45,358	10,729	9,759	680,015	907,158	15.0%	34.0%	32.0%	18.0%	1.0%	
	Unsealed roads	387	387	359	54	3,148	5,960	2.0%	20.0%	60.0%	10.0%	8.0%	
	Bridges	251	251	3,543	–	56,076	100,285	29.0%	33.0%	37.0%	1.0%	0.0%	
	Footpaths	3,279	3,279	1,215	150	102,164	187,380	28.0%	24.0%	42.0%	5.0%	1.0%	
	Other road assets	5,181	5,181	5,891	220	248,951	518,099	17.0%	57.0%	23.0%	2.0%	1.0%	
	<b>Sub-total</b>	<b>54,456</b>	<b>54,456</b>	<b>21,737</b>	<b>10,183</b>	<b>1,090,354</b>	<b>1,718,882</b>	<b>17.8%</b>	<b>39.7%</b>	<b>30.8%</b>	<b>10.7%</b>	<b>1.0%</b>	
<b>Stormwater drainage</b>	Stormwater drainage	48,012	48,012	3,201	2,013	717,102	1,066,929	12.0%	33.0%	41.0%	10.0%	4.0%	
	<b>Sub-total</b>	<b>48,012</b>	<b>48,012</b>	<b>3,201</b>	<b>2,013</b>	<b>717,102</b>	<b>1,066,929</b>	<b>12.0%</b>	<b>33.0%</b>	<b>41.0%</b>	<b>10.0%</b>	<b>4.0%</b>	
<b>Open space / recreational assets</b>	Swimming pools	–	–	792	818	6,574	8,800	0.0%	100.0%	0.0%	0.0%	0.0%	
	Other	2,091	2,091	16,363	14,099	131,297	181,812	4.0%	45.0%	47.0%	4.0%	0.0%	
	<b>Sub-total</b>	<b>2,091</b>	<b>2,091</b>	<b>17,155</b>	<b>14,917</b>	<b>137,871</b>	<b>190,612</b>	<b>3.8%</b>	<b>47.5%</b>	<b>44.8%</b>	<b>3.8%</b>	<b>0.0%</b>	
<b>Total – all assets</b>		<b>127,428</b>	<b>127,428</b>	<b>50,669</b>	<b>31,550</b>	<b>2,285,950</b>	<b>3,548,152</b>	<b>14.8%</b>	<b>39.6%</b>	<b>32.9%</b>	<b>11.0%</b>	<b>1.7%</b>	

(a) Required maintenance is the amount identified in Council's asset management plans.

### Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

## Penrith City Council

### Report on infrastructure assets as at 30 June 2024

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>34,928</b>	<b>63.12%</b>	44.14%	65.45%	> 100.00%
Depreciation, amortisation and impairment	<b>55,333</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>127,428</b>	<b>5.35%</b>	4.36%	3.85%	< 2.00%
Net carrying amount of infrastructure assets	<b>2,379,767</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>31,550</b>	<b>62.27%</b>	80.67%	60.88%	> 100.00%
Required asset maintenance	<b>50,669</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>127,428</b>	<b>3.59%</b>	2.95%	2.60%	
Gross replacement cost	<b>3,548,152</b>				

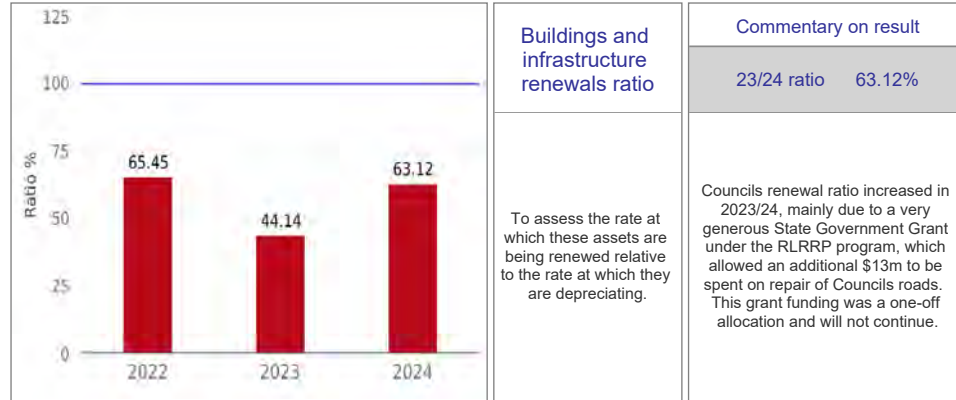
(\*) All asset performance indicators are calculated using classes identified in the previous table.

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

# Penrith City Council

## Report on infrastructure assets as at 30 June 2024

### Buildings and infrastructure renewals ratio

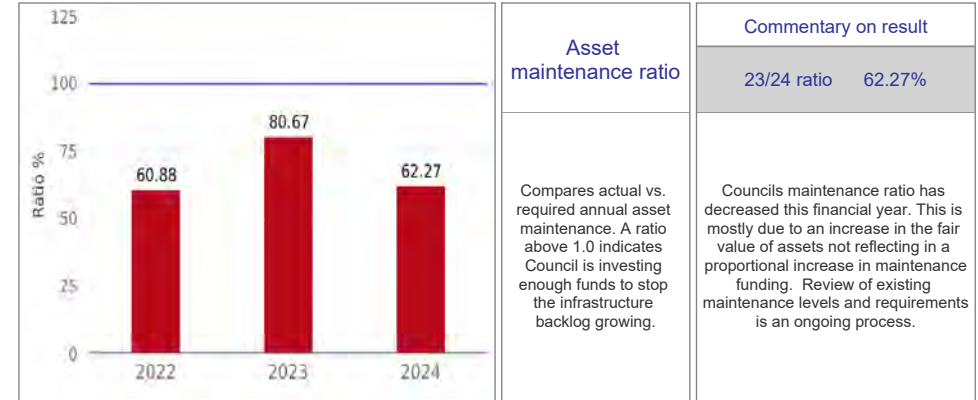


<b>Buildings and infrastructure renewals ratio</b>	<b>Commentary on result</b>
	23/24 ratio 63.12%
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.	
Councils renewal ratio increased in 2023/24, mainly due to a very generous State Government Grant under the RLRRP program, which allowed an additional \$13m to be spent on repair of Councils roads. This grant funding was a one-off allocation and will not continue.	

Benchmark: — > 100.00% ■ Ratio achieves benchmark ■ Ratio is outside benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

### Asset maintenance ratio

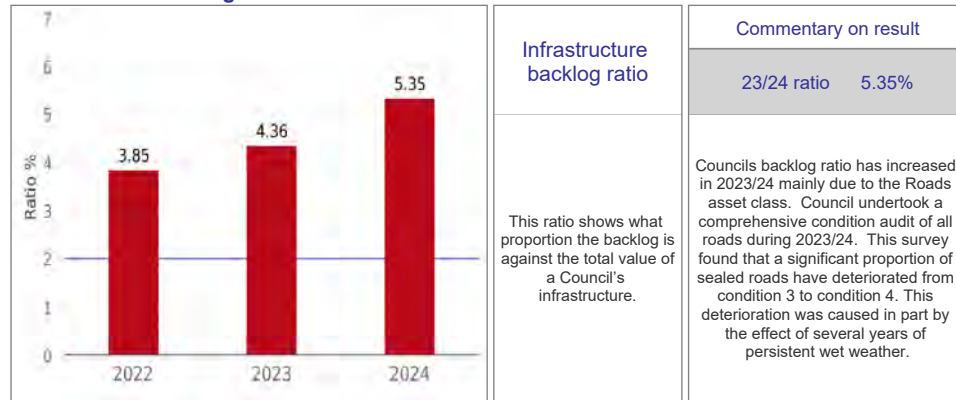


<b>Asset maintenance ratio</b>	<b>Commentary on result</b>
	23/24 ratio 62.27%
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.	
Councils maintenance ratio has decreased this financial year. This is mostly due to an increase in the fair value of assets not reflecting in a proportional increase in maintenance funding. Review of existing maintenance levels and requirements is an ongoing process.	

Benchmark: — > 100.00% ■ Ratio achieves benchmark ■ Ratio is outside benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

### Infrastructure backlog ratio

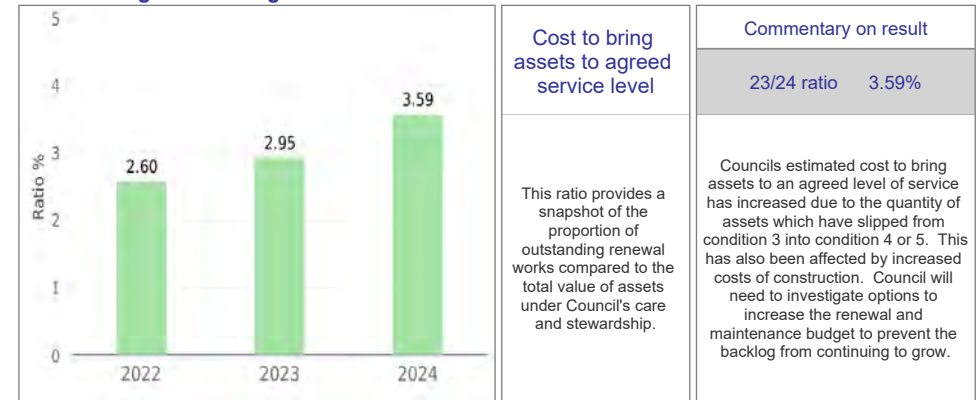


<b>Infrastructure backlog ratio</b>	<b>Commentary on result</b>
	23/24 ratio 5.35%
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.	
Councils backlog ratio has increased in 2023/24 mainly due to the Roads asset class. Council undertook a comprehensive condition audit of all roads during 2023/24. This survey found that a significant proportion of sealed roads have deteriorated from condition 3 to condition 4. This deterioration was caused in part by the effect of several years of persistent wet weather.	

Benchmark: — < 2.00% ■ Ratio achieves benchmark ■ Ratio is outside benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

### Cost to bring assets to agreed service level



<b>Cost to bring assets to agreed service level</b>	<b>Commentary on result</b>
	23/24 ratio 3.59%
This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.	
Councils estimated cost to bring assets to an agreed level of service has increased due to the quantity of assets which have slipped from condition 3 into condition 4 or 5. This has also been affected by increased costs of construction. Council will need to investigate options to increase the renewal and maintenance budget to prevent the backlog from continuing to grow.	



