

Central Darling Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Central Darling Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

21 Reid Street
Wilcannia NSW 2836

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.centraldarling.nsw.gov.au.

Central Darling Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2024.

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

About the Councillor/Management Statement

The financial statements must be certified by senior staff as 'presenting fairly' the Council's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by the NSW Audit Office.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

Central Darling Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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 23 September 2024.

Robert Stewart
Administrator
23 September 2024

Gregory Hill
General Manager
23 September 2024

Kevin Smith
Acting Responsible Accounting Officer
23 September 2024

Central Darling Shire Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
2,572	Rates and annual charges	B2-1	2,498	2,439
9,451	User charges and fees	B2-2	6,595	9,995
383	Other revenues	B2-3	1,122	695
9,835	Grants and contributions provided for operating purposes	B2-4	28,609	24,307
23,514	Grants and contributions provided for capital purposes	B2-4	16,526	19,683
87	Interest and investment income	B2-5	144	110
–	Other income	B2-6	31	125
<u>45,842</u>	Total income from continuing operations		<u>55,525</u>	<u>57,354</u>
Expenses from continuing operations				
6,869	Employee benefits and on-costs	B3-1	4,827	5,914
8,645	Materials and services	B3-2	25,787	19,497
40	Borrowing costs	B3-3	23	6
4,329	Depreciation, amortisation and impairment of non-financial assets	B3-4	6,671	5,951
2,424	Other expenses	B3-5	1,040	658
–	Net loss from the disposal of assets	B4-1	376	–
<u>22,307</u>	Total expenses from continuing operations		<u>38,724</u>	<u>32,026</u>
<u>23,535</u>	Operating result from continuing operations		<u>16,801</u>	<u>25,328</u>
<u>23,535</u>	Net operating result for the year attributable to Council		<u>16,801</u>	<u>25,328</u>
<u>23,535</u>	Net operating result for the year before grants and contributions provided for capital purposes		<u>275</u>	<u>5,645</u>

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

Central Darling Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		16,801	25,328
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<u>10,842</u>	<u>11,232</u>
Total items which will not be reclassified subsequently to the operating result		10,842	11,232
Total other comprehensive income for the year		10,842	11,232
Total comprehensive income for the year attributable to Council		27,643	36,560

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

Central Darling Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	14,734	12,154
Receivables	C1-3	13,618	15,357
Inventories	C1-4	768	654
Total current assets		29,120	28,165
Non-current assets			
Receivables	C1-3	3	188
Infrastructure, property, plant and equipment (IPPE)	C1-5	247,949	223,740
Right of use assets	C2-1	725	109
Investments accounted for using the equity method	D2-1	806	867
Total non-current assets		249,483	224,904
Total assets		278,603	253,069
LIABILITIES			
Current liabilities			
Payables	C3-1	3,879	5,064
Income received in advance	C3-1	210	168
Contract liabilities	C3-2	455	2,094
Lease liabilities	C2-1	265	118
Employee benefit provisions	C3-3	1,034	1,222
Total current liabilities		5,843	8,666
Non-current liabilities			
Lease liabilities	C2-1	747	12
Employee benefit provisions	C3-3	29	29
Provisions	C3-4	503	524
Total non-current liabilities		1,279	565
Total liabilities		7,122	9,231
Net assets		271,481	243,838
EQUITY			
Accumulated surplus	C4-1	189,636	172,835
IPPE revaluation reserve	C4-1	81,845	71,003
Council equity interest		271,481	243,838
Total equity		271,481	243,838

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

Central Darling Shire 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		172,835	71,003	243,838	147,507	59,771	207,278
Net operating result for the year		16,801	–	16,801	25,328	–	25,328
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	10,842	10,842	–	11,232	11,232
Other comprehensive income		–	10,842	10,842	–	11,232	11,232
Total comprehensive income		16,801	10,842	27,643	25,328	11,232	36,560
Closing balance at 30 June		189,636	81,845	271,481	172,835	71,003	243,838

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

Central Darling Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
2,312	Rates and annual charges		2,446	2,275
7,560	User charges and fees		6,366	10,222
87	Interest received		195	108
33,350	Grants and contributions		47,183	38,687
–	Bonds, deposits and retentions received		10	–
–	Other		3,431	–
<i>Payments:</i>				
(6,869)	Payments to employees		(5,104)	(5,848)
(8,472)	Payments for materials and services		(31,214)	(22,314)
(15)	Borrowing costs		(22)	(6)
–	Other		(434)	(1,388)
27,953	Net cash flows from operating activities	G1-1	22,857	21,736
Cash flows from investing activities				
<i>Receipts:</i>				
–	Proceeds from sale of IPPE		4	–
<i>Payments:</i>				
(28,276)	Payments for IPPE		(20,282)	(22,931)
(28,276)	Net cash flows from investing activities		(20,278)	(22,931)
Cash flows from financing activities				
<i>Payments:</i>				
(450)	Principal component of lease payments		1	(262)
(450)	Net cash flows from financing activities		1	(262)
(773)	Net change in cash and cash equivalents		2,580	(1,457)
4,500	Cash and cash equivalents at beginning of year		12,154	13,610
3,727	Cash and cash equivalents at end of year	C1-1	14,734	12,153

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

Central Darling Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

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

The material accounting policy information related to these financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-5.
- (ii) estimated tip remediation provisions – refer Note C3-4.
- (iii) employee benefit provisions – refer Note C3-3.

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note C1-3.

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 have been included as part of the Consolidated Fund:

- General purpose operations
- Water service
- Sewerage service

The Trust Fund

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

A1-1 Basis of preparation (continued)

Trust monies and property subject to Council's control have been included in these reports.

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

Volunteer Services are considered to be not material.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations 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.

Going concern

Council has been under administration since 23 December 2013 due to its poor financial position.

Since that time Council has operated on an altered business model by reducing staff and contractors and tightly controlling expenditure.

Central Darling Shire received Ministerial approval under section 410 of the *Local Government Act 1993*, to allow Council to continue utilising restricted cash reserves to cover operational shortfalls until 30 June 2022, at which time any such outstanding funds must be restored.

The financial statements for the 2024 financial year have been prepared on a going concern basis and demonstrate that Council now has a much improved financial position and no longer requires the use of restricted cash to cover operational expenditure.

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.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Governance	–	–	360	348	(360)	(348)	–	–	–	–
Administration	389	360	3,954	3,015	(3,565)	(2,655)	434	30	18,678	17,038
Public order and safety	170	166	870	833	(700)	(667)	101	148	15,102	14,085
Health	–	1	215	224	(215)	(223)	–	–	26	24
Environment	1,025	1,958	1,076	1,052	(51)	906	372	308	789	751
Community services and education	186	159	156	85	30	74	2,085	169	2,798	2,601
Housing and community amenities	2,700	2,542	1,243	1,076	1,457	1,466	–	–	9,123	8,266
Water supplies	8,063	2,346	1,698	1,508	6,365	838	8,603	1,299	24,890	22,992
Sewerage services	398	349	385	348	13	1	–	–	7,989	7,165
Recreation and culture	1,016	904	1,275	1,088	(259)	(184)	756	2,081	6,566	5,755
Transport and communications	31,145	36,847	25,504	19,954	5,641	16,893	24,833	29,558	190,964	173,042
Economic affairs	868	1,278	1,988	2,495	(1,120)	(1,217)	265	897	1,678	1,350
General purpose income	9,565	10,444	–	–	9,565	10,444	7,686	9,500	–	–
Total functions and activities	55,525	57,354	38,724	32,026	16,801	25,328	45,135	43,990	278,603	253,069

B1-2 Components of functions or activities

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

Governance

Includes costs relating to Council's role as a component of democratic government, including elections, subscriptions to local authority associations, meetings of Council and policy-making committees, public disclosures (e.g. GIPA) and legislative compliance.

Administration

Includes corporate support, executive services, shire services and any other Council policy compliance.

Public order and safety

Includes Council's fire and emergency services levy, fire protection, emergency services, enforcement of regulations and animal control.

Health

Includes immunisations, food control and health clinics.

Environment

Includes noxious plan and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage and stormwater management.

Community services and education

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration, youth services; aged and disabled services and children's services.

Housing and community amenities

Includes public cemeteries; public conveniences; street lighting; town planning; and other community amenities

Water supplies

Supply of water services to Wilcannia, White Cliffs and Ivanhoe.

Sewerage services

Supply of sewerage services to Wilcannia.

Recreation and culture

Includes community centres and halls, sporting grounds, venues, swimming pools, parks and gardens, and other sporting, recreational and cultural services.

Transport and communications

Includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

Economic affairs

Includes camping areas and caravan parks, tourism and area promotion, and other business undertakings.

General purpose income

Includes grant funding not directly attributable to the above categories.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	370	352
Farmland	489	474
Business	49	47
Less: pensioner rebates (mandatory)	(13)	(14)
Rates levied to ratepayers	895	859
Pensioner rate subsidies received	7	7
Total ordinary rates	902	866
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	533	530
Water supply services	683	673
Sewerage services	278	278
Waste management services (non-domestic)	110	101
Less: pensioner rebates (mandatory)	(18)	(19)
Annual charges levied	1,586	1,563
Pensioner annual charges subsidies received:		
– Water	2	2
– Sewerage	1	1
– Domestic waste management	7	7
Total annual charges	1,596	1,573
Total rates and annual charges	2,498	2,439

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	Timing	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)			
Water supply services	2	292	303
Total specific user charges		292	303
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Building regulation	2	7	4
Private works – section 67	2	651	660
Regulatory/ statutory fees	2	1	1
Regulatory fees	2	3	1
Section 10.7 certificates (EP&A Act)	2	6	11
Section 603 certificates	2	5	7
Town planning	2	18	30
Other		–	1
Total fees and charges – statutory/regulatory		691	715
(ii) Fees and charges – other (incl. general user charges (per s608))			
Caravan park	2	72	38
Cemeteries	2	9	8
Community centres	2	11	6
Multipurpose centre	2	9	9
Transport for NSW works (state roads not controlled by Council)	2	5,500	8,900
Swimming centres	2	2	2
Waste disposal tipping fees	2	3	10
Water connection fees	2	6	4
Total fees and charges – other		5,612	8,977
Total other user charges and fees		6,303	9,692
Total user charges and fees		6,595	9,995
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		6,595	9,995
Total user charges and fees		6,595	9,995

Material accounting policy information

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

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

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

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

B2-3 Other revenues

\$ '000	Timing	2024	2023
Fines – other	2	2	3
Legal fees recovery – rates and charges (extra charges)	2	–	81
Commissions and agency fees	2	51	71
Diesel rebate	2	32	20
Insurance claims recoveries	2	295	46
Recycling income (non-domestic)		6	–
Sales of inventories	2	126	122
Sales – general	2	40	37
Aboriginal communities water & sewer scheme	2	178	117
Other	2	392	198
Total other revenue		1,122	695
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		1,122	695
Total other revenue		1,122	695

Material accounting policy information for other revenue

Where the revenue relates to a contract with customer, the revenue is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Where the revenue relates to a contract which is not enforceable or does not contain sufficiently specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, which is earlier.

Other revenues are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	405	1,399	–	–
Financial assistance – local roads component	2	148	509	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	5,356	5,590	–	–
Financial assistance – local roads component	2	1,778	2,002	–	–
Amount recognised as income during current year		7,687	9,500	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Water supplies	1	33	–	8,603	1,199
Bushfire and emergency services	2	101	148	–	–
Community care	2	200	100	–	–
Economic development	2	2,317	858	–	49
Employment and training programs	2	(10)	62	–	–
Environmental programs	2	208	247	–	–
Floodplain management	1	–	–	30	77
Heritage and cultural	2	41	30	–	–
Recreation and culture	1	–	15	2,106	2,440
Storm/flood damage	1	6,272	4,935	–	–
Airport	1	–	–	(47)	100
Youth	2	43	111	–	–
Street lighting	2	8	8	–	–
Transport (roads to recovery)	2	1,902	139	–	–
Transport (other roads and bridges funding)	2	6,454	5,291	5,834	15,593
Other specific grants	1	434	–	–	225
Previously contributions:					
Transport for NSW contributions (regional roads, block grant)	2	2,919	2,863	–	–
Total special purpose grants and non-developer contributions – cash		20,922	14,807	16,526	19,683
Total special purpose grants and non-developer contributions (tied)		20,922	14,807	16,526	19,683
Total grants and non-developer contributions		28,609	24,307	16,526	19,683
Comprising:					
– Commonwealth funding		1,917	9,639	1,391	2,440
– State funding		26,692	14,668	15,135	17,018
– Other funding		–	–	–	225
		28,609	24,307	16,526	19,683

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Total grants and contributions	<u>28,609</u>	<u>24,307</u>	<u>16,526</u>	<u>19,683</u>
Timing of revenue recognition for grants and contributions				
Grants and contributions recognised over time (1)	109	15	9,994	4,041
Grants and contributions recognised at a point in time (2)	<u>28,500</u>	<u>24,292</u>	<u>6,532</u>	<u>15,642</u>
Total grants and contributions	<u>28,609</u>	<u>24,307</u>	<u>16,526</u>	<u>19,683</u>

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and contributions				
Unspent funds at 1 July	6,534	435	2,623	2,715
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,291	–	466	561
Add: Funds received for the future provision of goods/services				
Add: Funds received and not recognised as revenue in the current year	6,114	6,213	–	2,094
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(5,220)	(114)	(304)	(1,745)
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(1,639)	(1,002)
Unspent funds at 30 June	8,719	6,534	1,146	2,623

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 the provision of goods or services or the achievement of milestone deliverables. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	74	52
– Cash and investments	70	58
Total interest and investment income (losses)	144	110
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	30	21
General Council cash and investments	69	57
Restricted investments/funds – external:		
Water fund operations	37	26
Sewerage fund operations	8	6
Total interest and investment income	144	110

B2-6 Other income

\$ '000	Notes	2024	2023
Reversal of impairment losses on receivables			
Rates and annual charges		–	92
Total reversal of impairment losses on receivables	C1-3	–	92
Rental income			
Other lease income			
Leaseback fees - council vehicles		1	2
Other		30	31
Total rental income	C2-2	31	33
Total other income		31	125

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	3,692	4,700
Employee leave entitlements (ELE)	215	768
Superannuation	615	489
Workers' compensation insurance	181	197
Fringe benefit tax (FBT)	57	46
Training costs (other than salaries and wages)	1	4
Protective clothing	1	3
Other	65	90
Total employee costs	4,827	6,297
Less: capitalised costs	–	(383)
Total employee costs expensed	4,827	5,914
Number of 'full-time equivalent' employees (FTE) at year end	42	42

Material accounting policy information

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Superannuation plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		22,300	16,268
Contractor costs		482	720
Administrator fees and associated expenses	F1-2	125	165
Advertising		4	22
Audit Fees	F2-1	86	53
Bank charges		7	7
Cleaning		77	73
Computer software charges		256	340
Cost of sales		25	61
Electricity and heating		422	244
Fire control expenses		204	136
Insurance		718	713
Office expenses (including computer expenses)		350	246
Postage		5	5
Printing and stationery		31	54
Street lighting		58	12
Subscriptions and publications		87	80
Tourism expenses (excluding employee costs)		1	2
Telephone and communications		51	140
Travel expenses		78	45
Valuation fees		71	18
Training costs (other than salaries and wages)		338	85
Other expenses		5	7
Legal expenses:			
– Legal expenses: planning and development		3	–
– Legal expenses: debt recovery		2	1
– Legal expenses: other		1	–
Total materials and services		25,787	19,497

B3-3 Borrowing costs

\$ '000	2024	2023
(i) Interest bearing liability costs		
Interest on leases	23	6
Total interest bearing liability costs expensed	23	6
Total borrowing costs expensed	23	6

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		333	260
Furniture and fittings		6	1
Infrastructure:			
	C1-5		
– Buildings – non-specialised		1,217	973
– Other structures		313	322
– Roads		4,187	3,368
– Stormwater drainage		38	26
– Water supply network		220	591
– Sewerage network		84	138
Right of use assets	C2-1	265	264
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C1-5	8	8
Total depreciation, amortisation and impairment for non-financial assets		6,671	5,951

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. Useful lives are included in Note C1-5 for IPPE.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

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

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

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

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of receivables			
Rates and annual charges		418	152
User charges and fees		240	–
Other		–	17
Total impairment of receivables	C1-3	658	169
Net share of interests in joint ventures and associates using the equity method			
Joint arrangements		61	65
Total net share of interests in joint ventures and associates using the equity method	D2-1	61	65
Other			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		288	284
– Other contributions/levies		12	19
Donations, contributions and assistance to other organisations (Section 356)		21	121
Total other		321	424
Total other expenses		1,040	658

B4 Gains or losses

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		4	–
Less: carrying amount of property assets sold/written off		(4)	–
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of infrastructure			
Less: carrying amount of infrastructure assets sold/written off	C1-5	(376)	–
Gain (or loss) on disposal		(376)	–
Net gain (or loss) from disposal of assets		(376)	–

B5 Performance against budget

B5-1 Material budget variations

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

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
Rates and annual charges	2,572	2,498	(74)	(3)% U
User charges and fees	9,451	6,595	(2,856)	(30)% U
Other revenues	383	1,122	739	193% F
Operating grants and contributions	9,835	28,609	18,774	191% F
Capital grants and contributions	23,514	16,526	(6,988)	(30)% U
Interest and investment revenue	87	144	57	66% F
Other income	-	31	31	∞ F

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Expenses				
Employee benefits and on-costs	6,869	4,827	2,042	30% F
Materials and services	8,645	25,787	(17,142)	(198)% U
Borrowing costs	40	23	17	43% F
Depreciation, amortisation and impairment of non-financial assets	4,329	6,671	(2,342)	(54)% U
Other expenses	2,424	1,040	1,384	57% F
Net losses from disposal of assets	-	376	(376)	∞ U
Statement of cash flows				
Cash flows from operating activities	27,953	22,857	(5,096)	(18)% U
Cash flows from investing activities	(28,276)	(20,278)	7,998	(28)% F
Cash flows from financing activities	(450)	1	451	(100)% F

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	12,534	10,654
Cash equivalent assets		
– Short-term deposits	2,200	1,500
Total cash and cash equivalents	14,734	12,154
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	14,734	12,154
Balance as per the Statement of Cash Flows	14,734	12,154

C1-2 Restricted and allocated cash, cash equivalents and investments

\$ '000	2024 Current	2024 Non-current	2024	2023 Current	2023 Non-current	2023
Total cash, cash equivalents and investments	14,734	–	14,734	12,154	–	12,154
Less: Externally restricted cash, cash equivalents and investments	(14,705)	–	(14,705)	(10,991)	–	(10,991)
Cash, cash equivalents and investments not subject to external restrictions	29	–	29	1,163	–	1,163
\$ '000					2024	2023

External restrictions**External restrictions – included in liabilities**

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

Specific purpose unexpended grants – general fund	455	2,094
External restrictions – included in liabilities	455	2,094

External restrictions – other

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

Specific purpose unexpended grants (recognised as revenue) – general fund	9,410	7,063
Water fund	2,639	–
Sewer fund	1,812	1,447
Domestic waste management	389	387
External restrictions – other	14,250	8,897
Total external restrictions	14,705	10,991

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

\$ '000	2024 Current	2024 Non-current	2024	2023 Current	2023 Non-current	2023
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(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions

	29	–	29	1,163	–	1,163
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Less: Internally restricted cash, cash equivalents and investments

	–	–	–	–	–	–
Unrestricted and unallocated cash, cash equivalents and investments	29	–	29	1,163	–	1,163

C1-2 Restricted and allocated cash, cash equivalents and investments (continued)

\$ '000	2024 Current	2024 Non-current	2024	2023 Current	2023 Non-current	2023
(c) Unrestricted and unallocated						
Unrestricted and unallocated cash, cash equivalents and investments	29	–	29	1,163	–	1,163

C1-3 Receivables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Rates and annual charges	487	188	558	321
Interest and extra charges	72	38	74	91
User charges and fees	912	120	610	124
– Other income accruals	6,405	–	4,484	–
Government grants and subsidies	6,545	–	7,701	–
Net GST/PAYG receivable	66	–	2,394	–
Other debtors	25	–	30	–
Total	14,512	346	15,851	536
Less: provision for impairment				
Rates and annual charges	(537)	(180)	(360)	(205)
Interest and extra charges	(75)	(60)	(62)	(77)
User charges and fees	(282)	(103)	(72)	(66)
Total provision for impairment – receivables	(894)	(343)	(494)	(348)
Total net receivables	13,618	3	15,357	188
Externally restricted receivables				
Water supply				
– Specific purpose grants	–	–	799	–
– Rates and availability charges	33	–	114	–
– Other	–	–	159	–
Sewerage services				
– Rates and availability charges	32	–	46	–
– Other	–	–	6	–
Total external restrictions	65	–	1,124	–
Unrestricted receivables	13,553	3	14,233	188
Total net receivables	13,618	3	15,357	188

\$ '000	2024	2023
Movement in provision for impairment of receivables		
Balance at the beginning of the year	842	769
Movement in provisions recognised during the year	395	73
Balance at the end of the year	1,237	842

Material accounting policy information

Impairment

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presumption that a financial asset is in default when:

C1-3 Receivables (continued)

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

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

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 5 years past due, whichever occurs first.

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

Rates and annual charges outstanding are secured against the property.

C1-4 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Inventories at cost				
Stores and materials	768	-	654	-
Total inventories	768	-	654	-

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Re-measurement	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	10,589	–	10,589	5,615	67	–	–	(2,368)	–	–	13,903	–	13,903
Plant and equipment	5,530	(2,615)	2,915	–	482	–	(333)	–	–	–	6,012	(2,947)	3,065
Furniture and fittings	61	(3)	58	–	21	–	(6)	–	–	–	82	(9)	73
Land:													
– Operational land	50	–	50	–	–	(5)	–	–	–	–	46	–	46
– Community land	2,397	–	2,397	–	–	–	–	–	–	–	2,397	–	2,397
Infrastructure:													
– Buildings – non-specialised	41,196	(25,288)	15,908	–	–	–	(1,217)	–	–	1,017	43,802	(28,124)	15,678
– Other structures	12,242	(6,891)	5,351	411	175	(376)	(313)	285	–	–	12,488	(7,087)	5,401
– Roads, bridges, footpaths	208,467	(45,504)	162,963	4,445	8,912	–	(4,187)	2,083	–	7,988	234,524	(52,319)	182,205
– Stormwater drainage	1,599	(879)	720	–	47	–	(38)	–	–	699	3,978	(2,597)	1,381
– Water supply network	47,278	(29,579)	17,699	–	–	–	(220)	–	–	886	49,676	(31,313)	18,363
– Sewerage network	7,310	(2,251)	5,059	–	–	–	(84)	–	–	252	7,680	(2,454)	5,226
– Other open space/recreational assets	–	–	–	–	–	–	–	–	–	–	209	–	209
Reinstatement, rehabilitation and restoration assets - refer Note C3-5:													
– Tip assets	503	(472)	31	–	–	–	(8)	–	(22)	–	482	(480)	2
Total infrastructure, property, plant and equipment	337,222	(113,482)	223,740	10,471	9,704	(381)	(6,406)	–	(22)	10,842	375,279	(127,330)	247,949

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

C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	7,322	–	7,322	–	4,259	–	(992)	–	–	–	10,589	–	10,589
Plant and equipment	4,654	(2,355)	2,299	–	877	(260)	–	–	–	–	5,530	(2,615)	2,915
Furniture and fittings	17	(2)	15	9	10	(1)	24	–	–	–	61	(3)	58
Land:													
– Operational land	129	–	129	–	–	–	–	–	(79)	–	50	–	50
– Community land	1,600	–	1,600	–	–	–	–	–	–	797	2,397	–	2,397
Infrastructure:													
– Buildings – non-specialised	40,706	(26,840)	13,866	297	277	(973)	404	–	–	2,038	41,196	(25,288)	15,908
– Other structures	10,073	(6,109)	3,964	121	869	(322)	459	–	–	260	12,242	(6,891)	5,351
– Roads	183,736	(39,717)	144,019	8,197	7,542	(3,368)	–	–	–	6,571	208,467	(45,504)	162,963
– Stormwater drainage	1,486	(791)	695	–	–	(26)	–	–	–	52	1,599	(879)	720
– Water supply network	43,426	(26,871)	16,555	–	399	(591)	105	–	–	1,231	47,278	(29,579)	17,699
– Sewerage network	6,786	(1,952)	4,834	–	–	(138)	–	–	–	362	7,310	(2,251)	5,059
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	1,324	(464)	860	–	–	(8)	–	(821)	–	–	503	(472)	31
Total infrastructure, property, plant and equipment	301,259	(105,101)	196,158	8,624	14,233	(5,687)	–	(821)	(79)	11,311	337,222	(113,482)	223,740

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

C1-5 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

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

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Primary Industries Office of Water.

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

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 100	Drains	80 to 100
Bores	20 to 40	Culverts	50 to 80
Reticulation pipes: PVC	70 to 80	Flood control structures	80 to 100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20	Swimming pools	50
Sealed roads: structure	50	Unealed roads	20
Unsealed roads	20	Other open space/recreational assets	20
Bridge: concrete	100	Other infrastructure	20
Bridge: other	50		
Road pavements	60		
Kerb, gutter and footpaths	40		

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

Crown reserves

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

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

Rural Fire Service assets

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

C1-5 Infrastructure, property, plant and equipment (continued)

Council has assessed the value of the rural fire service plant and equipment "Red Fleet" and determined the value of these assets are not material and have not recognised them in the financial statements.

Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/24			as at 30/06/23		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
WIP	9,806	–	9,806	4,250	–	4,250
Land						
– Operational land	28	–	28	28	–	28
Buildings	656	656	–	656	656	–
Infrastructure	49,722	31,311	18,411	47,306	29,579	17,727
Total water supply	60,212	31,967	28,245	52,240	30,235	22,005
Sewerage services						
WIP	52	–	52	608	–	608
Infrastructure	7,680	2,454	5,226	7,310	2,251	5,059
Total sewerage services	7,732	2,454	5,278	7,918	2,251	5,667
Domestic waste management						
Plant and equipment	874	702	172	874	639	235
Total domestic waste management	874	702	172	874	639	235
Total restricted infrastructure, property, plant and equipment	68,818	35,123	33,695	61,032	33,125	27,907

C2 Leasing activities

C2-1 Council as a lessee

Plant & Equipment

Council has leases over plant and equipment for works and services provided by Council. The total annual cost of leases for 2023 FY is \$270,000.

IT Equipment

Leases for IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 1 and 3 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage. Total Annual Lease payments is approximately \$26,000.

(a) Right of use assets

\$ '000	Plant & Equipment	Ready to use	Total
2024			
Opening balance at 1 July	109	–	109
Depreciation charge	(265)	–	(265)
Balance at 30 June	725	–	725
2023			
Opening balance at 1 July	340	–	340
Additions to right-of-use assets	33	–	33
Depreciation charge	(264)	–	(264)
Balance at 30 June	109	–	109

(b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	265	747	118	12
Total lease liabilities	265	747	118	12

(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
2024					
Cash flows	–	–	–	–	1,012
2023					
Cash flows	120	12	–	132	130

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	23	6
Depreciation of right of use assets	265	264
	288	270

(e) Statement of Cash Flows

Total cash outflow for leases	265	268
	265	268

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 received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C2-2 Council as a lessor

Operating leases

Council leases 1 vehicle only at a weekly amount of \$35 and also receives rental for staff accommodation.

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

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

(ii) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	31	33
Total income relating to operating leases for Council assets	31	33

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

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Payables				
Goods and services – operating expenditure	2,245	–	3,243	–
Goods and services – capital expenditure	1,426	–	1,555	–
Accrued expenses:				
– Borrowings	1	–	–	–
– Salaries and wages	197	–	266	–
Security bonds, deposits and retentions	10	–	–	–
Total payables	3,879	–	5,064	–
Income received in advance				
Payments received in advance	210	–	168	–
Total income received in advance	210	–	168	–
Total payables	4,089	–	5,232	–

Payables relating to restricted assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Externally restricted assets				
Water	408	–	113	–
Sewer	48	–	339	–
Payables relating to externally restricted assets	456	–	452	–
Total payables relating to restricted assets	456	–	452	–
Total payables relating to unrestricted assets	3,633	–	4,780	–
Total payables	4,089	–	5,232	–

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	455	-	2,094	-
Total grants received in advance		455	-	2,094	-
Total contract liabilities		455	-	2,094	-

Notes

(i) Council has received funding for the Local Roads & Community Infrastructure program which has not been fully expended at 30 June. The funds received are under an enforceable contract which requires Council to undertake approved works in accordance with the grant approval and the assets are under Council's control and recognised as part of Council's IPPE. The revenue is recognised over time as the works are completed, and the contract liability reflects the funds received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

Contract liabilities relating to restricted assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Externally restricted assets				
Water	-	-	1,449	-
Unspent grants held as contract liabilities (excl. Water & Sewer)	455	-	645	-
Contract liabilities relating to externally restricted assets	455	-	2,094	-
Total contract liabilities relating to restricted assets	455	-	2,094	-
Total contract liabilities	455	-	2,094	-

Significant changes in contract liabilities

The reduction in contract liabilities is primarily due to completion of major capital road project works during the year, with a reduction in carryover works funded by capital grants.

C3-3 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	411	–	587	–
Long service leave	572	29	570	29
ELE on-costs	51	–	65	–
Total employee benefit provisions	1,034	29	1,222	29

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	–	659
	–	659

Description of and movements in provisions

\$ '000	ELE provisions			Total
	Annual leave	Long service leave	ELE on-costs	
2024				
At beginning of year	587	599	65	1,251
Additional provisions	–	–	–	–
Amounts used (payments)	–	–	–	–
Other	(176)	2	(14)	(188)
Total ELE provisions at end of year	411	601	51	1,063
2023				
At beginning of year	618	491	–	1,109
Additional provisions	303	123	52	478
Amounts used (payments)	(334)	(15)	–	(349)
Other	–	–	13	13
Total ELE provisions at end of year	587	599	65	1,251

Material accounting policy information

Long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

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

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

C3-4 Provisions

\$ '000	2024		2023	
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	503	–	524
Sub-total – asset remediation/restoration	–	503	–	524
Total provisions	–	503	–	524
Total provisions relating to unrestricted assets				
	–	503	–	524
Total provisions	–	503	–	524

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

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

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	524	524
Other	(21)	(21)
Total other provisions at end of year	503	503
2023		
At beginning of year	1,369	1,369
Changes to provision:		
– Revised discount rate	(845)	(845)
Total other provisions at end of year	524	524

Nature and purpose of provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council's landfills.

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.

Asset remediation – tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

C3-4 Provisions (continued)

The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	1,620	625	253
User charges and fees	6,537	55	3
Interest and investment revenue	99	37	8
Other revenues	882	135	105
Grants and contributions provided for operating purposes	28,609	–	–
Grants and contributions provided for capital purposes	7,923	8,603	–
Other income	31	–	–
Total income from continuing operations	45,701	9,455	369
Expenses from continuing operations			
Employee benefits and on-costs	4,811	16	–
Materials and services	24,660	899	228
Borrowing costs	23	–	–
Depreciation, amortisation and impairment of non-financial assets	6,364	223	84
Other expenses	798	181	61
Net losses from the disposal of assets	376	–	–
Total expenses from continuing operations	37,032	1,319	373
Operating result from continuing operations	8,669	8,136	(4)
Net operating result for the year	8,669	8,136	(4)
Net operating result attributable to each council fund	8,669	8,136	(4)
Net operating result for the year before grants and contributions provided for capital purposes	746	(467)	(4)

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	10,283	2,639	1,812
Receivables	13,553	33	32
Inventories	768	–	–
Total current assets	24,604	2,672	1,844
Non-current assets			
Receivables	3	–	–
Infrastructure, property, plant and equipment	214,398	28,273	5,278
Investments accounted for using the equity method	806	–	–
Right of use assets	725	–	–
Total non-current assets	215,932	28,273	5,278
Total assets	240,536	30,945	7,122
LIABILITIES			
Current liabilities			
Payables	3,423	408	48
Income received in advance	210	–	–
Contract liabilities	455	–	–
Lease liabilities	265	–	–
Employee benefit provision	1,034	–	–
Total current liabilities	5,387	408	48
Non-current liabilities			
Lease liabilities	747	–	–
Employee benefit provision	29	–	–
Provisions	503	–	–
Total non-current liabilities	1,279	–	–
Total liabilities	6,666	408	48
Net assets	233,870	30,537	7,074
EQUITY			
Accumulated surplus	167,701	19,496	2,439
Revaluation reserves	66,169	11,041	4,635
Council equity interest	233,870	30,537	7,074
Total equity	233,870	30,537	7,074

D2 Interests in other entities

\$ '000	Council's share of net assets	
	2024	2023
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Joint Arrangement	806	867
Total net share of interests in joint ventures and associates using the equity method – assets	806	867
Total Council's share of net assets	806	867

D2-1 Interests in joint arrangements

Net carrying amounts – Council's share

\$ '000	Place of business	Nature of relationship	Interest in ownership		2024		2023	
			2024	2023	2024	2023		
Far South West Joint Organisation			25.0%	25.0%	806		867	
Total carrying amounts – material joint ventures					806		867	

Material joint ventures

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

Summarised financial information for joint ventures

\$ '000	Far South West Joint Organisation	
	2024	2023
Statement of financial position		
Current assets		
Cash and cash equivalents	–	3,465
Other current assets	–	11
Current liabilities		
Other current liabilities	–	10
Net assets	–	3,466
Statement of comprehensive income		
Income	–	(260)
Profit/(loss) from continuing operations	–	(260)
Profit/(loss) for the period	–	(260)
Total comprehensive income	–	(260)
Share of income – Council (%)	0.0%	25.0%
Profit/(loss) – Council (\$)	–	(65)
Total comprehensive income – Council (\$)	–	(65)
Summarised Statement of cash flows		
Cash flows from operating activities	–	(186)
Net increase (decrease) in cash and cash equivalents	–	(186)

D2-1 Interests in joint arrangements (continued)

\$ '000	Far South West Joint Organisation	
	2024	2023
Reconciliation of the carrying amount		
Opening net assets (1 July)	3,466	3,726
Profit/(loss) for the period	–	(260)
Closing net assets	3,466	3,466
Council's share of net assets (%)	0.0%	25.0%
Council's share of net assets (\$)	–	867

Material accounting policy information

The council has determined that it has only joint ventures.

Joint ventures:

Interests in joint ventures are accounted for using the equity method in accordance with *AASB128 Investments in Associates and Joint Ventures*.

Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

The Council's share in the joint venture's gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	14,734	12,154	14,734	12,154
Receivables	13,621	15,545	13,621	15,545
Total financial assets	28,355	27,699	28,355	27,699
Financial liabilities				
Payables	3,879	5,064	3,880	5,064
Total financial liabilities	3,879	5,064	3,880	5,064

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

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

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
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The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

Impact of a 1% movement in interest rates

– Equity / Income Statement	147	122
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Impact of a 10% movement in price of investments

(b) Credit risk

Pre-amble

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees. Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors. There are no material receivables that have been subjected to a re-negotiation of repayment terms.

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges				Total
		< 5 years	1 - 2 years	2 - 5 years	≥ 5 years	
2024						
Gross carrying amount	675	–	–	–	–	675
2023						
Gross carrying amount	–	179	356	229	115	879

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

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	14,183	–	–	–	–	14,183
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	4.20%	0.00%
ECL provision	–	–	–	–	–	–
2023						
Gross carrying amount	–	4,114	3,234	1,565	6,595	15,508
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	4.20%	1.79%
ECL provision	–	–	–	–	277	277

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	10	–	–	–	10	3,879
Total financial liabilities		10	–	–	–	10	3,879
2023							
Payables	0.00%	–	5,064	–	–	5,064	5,064
Total financial liabilities		–	5,064	–	–	5,064	5,064

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:

Infrastructure, property, plant and equipment (IPPE)

Stormwater drainage

The Stormwater Drainage asset class consists of Council's pits and Culverts. AssetVal Pty Ltd completed the valuation of these assets in 2019. The valuation methodology adopted was based on current replacement cost of the asset.

Replacement costs (unit rates) and useful lives for Stormwater Drainage assets were determined through professional judgement on behalf of AssetVal Pty Ltd, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on asset location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, and pattern of consumption.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Valuation of Stormwater Drainage has been indexed at 30 June 2023, to account for increases in cost indices since the last comprehensive revaluation.

Other structures

Council's other structure assets comprise of fences, flagpoles, monuments and the like. AssetVal Pty Ltd completed the valuation of these assets in 2019.

Replacement costs (unit rate) and useful lives of Council's other structure assets were determined through professional judgement on behalf of AssetVal Pty Ltd, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on the assets location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life and pattern of consumption.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Valuation of Other Structures has been indexed at 30 June 2023, to account for increases in cost indices since the last comprehensive revaluation.

Buildings

Council engaged AssetVal Pty Ltd to value all buildings and shelters in 2023. The valuation methodology adopted was based on current replacement cost of the asset.

The valuation aspects are generally, but not limited to the location, size, condition, style and utility of the asset. Replacement cost, asset condition, remaining useful life and building components are some of the inputs used in fair value determination. Since most of these inputs are observable, the asset class has been classified as Level 2. Valuation techniques remained the same for this reporting period.

Roads, bridges, footpaths and bulk earthworks

Council's roads & Bridges are componentised into the pavement, surface and formation and further separated into segments for inspection and valuation.

The valuation of assets was completed by APV Valuers in June 2020.

The current replacement cost approach was adopted to value Council's assets. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of APV.

E2-1 Fair value measurement (continued)

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, and components.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Valuation of all Roads Infrastructure has been indexed at 30 June 2023, to account for increases in cost indices since the last comprehensive revaluation.

Water supply network

This asset category includes Dams & Weirs, Mains, Reservoirs and treatment plants.

The valuation of assets was completed by APV Valuers P/L effective 30 June 2022.

The current replacement cost approach was adopted to value Council's assets. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of APV.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, and components. Valuation techniques remained the same for this reporting period.

Valuation of Water Infrastructure has been indexed at 30 June 2023, to account for increases in cost indices since the last comprehensive revaluation.

Sewerage network

This asset category includes Mains, Pumping stations and sewerage ponds.

The valuation of assets was completed by APV Valuers P/L effective 30 June 2022.

The current replacement cost approach was adopted to value Council's assets. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of APV.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, and components. Valuation techniques remained the same for this reporting period.

Valuation of Sewer Infrastructure has been indexed at 30 June 2023, to account for increases in cost indices since the last comprehensive revaluation.

Community land

Assets within the "Community Land" class are Council owned land, and Care Control Management land [Crown] of which Council derives current and future economic benefits arising from the use of the land asset.

Council's community land is valued on the Land Value (LV), provided by the Valuer General with base date 01/07/2022.

Currently all Council assets in this asset class are based on LV, however, should Council have an asset in future for which a LV is not provided, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

Operational land

Council's operational land includes all of Council's land classified as operational land under Local Government Act 1993. Council's community land is valued on the Land Value (LV), provided by the Valuer General with base date 01/07/2022.

Currently all Council assets in this asset class are based on a modelled market based valuation process, however, should Council have an asset in future for which this valuation process is not available, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Other structures	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Roads, bridges, footpaths and bulk earthworks	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Stormwater drainage	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Water supply network	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Sewerage network	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Community Land	Current replacement cost	Replacement cost Asset condition rating

E2-1 Fair value measurement (continued)

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

\$ '000	Crown / Community land		Other structures		Roads, bridges, footpaths		Stormwater drainage	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	2,397	523	5,351	3,964	162,963	144,019	720	695
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	-	1,077	-	-	-	-	-	-
Purchases (GBV)	-	-	-	1,449	-	15,739	-	-
Depreciation and impairment	-	-	-	(322)	-	(3,368)	-	(26)
Asset Revaluation	-	797	-	260	-	6,571	-	52
Rounding	-	-	-	-	-	2	-	(1)
Closing balance	2,397	2,397	5,351	5,351	162,963	162,963	720	720

\$ '000	Water supply network		Sewerage network		Total	
	2024	2023	2024	2023	2024	2023
Opening balance	17,699	16,555	5,059	4,834	194,189	170,590
Transfers from/(to) another asset class	-	-	-	-	-	1,077
Purchases (GBV)	-	504	-	-	-	17,692
Depreciation and impairment	-	(591)	-	(138)	-	(4,445)
Asset Revaluation	-	1,231	-	362	-	9,273
Rounding	-	-	-	1	-	2
Closing balance	17,699	17,699	5,059	5,059	194,189	194,189

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 8.5% of salaries for 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.

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 \$20,799.58. The last valuation of the Scheme was performed by Richard Boyfield FIAA on 30 June 2023, and covers the period ended 30 June 2024.

The amount of additional contributions included in the total employer contribution advised above is \$6,760.53. Council's expected contribution to the plan for the next annual reporting period is \$8,860.89.

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 any funding surplus or deficit that can be attributed to Council is 0.07%.

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% per annum for FY 23/24 2.5% per annum thereafter

* Plus promotional increases

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

E3-1 Contingencies (continued)

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.

ASSETS NOT RECOGNISED

(i) 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)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	-	572
Post-employment benefits	-	57
Other long-term benefits	-	5
Total	-	634

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Administrator fees and associated expenses included in materials and services expenses in the Income Statement are:		
Administrator fee	94	135
Other Administrator expenses	31	30
Total	125	165

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements

	86	53
Total Auditor-General remuneration	86	53

Total audit fees	86	53
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G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	16,801	25,328
Add / (less) non-cash items:		
Depreciation and amortisation	6,671	5,951
(Gain) / loss on disposal of assets	376	–
Unwinding of discount rates on reinstatement provisions	–	(24)
Share of net (profits)/losses of associates/joint ventures using the equity method	61	65
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	1,529	(12,105)
Increase / (decrease) in provision for impairment of receivables	395	73
(Increase) / decrease of inventories	(114)	(259)
Increase / (decrease) in payables	(998)	1,485
Increase / (decrease) in accrued interest payable	1	–
Increase / (decrease) in other accrued expenses payable	(69)	(49)
Increase / (decrease) in other liabilities	52	37
Increase / (decrease) in contract liabilities	(1,639)	1,092
Increase / (decrease) in employee benefit provision	(188)	142
Increase / (decrease) in other provisions	(21)	–
Net cash flows from operating activities	22,857	21,736

G2-1 Commitments

Capital commitments (exclusive of GST)

Council made no material forward commitments during the year, other than completion of major road improvements to Pooncarie Road which are largely funded by capital grants.

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant events that would affect the financial results, financial position, or disclosures in these financial statements.

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicator 2023	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	1,370	3.51%	14.95%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	38,999			
2. Own source operating revenue ratio				
Total continuing operating revenue excluding all grants and contributions ¹	10,390	18.71%	23.18%	> 60.00%
Total continuing operating revenue ¹	55,525			
3. Unrestricted current ratio				
Current assets less all external restrictions	14,350	2.91x	2.94x	> 1.50x
Current liabilities less specific purpose liabilities	4,932			
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	8,064	366.55x	43.53x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	22			
5. Rates and annual charges outstanding percentage				
Rates and annual charges outstanding	(67)	(2.30)%	12.12%	< 10.00%
Rates and annual charges collectable	2,912			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	14,734	4.81 months	4.89 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	3,064			

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

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

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	4.87%	16.82%	(54.81)%	(31.47)%	(1.08)%	0.29%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	20.06%	21.58%	9.01%	48.89%	100.00%	100.00%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.91x	2.89x	6.55x	0.69x	38.42x	(0.05)x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	374.00x	42.16x	∞	∞	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	(3.29)%	25.78%	0.00%	(63.33)%	0.00%	(54.86)%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	3.36 months	4.48 months	∞	0.00	∞	82.69 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note 25a above.

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

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business:

21 Reid Street
Wilcannia NSW 2836

Contact details

Mailing Address:
PO Box 165
Wilcannia NSW 2836

Opening hours:

9:00am - 5:00pm
Monday to Friday

Telephone: 08 8083 8900

Facsimile: 08 8091 5994

Internet: www.centraldarling.nsw.gov.au

Email: council@centraldring.nsw.gov.au

Officers

General Manager

Gregory Hill

Acting Responsible Accounting Officer

Kevin Smith

Public Officer

Kevin Smith (Acting)

Auditors

Audit Office of NSW
Level 19 Tower 2 Darling Park
201 Sussex St
Sydney NSW 2000

Other information

ABN: 65 061 502 429

Central Darling Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

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

Central Darling Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

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