

Warrumbungle Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024



Warrumbungle Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Warrumbungle Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

14-22 John Street
Coonabarabran NSW 2357

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.warrumbungle.nsw.gov.au.

Warrumbungle 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.

Warrumbungle 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 19 September 2024.



Dale Hogden
Councillor
19 September 2024



Kathy Rindfleish
Councillor
19 September 2024



Lindsay Mason
Acting General Manager
19 September 2024



Lisa Grammer
Responsible Accounting Officer
19 September 2024

Warrumbungle 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				
15,523	Rates and annual charges	B2-1	15,608	15,156
6,940	User charges and fees	B2-2	10,955	9,323
1,199	Other revenues	B2-3	2,205	2,155
30,760	Grants and contributions provided for operating purposes	B2-4	33,667	25,765
9,615	Grants and contributions provided for capital purposes	B2-4	3,317	6,680
297	Interest and investment income	B2-5	2,316	1,047
–	Other income		45	18
861	Net gain from the disposal of assets	B4-1	–	–
65,195	Total income from continuing operations		68,113	60,144
Expenses from continuing operations				
17,339	Employee benefits and on-costs	B3-1	17,503	15,921
20,341	Materials and services	B3-2	22,970	14,317
28	Borrowing costs	B3-3	162	248
11,659	Depreciation, amortisation and impairment of non-financial assets	B3-4	13,760	11,337
5,571	Other expenses	B3-5	1,817	1,748
620	Net loss from the disposal of assets		2,006	3,045
55,558	Total expenses from continuing operations		58,218	46,616
9,637	Operating result from continuing operations		9,895	13,528
9,637	Net operating result for the year attributable to Council		9,895	13,528
22	Net operating result for the year before grants and contributions provided for capital purposes		6,578	6,848

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

Warrumbungle Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	Restated 2023 ¹
Net operating result for the year – from Income Statement		9,895	13,528
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	38,743	52,806
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	(667)	885
Total items which will not be reclassified subsequently to the operating result		38,076	53,691
Total other comprehensive income for the year		38,076	53,691
Total comprehensive income for the year attributable to Council		47,971	67,219

(1) Restated - see Note G4-1

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

Warrumbungle Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	Restated 2023 ¹	1 July 2022 ¹
ASSETS				
Current assets				
Cash and cash equivalents	C1-1	9,736	5,776	4,078
Investments	C1-2	44,400	35,500	23,000
Receivables	C1-4	9,647	10,015	4,233
Inventories	C1-5	693	602	572
Contract assets	C1-6	8,453	3,304	3,632
Other	C1-9	38	50	1,037
Total current assets		72,967	55,247	36,552
Non-current assets				
Investments	C1-2	–	–	1,000
Inventories	C1-5	299	299	299
Infrastructure, property, plant and equipment (IPPE)	C1-7	671,110	641,385	593,110
Intangible assets	C1-8	45	64	92
Right of use assets	C2-1	91	183	274
Investments accounted for using the equity method	D2-1	564	519	501
Total non-current assets		672,109	642,450	595,276
Total assets		745,076	697,697	631,828
LIABILITIES				
Current liabilities				
Payables	C3-1	1,811	2,472	1,917
Contract liabilities	C3-2	5,361	4,538	3,071
Lease liabilities	C2-1	96	92	89
Borrowings	C3-3	492	529	904
Employee benefit provisions	C3-4	4,266	3,794	3,843
Provisions	C3-5	273	103	500
Total current liabilities		12,299	11,528	10,324
Non-current liabilities				
Lease liabilities	C2-1	61	157	250
Borrowings	C3-3	–	492	1,021
Provisions	C3-5	2,213	2,988	4,920
Total non-current liabilities		2,274	3,637	6,191
Total liabilities		14,573	15,165	16,515
Net assets		730,503	682,532	615,313
EQUITY				
Accumulated surplus	C4-1	462,618	452,723	439,195
IPPE revaluation reserve	C4-1	267,885	229,809	176,118
Council equity interest		730,503	682,532	615,313
Total equity		730,503	682,532	615,313

(1) Restated - see Note G4-1

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

Warrumbungle 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
					Restated	Restated	Restated
Opening balance at 1 July		452,723	229,809	682,532	439,195	182,755	621,950
Correction of prior period errors	G4-1	–	–	–	–	(6,637)	(6,637)
Restated opening balance		452,723	229,809	682,532	439,195	176,118	615,313
Net operating result for the year		9,895	–	9,895	13,528	–	13,528
Restated net operating result for the period		9,895	–	9,895	13,528	–	13,528
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment		–	38,743	38,743	–	52,806	52,806
– Impairment (loss) reversal relating to IPP&E	C1-7	–	(667)	(667)	–	885	885
Other comprehensive income		–	38,076	38,076	–	53,691	53,691
Total comprehensive income		9,895	38,076	47,971	13,528	53,691	67,219
Closing balance at 30 June		462,618	267,885	730,503	452,723	229,809	682,532

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

Warrumbungle 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>				
15,523	Rates and annual charges		15,678	14,925
6,940	User charges and fees		10,758	7,444
297	Interest received		1,983	798
40,375	Grants and contributions		32,658	34,240
–	Bonds, deposits and retentions received		41	–
1,199	Other		6,445	650
<i>Payments:</i>				
(17,339)	Payments to employees		(16,937)	(15,973)
(20,341)	Payments for materials and services		(23,038)	(13,700)
(28)	Borrowing costs		(37)	(70)
–	Bonds, deposits and retentions refunded		–	(373)
(5,571)	Other		(6,766)	(2,984)
21,055	Net cash flows from operating activities	G1-1	20,785	24,957
Cash flows from investing activities				
<i>Receipts:</i>				
861	Proceeds from sale of IPPE		223	589
<i>Payments:</i>				
–	Acquisition of term deposits		(8,900)	(11,500)
(22,479)	Payments for IPPE		(7,528)	(11,354)
(21,618)	Net cash flows from investing activities		(16,205)	(22,265)
Cash flows from financing activities				
<i>Payments:</i>				
(528)	Repayment of borrowings		(529)	(904)
(96)	Principal component of lease payments		(91)	(90)
(624)	Net cash flows from financing activities		(620)	(994)
(1,187)	Net change in cash and cash equivalents		3,960	1,698
31,655	Cash and cash equivalents at beginning of year		5,776	4,078
30,468	Cash and cash equivalents at end of year	C1-1	9,736	5,776
–	plus: Investments on hand at end of year	C1-2	44,400	35,500
30,468	Total cash, cash equivalents and investments		54,136	41,276

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

Warrumbungle 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 19 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 C1-7
- (ii) estimated tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

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.

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

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

- General purpose operations
- Warrumbungle Water Fund
- Warrumbungle Sewerage Fund

A1-1 Basis of preparation (continued)

The Trust Fund

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

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

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

Goods and Services Tax (GST)

Volunteer services

Council uses volunteers in the following services:

- Visitors Information Centre
- Community care including drivers for meals of Wheels delivery, drivers for health related transport from all our local towns to Tamworth or Dubbo; volunteers assisting with specific activities e.g. Community EXPO, volunteers to act in a carer capacity for frail or clients with disability to attend appointments etc.

The volunteer numbers are small and the hours for each are minor in nature.

As these instances are limited and minor, Council does not include values in the Annual Statements.

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.

Apart from the standard AASB 2022-10 analysed below there are no other released standards and interpretations (with future effective dates) that are expected to have a material impact on Council.

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

This Standard amends AASB 13, including adding authoritative implementation guidance and providing related illustrative examples, for application by not-for-profit public sector entities.

In particular, this standard provides guidance on:

- (a) highest and best use
- (b) financially feasible uses
- (c) use of assumptions
- (d) nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence when using the cost approach.

The standard is not expected to have significant impact on fair valuation of council's assets.

The standard applies prospectively to annual periods beginning on or after 1 January 2024; i.e. Council's financial statements for the year ended 30 June 2025, with earlier application not permitted.

New accounting standards adopted during the year

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

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

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

A1-1 Basis of preparation (continued)

- ***Equivalent standard for JO's is AASB 2021-6 Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards***

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

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

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

B Financial Performance

B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023 ¹ Restated
\$ '000										
Functions or activities										
General Revenue	21,139	21,016	–	–	21,139	21,016	10,061	11,320	7,659	7,329
Executive	757	611	2,272	1,833	(1,515)	(1,222)	743	560	–	–
Technical Services	29,547	21,980	33,600	25,121	(4,053)	(3,141)	22,927	16,010	537,278	507,074
Development Services	844	867	4,538	3,321	(3,694)	(2,454)	217	338	62,157	61,069
Corporate and Community Services	4,760	3,354	7,751	7,265	(2,991)	(3,911)	2,988	1,220	47,434	38,205
Warrumbungle Water	5,501	5,658	4,992	4,511	509	1,147	48	1,179	56,751	53,749
Warrumbungle Sewer	2,371	3,920	2,259	1,928	112	1,992	–	1,818	33,043	29,730
Warrumbungle Waste	3,194	2,738	2,806	2,637	388	101	–	–	754	541
Total functions and activities	68,113	60,144	58,218	46,616	9,895	13,528	36,984	32,445	745,076	697,697

(1) Restated - see Note G4-1

B1-2 Components of functions or activities

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

General Revenue

Includes rates revenue, interest revenue and general grants.

General Manager

Includes management and leadership, governance, Cobbora Transition Fund, human resource management, payroll services, WH&S and risk management and learning and development services.

Technical Services

Includes technical services management, design services, road operations, fleet services and urban services.

Development Services

Includes development services management, regulatory services, property and risk and development and tourism.

Corporate and Community Services

Includes corporate services, community agencies, bushfire and emergency services, children's and community services.

Warrumbungle Water

The core function of Warrumbungle Water is the provision of water supply to connected properties in each town within the Shire.

Warrumbungle Sewer

The core function of Warrumbungle Sewer is the collection and treatment of sewage effluent from connected properties in Baradine, Coolah, Coonabarabran and Dunedoo.

Warrumbungle Waste

Warrumbungle Waste provides waste services throughout the Warrumbungle Shire as a business arm of Council. The waste services are provided to residential and non-residential customers for both general waste and recycling.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	2,519	2,458
Farmland	5,780	5,621
Business	659	639
Less: pensioner rebates (mandatory)	(148)	(154)
Rates levied to ratepayers	8,810	8,564
Pensioner rate subsidies received	83	84
Total ordinary rates	8,893	8,648
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,931	1,861
Water supply services	2,449	2,364
Sewerage services	1,944	1,917
Waste management services (non-domestic)	376	359
Less: pensioner rebates (mandatory)	(223)	(230)
Liquid trade waste	10	9
Stormwater levy	104	104
Annual charges levied	6,591	6,384
Pensioner annual charges subsidies received:		
– Water	38	38
– Sewerage	28	27
– Domestic waste management	58	59
Total annual charges	6,715	6,508
Total rates and annual charges	15,608	15,156

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	1	2,934	2,070
Sewerage services	1	178	115
Liquid trade waste	1	117	40
Total specific user charges		3,229	2,225
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Building regulation	2	72	59
Private works – section 67	2	414	285
Registration fees	2	55	5
Regulatory fees	2	36	35
Section 10.7 certificates (EP&A Act)	2	44	33
Section 603 certificates	2	23	24
Planning regulation	2	74	57
Total fees and charges – statutory/regulatory		718	498
(ii) Fees and charges – other (incl. general user charges (per s608))			
Aged care	1	630	724
Cemeteries	2	99	98
Child care	1	718	617
Lease rentals	1	15	44
Leaseback fees – Council vehicles	1	51	52
Transport for NSW works (state roads not controlled by Council)	1	5,240	4,759
Swimming centres	2	39	58
Tourism	2	134	148
Waste disposal tipping fees	2	50	58
Other	2	32	42
Total fees and charges – other		7,008	6,600
Total other user charges and fees		7,726	7,098
Total user charges and fees		10,955	9,323
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		9,883	8,421
User charges and fees recognised at a point in time (2)		1,072	902
Total user charges and fees		10,955	9,323

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
Rental income – other council properties	1	143	152
Legal fees recovery – rates and charges (extra charges)	2	86	63
Commissions and agency fees	2	210	201
Diesel rebate	2	333	211
Insurance claims recoveries	2	539	470
Recycling income (non-domestic)	2	388	26
Container deposit Scheme	2	413	404
Other	2	93	628
Total other revenue		2,205	2,155
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		143	152
Other revenue recognised at a point in time (2)		2,062	2,003
Total other revenue		2,205	2,155

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.

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	339	1,538	–	–
Financial assistance – local roads component	2	126	792	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	5,421	5,913	–	–
Financial assistance – local roads component	2	2,734	3,077	–	–
Amount recognised as income during current year		8,620	11,320	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Aged care	1	1,021	943	–	–
Bushfire and emergency services	2	395	478	–	–
Child care	2	1,163	1,161	–	–
Economic development	2	168	166	–	–
Employment and training programs	2	96	110	–	–
Environmental programs	2	18	899	100	–
Heritage and cultural	2	18	6	–	–
Library	2	94	90	–	–
LIRS subsidy	2	18	32	–	–
Recreation and culture	2	–	–	191	2,071
Transport (other roads and bridges funding)	2	15,068	6,589	1,149	1,989
Transport (roads to recovery)	2	3,032	–	–	–
Transport for NSW contributions (regional roads, block grant)	2	2,963	2,858	–	–
Sewerage (excl. section 64 contributions)	1	–	–	–	1,848
Water supplies (excl. section 64 contributions)	1	–	–	48	1,184
LRCI	1	–	–	1,439	–
Other contributions	2	5	200	–	–
Other specific grants	2	988	913	256	(516)
Total special purpose grants and non-developer contributions – cash		25,047	14,445	3,183	6,576
Total special purpose grants and non-developer contributions (tied)		25,047	14,445	3,183	6,576
Total grants and non-developer contributions		33,667	25,765	3,183	6,576
Comprising:					
– Commonwealth funding		21,990	15,160	1,860	549
– State funding		11,457	9,892	1,323	6,027
– Other funding		220	713	–	–
		33,667	25,765	3,183	6,576

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services	2	–	–	134	104
Total developer contributions		–	–	134	104
Total contributions		–	–	134	104
Total grants and contributions		33,667	25,765	3,317	6,680
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time (1)		1,021	943	1,487	3,032
Grants and contributions recognised at a point in time (2)		32,646	24,822	1,830	3,648
Total grants and contributions		33,667	25,765	3,317	6,680

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	9,266	2,750	5,849	3,784
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	9,850	9,033	4,308	1,544
Add: Funds received and not recognised as revenue in the current year	1	233	5,360	4,305
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(9,033)	(2,750)	(1,544)	(713)
Less: Funds received in prior year but revenue recognised and funds spent in current year	(233)	–	(4,305)	(3,071)
Unexpended and held as externally restricted assets (grants)	9,851	9,266	9,668	5,849
Contributions				
Unspent funds at 1 July	–	–	512	400
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	134	112
Add: contributions received and not recognised as revenue in the current year	–	–	26	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	–	–	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
Unspent contributions at 30 June	–	–	672	512

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. 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.

B2-4 Grants and contributions (continued)

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	237	160
– Cash and investments	2,079	887
Total interest and investment income	2,316	1,047

Material accounting policy information

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

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	12,929	12,362
Employee leave entitlements (ELE)	2,916	2,222
Superannuation	1,472	1,399
Workers' compensation insurance	903	865
Fringe benefit tax (FBT)	78	56
Protective clothing	92	77
Total employee costs	18,390	16,981
Less: capitalised costs	(887)	(1,060)
Total employee costs expensed	17,503	15,921

Material accounting policy information

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

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

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

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		6,167	6,992
Contractor costs		19,163	12,718
Audit Fees	F2-1	79	93
Councillor and Mayoral fees and associated expenses	F1-2	159	155
Advertising		117	112
Bank charges		59	38
Electricity and heating		928	672
Insurance		1,122	1,042
Postage		43	38
Printing and stationery		70	49
Street lighting		90	66
Subscriptions and publications		107	90
Telephone and communications		170	141
Valuation fees		56	52
Conferences		73	45
Registration and licences		508	527
Training Costs		185	228
Other expenses		569	539
Legal expenses:			
– Legal expenses: debt recovery		120	99
– Legal expenses: other		5	453
Other		550	466
Total materials and services		30,340	24,615
Less: capitalised costs		(7,370)	(10,298)
Total materials and services		22,970	14,317

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on leases		7	11
Interest on loans		26	52
Total interest bearing liability costs		33	63
Total interest bearing liability costs expensed		33	63
(ii) Other borrowing costs			
Amortisation of discounts and premiums			
– Remediation liabilities	C3-5	129	185
Total other borrowing costs		129	185
Total borrowing costs expensed		162	248

Material accounting policy information

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

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

\$ '000	Notes	2024	2023 ¹ Restated
Depreciation and amortisation			
Plant and equipment		2,325	2,152
Office equipment		162	106
Furniture and fittings		4	5
Land improvements (depreciable)		74	70
Infrastructure:	C1-7		
– Buildings – non-specialised		–	357
– Buildings – specialised		2,320	866
– Other structures		949	439
– Roads		4,499	4,129
– Bridges		866	785
– Footpaths		177	164
– Stormwater drainage		128	118
– Water supply network		1,396	1,245
– Sewerage network		604	546
Right of use assets	C2-1	91	91
Reinstatement, rehabilitation and restoration assets:			
– Quarry assets	C3-5,C1-7	146	236
Intangible assets	C1-8	19	28
Total depreciation and amortisation costs		13,760	11,337
Impairment / revaluation decrement of IPPE			
Infrastructure:	C1-7		
– Roads		667	(885)
Total gross IPPE impairment / revaluation decrement costs		667	(885)
Amounts taken through revaluation reserve	C1-7	(667)	885
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	–
Total depreciation, amortisation and impairment for non-financial assets		13,760	11,337

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

(1) Restated - see Note G4-1

B3-5 Other expenses

\$ '000	2024	2023
Other		
Contributions/levies to other levels of government		
– Noxious weeds	118	114
– NSW fire brigade levy	70	60
– NSW rural fire service levy	683	681
Donations, contributions and assistance to other organisations (Section 356)	274	218
– Regional library contributions	672	675
Total other expenses	1,817	1,748

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 plant and equipment			
	C1-7		
Proceeds from disposal – plant and equipment		223	589
Less: carrying amount of plant and equipment assets sold/written off		(180)	(256)
Gain (or loss) on disposal		43	333
Gain (or loss) on disposal of infrastructure			
	C1-7		
Less: carrying amount of infrastructure assets sold/written off		(2,049)	(3,378)
Gain (or loss) on disposal		(2,049)	(3,378)
Net gain (or loss) from disposal of assets		(2,006)	(3,045)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 30 May 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----		
Revenues					
Rates and annual charges	15,523	15,608	85	1%	F
User charges and fees	6,940	10,955	4,015	58%	F
Due to higher than expected level of works on flood affected roads.					
Other revenues	1,199	2,205	1,006	84%	F
Operating grants and contributions	30,760	33,667	2,907	9%	F
Capital grants and contributions	9,615	3,317	(6,298)	(66)%	U
Interest and investment revenue	297	2,316	2,019	680%	F
Net gains from disposal of assets	861	-	(861)	(100)%	U
Due to net loss in the current year (see below).					
Other income	-	45	45	∞	F
Non-cash transaction for recognition of interest in joint venture. Not budgeted.					
Expenses					
Employee benefits and on-costs	17,339	17,503	(164)	(1)%	U
Materials and services	20,341	22,970	(2,629)	(13)%	U
Due to higher than expected level of works on flood affected roads.					
Borrowing costs	28	162	(134)	(479)%	U
Depreciation, amortisation and impairment of non-financial assets	11,659	13,760	(2,101)	(18)%	U
Due to effect of revaluation and indexation in the previous year. This was not considered in budgeting for depreciation in the 2024 financial year as results of revaluation became available after original budget was adopted.					
Other expenses	5,571	1,817	3,754	67%	F
Net losses from disposal of assets	620	2,006	(1,386)	(224)%	U
Non-cash transaction which is hard to budget.					
Statement of cash flows					
Cash flows from operating activities	21,055	20,785	(270)	(1)%	U
Cash flows from investing activities	(21,618)	(16,205)	5,413	(25)%	F

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Less capital job than expected due to significant amount of resources placed into flood recovery works.				
Cash flows from financing activities	(624)	(620)	4	(1)% 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	571	459
Deposits at call	9,165	5,317
Total cash and cash equivalents	9,736	5,776

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	9,736	5,776
Balance as per the Statement of Cash Flows	9,736	5,776

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Financial assets at fair value through the profit and loss				
Long term deposits	44,400	-	35,500	-
Total	44,400	-	35,500	-
Total financial investments	44,400	-	35,500	-
Total cash assets, cash equivalents and investments	54,136	-	41,276	-

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	54,136	41,276
External restrictions	<u>(30,462)</u>	<u>(23,866)</u>
Cash, cash equivalents and investments not subject to external restrictions	23,674	17,410
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	2,931	4,538
Specific purpose unexpended grants – sewer fund	2,172	–
Specific purpose unexpended grants – water fund	258	–
Trust	289	255
External restrictions – included in liabilities	5,650	4,793
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	527	374
Developer contributions – water fund	111	106
Developer contributions – sewer fund	34	32
Specific purpose unexpended grants (recognised as revenue) – general fund	14,060	10,084
Specific purpose unexpended grants (recognised as revenue) – water fund	95	155
Specific purpose unexpended grants (recognised as revenue) – sewer fund	3	338
Water fund	3,002	1,302
Sewer fund	6,344	6,221
Domestic waste management	341	270
Stormwater levy	295	191
External restrictions – other	24,812	19,073
Total external restrictions	30,462	23,866

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

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

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	23,674	17,410
Internal restrictions	<u>(13,841)</u>	<u>(14,630)</u>
Unrestricted and unallocated cash, cash equivalents and investments	9,833	2,780
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement (fleet fund)	2,070	2,745
Employees leave entitlement	1,280	1,138
Carry over works (excl fleet carry overs)	618	554
Community care vehicle	13	13
Landfill site development and remediation	438	–
Next year FAG paid in advance in current year	8,155	8,991
Information technology (Software upgrade/telephone system)	350	151
Quarry remediation fund	497	618
Other	420	420
Total internal allocations	13,841	14,630

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

C1-4 Receivables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Rates and annual charges	1,489	–	1,559	–
Interest and extra charges	305	–	362	–
User charges and fees	1,577	–	1,380	–
Interest on investments	724	–	334	–
Other income accruals	1,662	–	89	–
Net GST receivable	130	–	–	–
General debtors	4,425	–	6,956	–
Bonds & Deposits	2	–	2	–
Total	10,314	–	10,682	–
Less: provision for impairment				
Other debtors	(667)	–	(667)	–
Total provision for impairment – receivables	(667)	–	(667)	–
Total net receivables	9,647	–	10,015	–

\$ '000	2024	2023
Movement in provision for impairment of receivables		
Balance at the beginning of the year	667	667
Balance at the end of the year	667	667

Material accounting policy information

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

Impairment

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

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

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

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

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 60 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.

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.

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Real estate for resale	–	299	–	299
Stores and materials	693	–	602	–
Total inventories at cost	693	299	602	299
Total inventories	693	299	602	299

C1-6 Contract assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	8,453	–	3,304	–
Total contract assets	8,453	–	3,304	–

Contract assets

Contract assets	–	–	22	–
Grant contract assets	898	–	1,777	–
Accrued Income	7,555	–	1,505	–
Total contract assets	8,453	–	3,304	–

Significant changes in contract assets

Drop in grant contract assets is mostly due to completion and receipt of final installments on various capital grant funded projects. Increase in accrued income is due to increased works under disaster recovery programs.

Material accounting policy information

Contract assets

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

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

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

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023 ²			Asset movements during the reporting period								At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount ²	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	6,598	–	6,598	964	1,594	(324)	–	–	(4,924)	–	–	3,908	–	3,908
Plant and equipment	30,603	(20,165)	10,438	–	780	(180)	(2,325)	–	–	–	–	30,974	(22,261)	8,713
Office equipment	2,450	(1,950)	500	–	4	–	(162)	–	174	–	–	2,627	(2,112)	515
Furniture and fittings	739	(740)	(1)	–	–	–	(4)	–	–	–	–	742	(742)	–
Land:														
– Operational land	10,015	–	10,015	–	–	–	–	–	–	–	70	10,085	–	10,085
– Community land	3,819	–	3,819	–	–	–	–	–	–	–	286	4,105	–	4,105
Land improvements – depreciable	2,500	(723)	1,777	–	–	–	(74)	–	–	–	59	2,588	(826)	1,762
Infrastructure:														
– Buildings – non-specialised	–	–	–	–	–	–	–	–	–	–	–	–	–	–
– Buildings – specialised	98,551	(57,691)	40,860	166	3	(171)	(2,320)	–	149	–	2,906	105,126	(63,532)	41,594
– Other structures	34,251	(12,522)	21,729	247	294	(135)	(949)	–	133	–	785	35,946	(13,843)	22,103
– Roads	313,150	(81,299)	231,851	1,243	639	(739)	(4,499)	(667)	1,616	–	15,327	335,918	(91,147)	244,771
– Bridges	86,830	(23,870)	62,960	755	–	(54)	(866)	–	141	–	4,083	93,304	(26,285)	67,019
– Footpaths	11,280	(5,124)	6,156	29	275	(31)	(177)	–	46	–	393	12,302	(5,610)	6,692
– Bulk earthworks (non-depreciable)	172,586	–	172,586	–	23	–	–	–	–	–	11,347	183,956	–	183,956
– Stormwater drainage	10,210	(4,710)	5,500	–	–	–	(128)	–	–	–	272	10,727	(5,083)	5,644
– Water supply network	78,997	(34,071)	44,926	683	9	(381)	(1,396)	–	2,597	–	2,209	85,562	(36,916)	48,646
– Sewerage network	38,706	(18,253)	20,453	533	15	(214)	(604)	–	68	–	1,006	40,851	(19,593)	21,258
Other assets:														
– Other	91	(91)	–	–	–	–	–	–	–	–	–	91	(91)	–
Reinstatement, rehabilitation and restoration assets (refer Note E2-1):														
– Remediation assets	2,268	(1,050)	1,218	–	–	–	(146)	–	–	(734)	–	1,534	(1,195)	339
Total infrastructure, property, plant and equipment	903,644	(262,259)	641,385	4,620	3,636	(2,229)	(13,650)	(667)	–	(734)	38,743	960,346	(289,236)	671,110

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

(2) Restated - see Note G4-1

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

By aggregated asset class	At 1 July 2022 ¹			Asset movements during the reporting period										At 30 June 2023		
	Gross carrying amount Restated	Accumulated depreciation and impairment ¹ Restated	Net carrying amount ¹ Restated	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment reversal (recognised in equity) ¹	WIP transfers	Adjustments and transfers	Tfrs from/(to) 'held for sale' category	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment ¹	Net carrying amount
\$ '000																
Capital work in progress	9,989	–	9,989	1,142	1,691	(1,945)	–	–	(4,281)	–	–	–	–	6,598	–	6,598
Plant and equipment	30,074	(18,759)	11,315	18	1,427	(256)	(2,152)	–	86	–	–	–	–	30,603	(20,165)	10,438
Office equipment	2,192	(1,844)	348	6	244	–	(106)	–	9	–	–	–	–	2,450	(1,950)	500
Furniture and fittings	737	(735)	2	–	–	–	(5)	–	–	–	–	–	–	739	(740)	(1)
Land:																
– Operational land	6,705	–	6,705	–	–	–	–	–	–	–	–	–	3,310	10,015	–	10,015
– Community land	4,067	–	4,067	–	–	–	–	–	–	–	–	(248)	–	3,819	–	3,819
Land improvements – depreciable	2,365	(612)	1,753	–	–	–	(70)	–	–	–	–	94	–	2,500	(723)	1,777
Infrastructure:																
– Buildings – non-specialised	25,743	(16,350)	9,393	–	–	–	(357)	–	–	–	(9,036)	–	–	–	–	–
– Buildings – specialised	60,903	(39,767)	21,136	175	1	(12)	(866)	–	1,609	–	9,036	–	9,779	98,551	(57,691)	40,860
– Other structures	31,982	(11,446)	20,536	29	244	(2)	(439)	–	238	–	–	–	1,124	34,251	(12,522)	21,729
– Roads	288,040	(73,173)	214,867	1,398	2,343	(877)	(4,129)	885	669	–	–	–	16,696	313,150	(81,299)	231,851
– Bridges	79,766	(21,635)	58,131	507	906	(234)	(785)	–	31	–	–	–	4,406	86,830	(23,870)	62,960
– Footpaths	10,476	(4,595)	5,881	–	–	–	(164)	–	–	–	–	–	440	11,280	(5,124)	6,156
– Bulk earthworks (non-depreciable)	160,276	–	160,276	–	–	–	–	–	–	–	–	–	12,311	172,586	–	172,586
– Stormwater drainage	9,479	(4,255)	5,224	–	–	–	(118)	–	–	–	–	–	395	10,210	(4,710)	5,500
– Water supply network	72,108	(30,572)	41,536	712	236	(212)	(1,245)	–	793	–	–	–	3,108	78,997	(34,071)	44,926
– Sewerage network	34,993	(16,414)	18,579	118	161	(95)	(546)	–	846	–	–	–	1,391	38,706	(18,253)	20,453
Other assets:																
– Other	91	(91)	–	–	–	–	–	–	–	–	–	–	–	91	(91)	–
Reinstatement, rehabilitation and restoration assets (refer Note E2-1):																
– Remediation assets	4,186	(814)	3,372	–	–	–	(236)	–	–	(1,918)	–	–	–	2,268	(1,050)	1,218
Total infrastructure, property, plant and equipment	834,172	(241,062)	593,110	4,105	7,253	(3,633)	(11,218)	885	–	(1,918)	–	(248)	53,054	903,644	(262,259)	641,385

(1) Restated - see Note G4-1

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

Material accounting policy information

Revaluation model

IPPE is 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 Industry (DoI) – Water.

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 20	Playground equipment	5 to 15
Office furniture	7 to 33	Benches, seats etc.	10 to 20
Computer equipment	4 to 5		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	7 to 20	Buildings: masonry	30 to 90
Other plant and equipment	5 to 30	Buildings: other	15 to 90
		Stormwater assets	
Water and sewer assets		Drains	80
Dams and reservoirs	15 to 200	Culverts	80
Bores	20 to 60		
Reticulation pipes	40 to 80		
Pumps and telemetry	10 to 80		
Treatment plants	15 to 80		
		Other infrastructure assets	
Transportation assets		Bulk earthworks	Nil
Sealed roads: surface	25	Other structures	10 to 70
Sealed roads: pavement base	100	Aerodromes	10 to 60
Sealed roads: pavement sub-base	180		
Unsealed roads	20 to 25	Land improvements	
Bridges: concrete	120	Land improvements	5 to 50
Bridges: other	35 to 80		
Kerb, gutter, footpaths and causeways	15 to 80		

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

Land under roads

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

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

Crown reserves

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

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

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
Software		
Opening values at 1 July		
Gross book value	812	812
Accumulated amortisation	(748)	(720)
Net book value – opening balance	64	92
Movements for the year		
Amortisation charges	(19)	(28)
Closing values at 30 June		
Gross book value	812	812
Accumulated amortisation	(767)	(748)
Total software – net book value	45	64
Total intangible assets – net book value	45	64

Material accounting policy information

IT development and software

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

C1-9 Other

Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	38	–	50	–
Total other assets	38	–	50	–

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a Building asset. Information relating to the lease in place and associated balances and transactions is provided below.

Buildings

Council leases land and buildings for the Coonabarrabran Library. The lease was commenced in December 2019 and is for a term of 3 years with an option to extend for a further 3 years.

The building lease contains an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for 4 years with no renewal option, the payments are fixed.

(a) Right of use assets

\$ '000	Office and IT Equipment	Land and Buildings	Total
2024			
Opening balance at 1 July	84	99	183
Depreciation charge	(42)	(49)	(91)
Balance at 30 June	42	49	91
2023			
Opening balance at 1 July	126	148	274
Depreciation charge	(42)	(49)	(91)
Balance at 30 June	84	99	183

(b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	96	61	92	157
Total lease liabilities	96	61	92	157

(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	99	62	–	161	157
2023					
Cash flows	99	162	–	261	249

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	7	11
Depreciation of right of use assets	<u>91</u>	<u>91</u>
	<u>98</u>	<u>102</u>

(e) Statement of Cash Flows

Total cash outflow for leases	<u>99</u>	99
	<u>99</u>	<u>99</u>

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

Material accounting policy information

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

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

C2-2 Council as a lessor

(ii) Council as a lessor

Leases at significantly below market value - Concessionary / peppercorn leases

Council has a number of leases at significantly below market for land and buildings which are used for: –

- Camp grounds
- Community halls
- Tennis courts
- Pre schools
- Men's sheds

The leases are generally between 2 and 20 years and require payments of a maximum amount of \$509 per year. Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Goods and services	1,052	–	1,029	–
Accrued expenses:				
– Borrowings	3	–	7	–
– Salaries and wages	290	–	196	–
– Other expenditure accruals	33	–	702	–
Security bonds, deposits and retentions	407	–	366	–
ATO – net GST payable	–	–	84	–
Other	26	–	88	–
Total payables	1,811	–	2,472	–

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

\$ '000	2024	2023
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	407	363
Total payables	407	363

Payables

These amounts represent liabilities for goods and services provided to the 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 operating grants (received prior to performance obligation being satisfied)	(ii)	1	-	70	-
Unexpended capital grants (to construct Council controlled assets)	(i)	5,360	-	4,468	-
Total grants received in advance		5,361	-	4,538	-
Total contract liabilities		5,361	-	4,538	-

Notes

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

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

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

\$ '000	2024	2023
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	5,360	4,468
Operating grants (received prior to performance obligation being satisfied)	1	70
Total revenue recognised that was included in the contract liability balance at the beginning of the period	5,361	4,538

Significant changes in contract liabilities

Increase of grant contract liabilities is due to unspent grants on projects funded by Fixing Local Roads and Fixing Local Bridges programs.

C3-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured ¹	492	–	529	492
Total borrowings	492	–	529	492

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1.

(a) Changes in liabilities arising from financing activities

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	1,021	(529)	–	–	–	–	492
Lease liability (Note C2-1b)	249	(92)	–	–	–	–	157
Total liabilities from financing activities	1,270	(621)	–	–	–	–	649

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	1,925	(904)	–	–	–	–	1,021
Lease liability (Note C2-1b)	339	(90)	–	–	–	–	249
Total liabilities from financing activities	2,264	(994)	–	–	–	–	1,270

C3-3 Borrowings (continued)

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	500	500
Credit cards/purchase cards	79	79
Total financing arrangements	579	579
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	31	33
Total drawn financing arrangements	31	33
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	500	500
– Credit cards/purchase cards	48	46
Total undrawn financing arrangements	548	546

Additional financing arrangements information

Breaches and defaults

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

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

C3-4 Employee benefit provisions

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Annual leave	1,114	–	997	–
Long service leave	2,438	–	2,249	–
Other leave	167	–	83	–
ELE on-costs	547	–	465	–
Total employee benefit provisions	4,266	–	3,794	–

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,680	2,816
	2,680	2,816

Description of and movements in non-employee benefit provisions

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.

C3-5 Provisions

\$ '000	2024	2024	2023	2023
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	273	2,213	103	2,988
Sub-total – asset remediation/restoration	273	2,213	103	2,988
Total provisions	273	2,213	103	2,988

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	3,091	3,091
Unwinding of discount (see Note B3-3)	129	129
Remeasurement effects through assets (see Note C1-7)	(734)	(734)
Total other provisions at end of year	2,486	2,486
2023		
At beginning of year	4,920	4,920
Unwinding of discount (see Note B3-3)	185	185
Remeasurement effects through assets (see Note C1-7)	(1,918)	(1,918)
Remeasurement effect through profit and loss (see Note B2-3)	(96)	(96)
Total other provisions at end of year	3,091	3,091

Nature and purpose of provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the councils and private gravel quarries it has used.

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 borrowing costs.

Asset remediation – tips and quarries

Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

C3-5 Provisions (continued)

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

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

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

Close-down and restoration costs are a normal consequence of quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Self-insurance

Council has decided to self-insure for various risks, including public liability, workers compensation and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note C1-3.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	11,267	2,419	1,922
User charges and fees	7,701	2,949	305
Interest and investment revenue	2,246	65	5
Other revenues	2,046	20	139
Grants and contributions provided for operating purposes	33,667	–	–
Grants and contributions provided for capital purposes	3,269	48	–
Other income	45	–	–
Total income from continuing operations	60,241	5,501	2,371
Expenses from continuing operations			
Employee benefits and on-costs	15,593	1,304	606
Materials and services	20,889	1,274	807
Borrowing costs	162	–	–
Depreciation, amortisation and impairment of non-financial assets	11,565	1,570	625
Other expenses	1,400	417	–
Net losses from the disposal of assets	1,357	428	221
Total expenses from continuing operations	50,966	4,993	2,259
Operating result from continuing operations	9,275	508	112
Net operating result for the year	9,275	508	112
Net operating result attributable to each council fund	9,275	508	112
Net operating result for the year before grants and contributions provided for capital purposes	6,006	460	112

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	1,067	3,466	5,203
Investments	41,050	–	3,350
Receivables	8,073	1,200	374
Inventories	693	–	–
Contract assets and contract cost assets	8,039	64	350
Other	38	–	–
Total current assets	58,960	4,730	9,277
Non-current assets			
Inventories	299	–	–
Infrastructure, property, plant and equipment	595,324	52,019	23,767
Investments accounted for using the equity method	564	–	–
Intangible assets	45	–	–
Right of use assets	91	–	–
Total non-current assets	596,323	52,019	23,767
Total assets	655,283	56,749	33,044
LIABILITIES			
Current liabilities			
Payables	1,811	–	–
Contract liabilities	2,931	258	2,172
Lease liabilities	96	–	–
Borrowings	492	–	–
Employee benefit provision	3,837	351	78
Provisions	273	–	–
Total current liabilities	9,440	609	2,250
Non-current liabilities			
Lease liabilities	61	–	–
Provisions	2,213	–	–
Total non-current liabilities	2,274	–	–
Total liabilities	11,714	609	2,250
Net assets	643,569	56,140	30,794
EQUITY			
Accumulated surplus	422,432	25,308	14,878
Revaluation reserves	221,137	30,832	15,916
Council equity interest	643,569	56,140	30,794
Total equity	643,569	56,140	30,794

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 ventures	564	519
Total net share of interests in joint ventures and associates using the equity method – assets	564	519
Total Council's share of net assets	564	519

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
Macquarie Regional Library	Dubbo, Coolah, Dunedoo, Coonabarabran, Narromine and Wellington	Joint venture	19.0%	17.8%	564	519
Total carrying amounts – material joint ventures					564	519

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.

Details

	Principal activity	Measurement method
Macquarie Regional Library	Community library services	Equity

Relevant interests and fair values

	Interest in outputs		Proportion of voting power	
	2024	2023	2024	2023
Macquarie Regional Library	19.0%	17.8%	25.0%	25.0%

D2-1 Interests in joint arrangements (continued)

Summarised financial information for joint ventures

\$ '000	Macquarie Regional Library	
	2024	2023
Statement of financial position		
Current assets		
Cash and cash equivalents	2,628	2,306
Other current assets	49	65
Non-current assets		
	1,150	1,221
Current liabilities		
Other current liabilities	831	825
Non-current liabilities		
Non-current financial liabilities (excluding trade and other payables and provisions)	27	34
Net assets	2,969	2,733
Statement of comprehensive income		
Income	3,612	3,570
Interest income	122	86
Depreciation and amortisation	(377)	(340)
Other expenses	(3,120)	(3,214)
Profit/(loss) from continuing operations	237	102
Profit/(loss) for the period	237	102
Total comprehensive income	237	102
Share of income – Council (%)	19.0%	17.8%
Profit/(loss) – Council (\$)	45	18
Total comprehensive income – Council (\$)	45	18

Material accounting policy information

The council has determined that it has joint ventures only.

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

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
<p>The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	536	400

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

(b) Credit risk

Council's major receivables comprise rates and annual charges and other receivables. The latter comprises of accrued income for government grants, user charges and fees, interest and extra charges, other debtors.

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full. Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sector and/ or regions.

Council makes suitable provision for doubtful receivables as required based on the lifetime expected credit loss at each reporting date.

A profile of Council's receivables credit risk at the reporting date follows.

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
		< 1 years	1 - 2 years	2 - 5 years	≥ 5 years	
2024						
Gross carrying amount	–	1,489	–	–	–	1,489
2023						
Gross carrying amount	–	1,559	–	–	–	1,559

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	14,643	700	124	80	1,731	17,278
Expected loss rate (%)	0.00%	1.84%	14.64%	44.38%	34.69%	3.86%
ECL provision	–	13	18	36	600	667
2023						
Gross carrying amount	10,140	531	540	67	1,149	12,427
Expected loss rate (%)	0.00%	3.62%	3.89%	50.00%	51.64%	5.37%
ECL provision	–	19	21	34	593	667

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	407	1,404	-	-	1,811	1,811
Borrowings	3.58%	-	492	-	-	492	492
Total financial liabilities		407	1,896	-	-	2,303	2,303
2023							
Payables	0.00%	366	-	-	-	366	2,472
Borrowings	3.36%	-	529	492	-	1,021	1,021
Total financial liabilities		366	529	492	-	1,387	3,493

E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

	Notes	Fair value measurement hierarchy								
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total ¹		
		2024	2023	2024	2023	2024	2023 ¹	2024	2023	
\$ '000							Restated		Restated	
Recurring fair value measurements										
Infrastructure, property, plant and equipment										
	C1-7									
Plant and equipment		30/06/20	30/06/20	–	–	8,713	10,438	8,713	10,438	
Office equipment		30/06/20	30/06/20	–	–	515	500	515	500	
Furniture and fittings		30/06/20	30/06/20	–	–	–	–	–	–	
Land – Community		30/06/23	30/06/23	4,105	3,819	–	–	4,105	3,819	
Land – Operational		30/06/23	30/06/23	10,085	10,015	–	–	10,085	10,015	
Land improvements – depreciable		30/06/21	30/06/21	–	–	1,762	1,777	1,762	1,777	
Buildings		30/06/23	30/06/23	–	–	41,594	40,860	41,594	40,860	
Other structures		30/06/21	30/06/21	–	–	22,103	21,729	22,103	21,729	
Roads		30/06/20	30/06/20	–	–	244,771	231,851	244,771	231,851	
Bridges		30/06/20	30/06/20	–	–	67,019	62,960	67,019	62,960	
Footpaths		30/06/20	30/06/20	–	–	6,692	6,156	6,692	6,156	
Bulk earthworks		30/06/20	30/06/20	–	–	183,956	172,586	183,956	172,586	
Stormwater drainage		30/06/20	30/06/20	–	–	5,644	5,500	5,644	5,500	
Water supply network		30/06/22	30/06/22	–	–	48,646	44,926	48,646	44,926	
Sewerage network		30/06/22	30/06/22	–	–	21,258	20,453	21,258	20,453	
Quarry assets		30/06/19	30/06/19	–	–	339	1,218	339	1,218	
Total infrastructure, property, plant and equipment				14,190	13,834	653,012	620,954	667,202	634,788	

(1) Restated - see Note G4-1

Transfers between level 1 and level 2 fair value hierarchies

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

Valuation techniques

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

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

E2-1 Fair value measurement (continued)

Infrastructure, property, plant and equipment (IPPE)

Plant and equipment, office equipment and furniture, fixtures and fittings

Plant and equipment, office equipment and furniture, and fixtures and fittings are all valued at depreciated cost (original purchase price) as this assessment is considered to approximate fair value.

Roads, bulk earthworks, bridges, footpaths and stormwater drainage

The values currently displayed are based on the following:

The current replacement cost for these asset classes has been derived from a 2019/20 valuation survey undertaken, for this purpose, by AssetVal Valuers. All asset are assigned useful lives except for bulk earthworks and are condition rated at the time of valuation effective as at 30 June 2020.

Roads are componentised into pavement and surface with pavements split into sealed and unsealed road pavements. A distinction is also made between road pavements on regional, local and urban. Roads also include causeways and kerb and gutter.

Bridges are componentised into bridges sub-structure, super-structure and deck and major culverts.

Stormwater drainage assets include both pits and pipes.

As part of fair value assessment, every year, council applies index to the values to ensure assets carrying amounts are not materially different to their fair value. In 2024 council applied 6.57% index to roads, bridges, footpaths and bulk earthworks (7.68% in 2023); and 5.07% to stormwater (7.71% in 2023).

Quarry and tip remediation liabilities

Council recognises remediation assets for quarries under its control. These assets are based on the estimated cost to remediate the sites at the end of their useful life. Estimated remediation costs are based on engineering assessments and take into account the inputs needed to rehabilitate the quarry/tip sites. As the final remediation will not happen for several years the input costs are indexed out to the estimated remediation date through the use of CPI, and then discounted back to arrive at the present value, with the discount rate being the ten year government bond rate. No estimate is made for potential increases in rehabilitation scope in future years as such changes can not be reliably measured. Further details on these assets can be found in note C3-5.

Council has ceased to recognise tip remediation asset based on in-house review conducted during 2019/20 due to following factors:

- a) Capping/closure of cell in 5 years time – Capping of waste cell is being undertaken every year for the part of cell which has been used. The cost of capping is charged as operational expenditure on as we go basis. Therefore, although the cell will be fully capped/closed in 5 years time i.e. in 2025 but it would be only that part of cell that will be used in that year.
- b) Closure of Coonabarabran waste site – Based on recent survey/study conducted by Waste Services, it is estimated that the remaining life of Coonabarabran waste site is 45 years. However, Council is not aware of any obligation where Council has to restore/remediate the site at the end of 45 years. Council will be putting new cells and closing them as part of waste operations during the next 45 years as discussed above but will not be liable to restore the site at the end of useful life.

Operational and community land

Land has been valued at market value having regard to the "highest and best use", after identifying elements that would be taken into account by buyers and sellers in settling the price. These elements include: land description and dimensions, planning and other constraints on development and the potential for alternative use. Operational land has been valued by Assetval in 2023 using a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

Community land was valued by AVR Consulting in 2023 using both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

As part of fair value assessment, every year, council applies index to the values to ensure assets carrying amounts are not materially different to their fair value. In 2024 council applied 0.7% index to operational land; and 7.5% to community land.

Other structures and land improvements (depreciable)

The value of structures and depreciable land improvements have been assessed on the basis of either replacement with a new asset having similar service potential and includes allowances for preliminaries and professional fees or where not possible indexation of existing values. These values have been derived from an internal valuation for 30/06/2021.

The asset class includes aerodromes, pools, landscaping, gardens, sport change rooms, grand stands etc. Major components include pool structures, walls, roofs, pumps, fences, sheds, garden beds etc. Each component is assigned a useful life and long life component, based on engineering estimates and are condition rated at the time of valuation. In some cases Council has limited data for this asset class in relation to original construction date, age, and past maintenance and renewals history.

As part of fair value assessment, every year, council applies index to the values to ensure assets carrying amounts are not materially different to their fair value. In 2024 council applied 3.48% index to land improvements (5.59% in 2023); and 3.78% % to other structures (5.59% in 2023).

E2-1 Fair value measurement (continued)

Water and sewer network

In recent years current replacement costs for water and sewer assets have been derived by Modern Engineering Equivalent Replacement Asset (MEERA) unit costs and lump sums. Water and sewer assets are componentised into mains, treatment plants, pumping stations, and reservoirs. All asset components are assigned a long life component, useful life and remaining useful life, and were condition rated at time of revaluation, with the condition rating determining the remaining useful life. Valuations require a level of professional judgement from both the valuer and Council engineers and the valuation was carried out through the use of condition assessments including through the use of cameras and maintenance/break histories for assets that could not be accessed through a simple inspection. Limitation on current valuations include further data issues around Council mains break historical data, and a lack of long term historical data on renewals. The last comprehensive valuation was performed by an independent valuer (APV Valuers and Asset Management) on 30 June 2022.

As part of fair value assessment, every year, council applies index to the values to ensure assets carrying amounts are not materially different to their fair value. In 2024 council applied 5.07% index to water and sewerage network assets (7.71% in 2023).

Buildings

Buildings assets are valued externally. Council engaged AssetVal to perform a comprehensive valuation of buildings assets as at 30 June 2023.

Most of the Council's buildings are specialised by nature and were valued utilising the cost approach. The approach estimated the replacement cost of each building and componentising of significant parts of specific buildings with different useful lives and taking into account a range of factors. Where the unit rates could be supported by market evidence, Level 2 inputs were utilised. Other inputs (such as estimates useful life, asset condition and componentisation) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets have been valued utilising Level 3 inputs.

There were no changes in valuation technique from prior year.

As part of fair value assessment, every year, council applies index to the values to ensure assets carrying amounts are not materially different to their fair value. In 2024 council applied 7.54% index to buildings.

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 standard employer contributions and additional lump sum contributions to the fund.

The standard 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 standard employer contribution rates are:

Division B	1.9 times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

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.

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 \$63,353.55. The last valuation of the Scheme was performed by Mr Richard Boyfield FIAA as at 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$52,384.28.

E3-1 Contingencies (continued)

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 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 0.12%.

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

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

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

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.

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 provisions.

E3-1 Contingencies (continued)

(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.

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	799	824
Superannuation	68	85
Total	867	909

Other transactions with KMP and their related parties

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

There are no other disclosures to be made by KMP.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	28	22
Councillors' fees	131	133
Total	159	155

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

	79	93
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Remuneration for audit and other assurance services	79	93
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Total Auditor-General remuneration	79	93
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Total audit fees	79	93
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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	9,895	13,528
Add / (less) non-cash items:		
Depreciation and amortisation	13,760	11,337
(Gain) / loss on disposal of assets	2,006	3,045
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– transfer of opening WIP to expenses	–	–
Unwinding of discount rates on reinstatement provisions	129	185
Share of net (profits)/losses of associates/joint ventures using the equity method	(45)	(18)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	368	(5,782)
(Increase) / decrease of inventories	(91)	(30)
(Increase) / decrease of other current assets	12	987
(Increase) / decrease of contract asset	(5,149)	328
Increase / (decrease) in payables	23	647
Increase / (decrease) in accrued interest payable	(4)	(7)
Increase / (decrease) in other accrued expenses payable	(575)	155
Increase / (decrease) in other liabilities	(105)	(240)
Increase / (decrease) in contract liabilities	823	1,467
Increase / (decrease) in employee benefit provision	472	(49)
Increase / (decrease) in other provisions	(734)	(596)
Net cash flows from operating activities	20,785	24,957

G2-1 Commitments

Capital commitments (exclusive of GST)

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

Property, plant and equipment

Plant and equipment	29	45
Infrastructure	2,632	2,417
Total commitments	2,661	2,462

These expenditures are payable as follows:

Within the next year	2,661	2,462
Total payable	2,661	2,462

Details of capital commitments

The Council has committed to various capital projects which mainly includes information technology, regional roads, sporting facilities, council properties, town streets, water and sewer over the next 12 months.

G3-1 Events occurring after the reporting date

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

G4 Changes from prior year statements

G4-1 Correction of errors

As a result of severe weather and flooding events in November 2021 (AGRN 987), council's road network was significantly damaged. Council managed to finalise assessment of damage and submit claims for flood recovery works in 2023 financial year only. Since this information was available in 2023 financial year, the impairment should have been recognised in last year financial statements.

The error identified above has been corrected by restating the balances at 30 June 2022 for recognition of original impairment balance of \$6,636 thousand through asset revaluation reserve followed by reversal of that impairment on actual remediation works done in the 2023 financial year for \$885 thousand. The latter was recognised through other comprehensive income in 2023 financial year. The adjusted balance of impairment of roads as at 30 June 2023 became equal to \$5,752 thousand.

Comparatives have been changed to reflect the correction of the error. The impact on each line item is shown in the tables below.

Changes to the opening Statement of Financial Position at 1 July 2022

Statement of Financial Position

\$ '000	Original Balance 1 July, 2022	Impact Increase/ (decrease)	Restated Balance 1 July, 2022
Infrastructure, Property, Plant and Equipment	599,747	(6,637)	593,110
Total non-current assets	601,913	(6,637)	595,276
Total assets	638,465	(6,637)	631,828
Total liabilities	16,515	–	16,515
Net assets	621,950	(6,637)	615,313
Accumulated Surplus	439,195	–	439,195
Revaluation Reserve	182,755	(6,637)	176,118
Total equity	621,950	(6,637)	615,313

G4-1 Correction of errors (continued)

Adjustments to the comparative figures for the year ended 30 June 2023

Statement of Financial Position

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Infrastructure, Property, Plant and Equipment	647,137	(5,752)	641,385
Total non-current assets	648,202	(5,752)	642,450
Total assets	703,449	(5,752)	697,697
Net assets	688,284	(5,752)	682,532
Accumulated Surplus	452,723	–	452,723
Revaluation Reserves	235,561	(5,752)	229,809
Total equity	688,284	(5,752)	682,532

Statement of Comprehensive Income

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Gain (loss) on revaluation of IPP&E	52,806	885	53,691
Total comprehensive income for the year	52,806	885	53,691

G5 Statement of developer contributions

G5-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Roads	110	134	-	-	5	-	-	249	-
Open space	7	-	-	-	1	-	-	8	-
Community facilities	7	-	-	-	1	-	-	8	-
Other	2	-	-	-	-	-	-	2	-
Bushfire	14	-	-	-	1	-	-	15	-
S7.11 contributions – under a plan	140	134	-	-	8	-	-	282	-
Total S7.11 and S7.12 revenue under plans	140	134	-	-	8	-	-	282	-
S7.11 not under plans	232	-	-	-	11	-	-	243	-
S64 contributions	140	-	-	-	7	-	-	147	-
Total contributions	512	134	-	-	26	-	-	672	-

G5-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
CONTRIBUTION PLAN – WARRUMBUNGLE SHIRE COUNCIL										
Roads	110	134	–	–	5	–	–	249	–	
Open space	7	–	–	–	1	–	–	8	–	
Community facilities	7	–	–	–	1	–	–	8	–	
Bushfire	14	–	–	–	1	–	–	15	–	
Other	2	–	–	–	–	–	–	2	–	
Total	140	134	–	–	8	–	–	282	–	

G5-3 Contributions not under plans

CONTRIBUTIONS – NOT UNDER A PLAN

Other	232	–	–	–	11	–	–	243	–
Total	232	–	–	–	11	–	–	243	–

G5-4 S64 contributions

S64 Contributions

Water	102	–	–	–	–	–	–	102	–
Sewer	32	–	–	–	–	–	–	32	–
Total	134	–	–	–	–	–	–	134	–

G6 Statement of performance measures

G6-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	8,539	13.19%	18.48%	6.11%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	64,751				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	31,084	45.67%	46.04%	46.83%	> 60.00%
Total continuing operating revenue ¹	68,068				
3. Unrestricted current ratio					
Current assets less all external restrictions	40,517	11.84x	8.68x	5.95x	> 1.50x
Current liabilities less specific purpose liabilities	3,422				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	22,461	28.72x	17.28x	11.59x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	782				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	1,794	10.05%	11.25%	9.99%	< 10.00%
Rates and annual charges collectable	17,852				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	54,136	13.71	14.53	10.61	> 3.00
Monthly payments from cash flow of operating and financing activities	3,950	months	months	months	months

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

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

G6-2 Statement of performance measures by fund

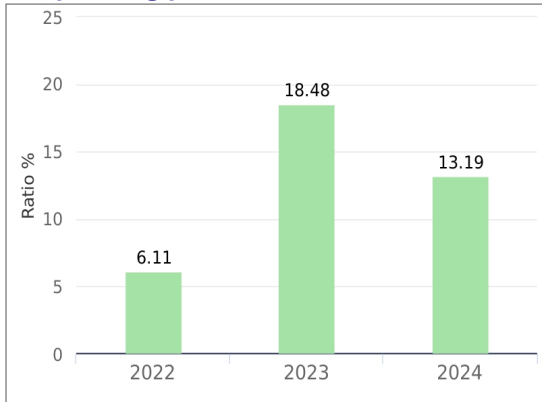
\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	14.00%	20.77%	8.44%	(0.71)%	4.72%	8.28%	> 0.00%
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	38.64%	41.75%	99.13%	79.16%	100.00%	53.60%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	11.84x	8.68x	7.77x	8.30x	4.12x	93.29x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	25.18x	15.67x	∞	438.67x	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	8.53%	9.59%	14.24%	16.61%	13.11%	13.53%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	12.71 months	14.36 months	13.63 months	6.13 months	44.19 months	38.53 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note 28a 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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2023/24 result	
2023/24 ratio	13.19%

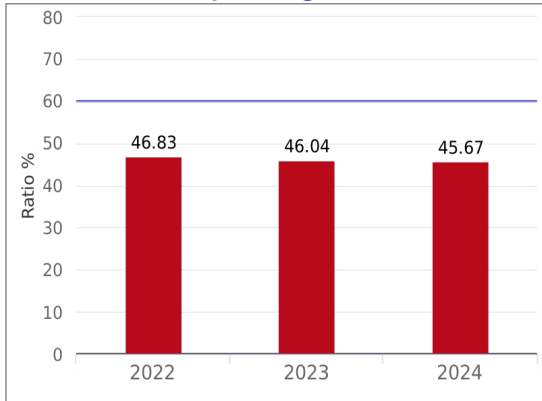
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2023/24 result	
2023/24 ratio	45.67%

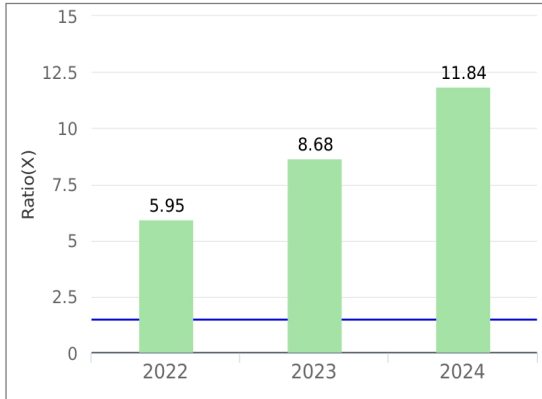
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2023/24 result	
2023/24 ratio	11.84x

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

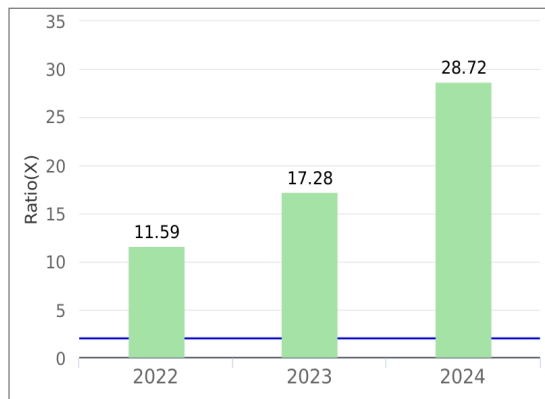
Ratio achieves benchmark

Ratio is outside benchmark

H Additional Council disclosures (unaudited)

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 28.72x

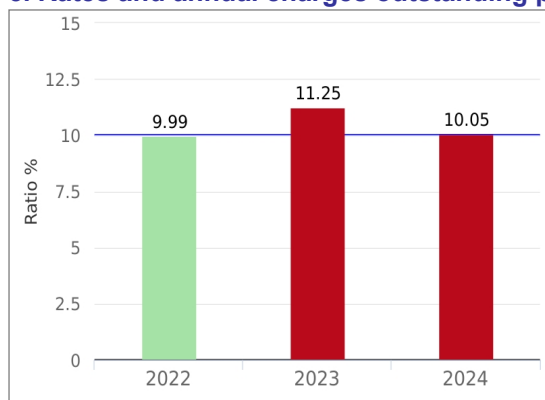
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2023/24 result

2023/24 ratio 10.05%

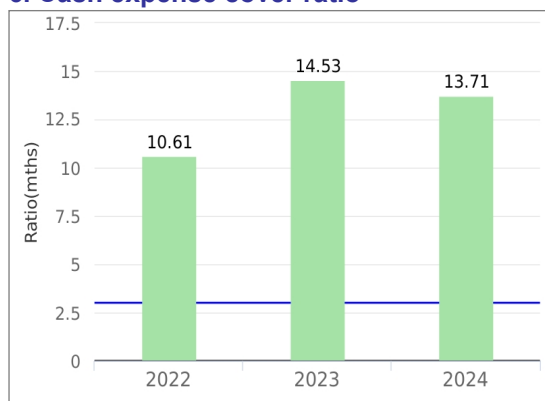
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 13.71 months

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Warrumbungle Shire Council

To the Councillors of Warrumbungle Shire Council

Opinion

I have audited the accompanying financial statements of Warrumbungle Shire Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY



Kathryn Rindfleish
 Mayor
 Warrumbungle Shire Council
 PO Box 191
 Coonabarabran NSW 2357

Contact: Unaib Jeffrey
 Phone no: 02 9275 7450
 Our ref: R008-2124742775-8853

30 October 2024

Dear Mayor

Report on the Conduct of the Audit for the year ended 30 June 2024 Warrumbungle Shire Council

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

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

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

INCOME STATEMENT

Operating result

	2024 \$m	2023 \$m	Variance %
Rates and annual charges revenue	15.6	15.1	↑ 3.3
Grants and contributions revenue	36.9	32.4	↑ 13.9
Operating result from continuing operations	9.9	13.5	↓ 26.7
Net operating result before capital grants and contributions	6.6	6.8	↓ 2.9

Rates and annual charges revenue (\$15.6 million) increased by \$0.5 million (3.3 per cent) in 2023–24 due to rate peg increase of 3 per cent.

Grants and contributions revenue \$36.9 million increased by \$4.5 million (13.9 per cent) in 2023–24 due to:

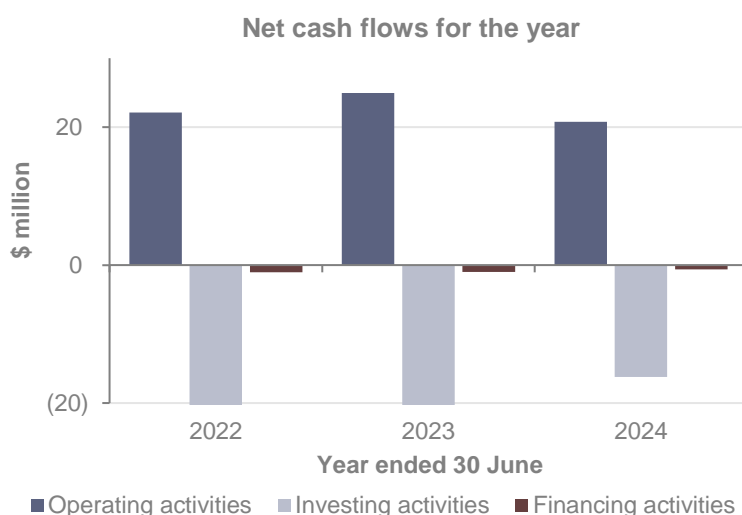
- \$1.7 million grant received with related to the Dunedoo Sewage Treatment Plant Upgrade
- \$1.1 million grant received with related to the Coolah Sewage Treatment Plant Upgrade
- \$1.2 million in NSW Flood recovery funding relating to the AGRM 1030 and AGRN 1034.

Council’s operating result from continuing operations was \$9.9 million, which includes depreciation, amortisation, and impairment expenses of \$13.8 million. This result is \$3.6 million lower than the 2022–23 result, primarily due to an increase in material and service costs related to number of natural disaster recovery work performed during the year.

The net operating result before capital grants and contributions (\$6.6 million) was \$0.2 million lower than the 2022–23 result. This is due to increased expenses relating to employee benefits and on-costs and materials and services.

STATEMENT OF CASH FLOWS

- The Council's cash and cash equivalents was \$9.7 million (\$5.8 million for the year ended 30 June 2023). There was a net increase in cash and cash equivalents of \$3.9 million during 2023-24.
- Net cash provided by operating activities has decreased by \$4.2 million. This decline is due to several factors: an increase in other expenses of \$3.6 million, and an increase in payments for employee and material service expenses of \$10.3 million. These were offset by increases in rates, annual charges, and user fees of \$4.1 million.
- Net cash used in investing activities has decreased by \$6 million, attributed to a decrease in payments for the acquisition of term deposits by \$2.6 million and a decrease in payments for the acquisition of IPPE by \$3.8 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	54.1	41.2	<ul style="list-style-type: none"> Externally restricted balances comprise mainly of developer contributions, Water and Sewer funds and specific purpose unexpended grant funds. The increase of \$6.6 million is primarily due to a \$4.0 million increase in specific purpose unexpended grants.
Restricted and allocated cash, cash equivalents and investments:			
<ul style="list-style-type: none"> External restrictions 	30.5	23.9	<ul style="list-style-type: none"> Internal allocations are determined by Council policies or decisions, which are subject to change. The decrease of \$0.8 million in internal allocations is mainly due to a \$0.7 million decrease in plant and vehicle replacement.
<ul style="list-style-type: none"> Internal allocations 	13.8	14.6	
<ul style="list-style-type: none"> Unrestricted 	9.8	2.7	

Debt

As of 30 June 2024, the Council has \$0.5 million in external borrowings, a reduction of \$0.5 million due to repayments made during the year.

PERFORMANCE

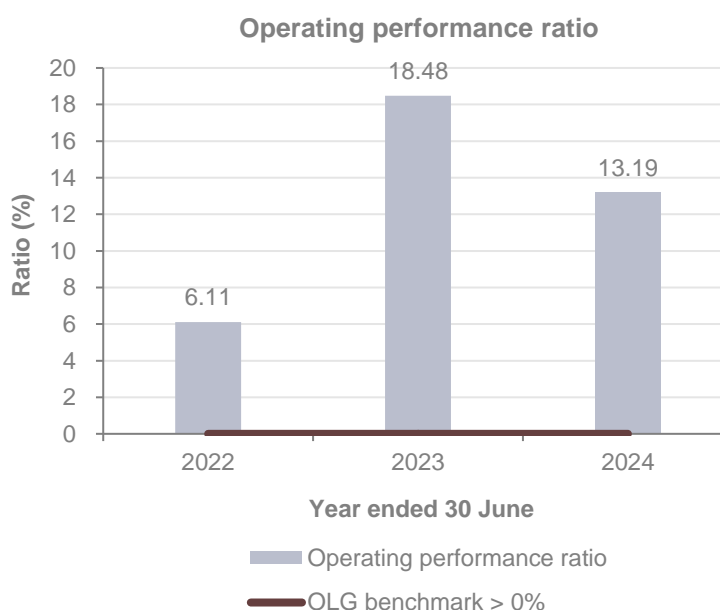
Performance measures

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

Operating performance ratio

Council exceeded the benchmark for the current reporting period.

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

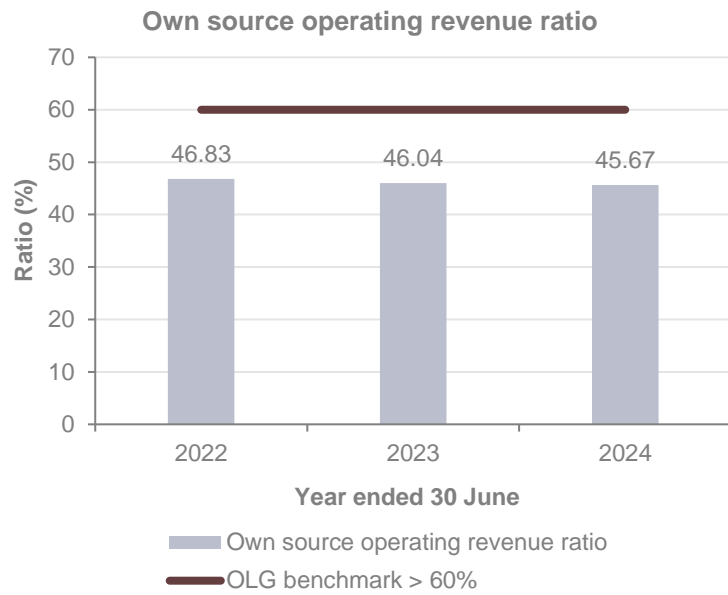


Own source operating revenue ratio

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

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

The own source operating revenue ratio decreased by 3.1 per cent from 41.7 per cent in 2023 due to higher level of grants and contributions received in the current year.

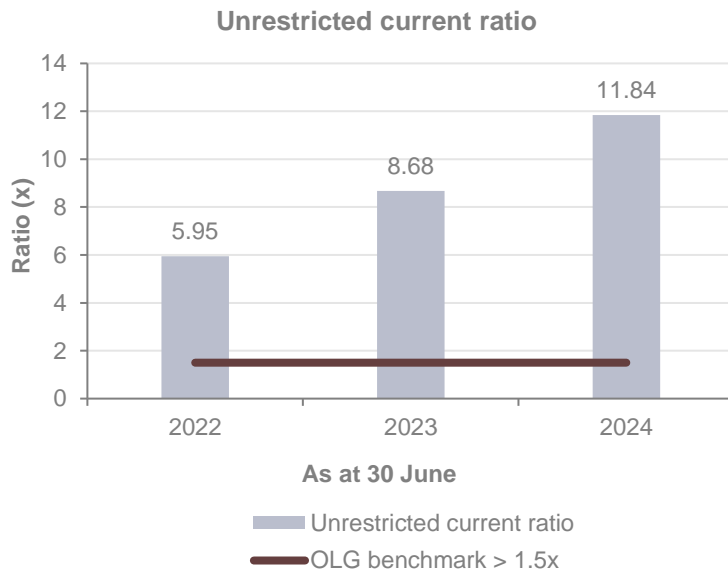


Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

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

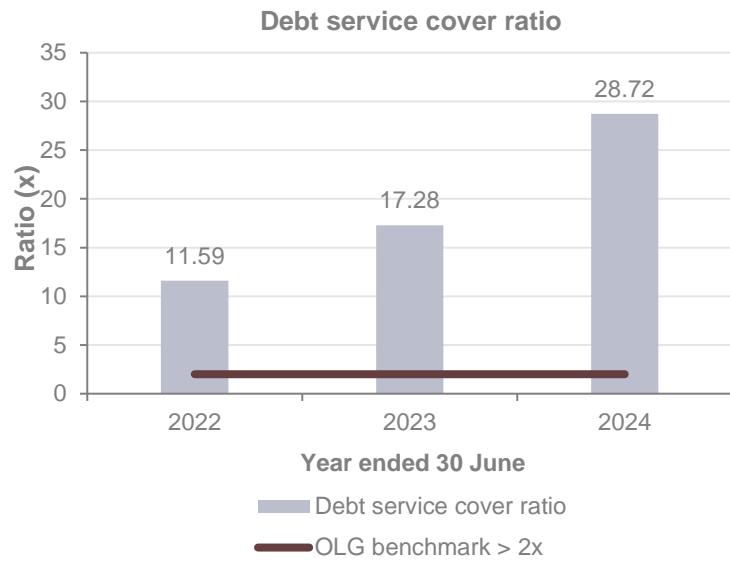
The Council's unrestricted current ratio is 11.8 times, which represents increase of 3.12 times from 8.68 times in 2023.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

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

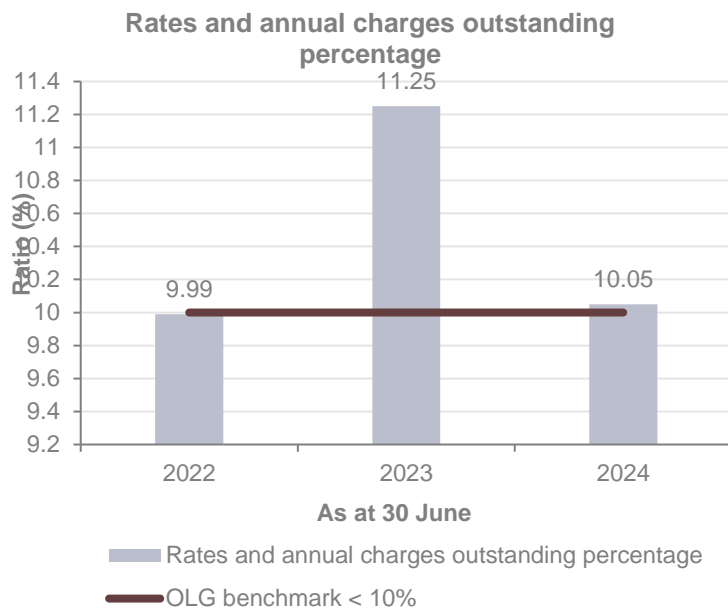


Rates and annual charges outstanding percentage

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

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

The resulting ratio reflects the recovery outstanding from prior years.

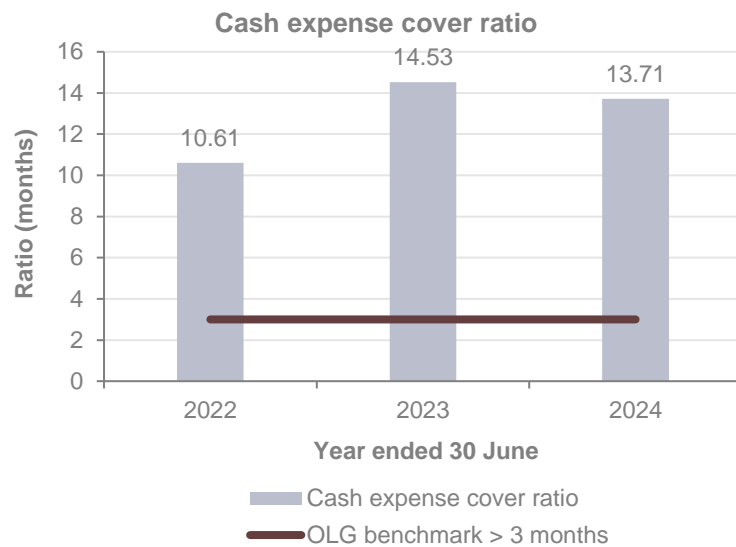


Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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

The Council's cash expense cover ratio was 13 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 13 months of operating cash expenditure without additional cash inflows at 30 June 2024.



Infrastructure, property, plant and equipment renewals

Council renewed \$4.6 million of infrastructure, property, plant and equipment during the 2023-24 financial year, compared to \$4.1 million of infrastructure, property, plant and equipment during the 2022-23 financial year. Council spent \$1.2 million on the renewal of the road network in 2023-24 compared to \$1.4 million in 2022-23.

A further \$3.6 million was spent on new assets including:

- \$1.6 million on Capital work in progress
- \$0.8 million on plant and equipment
- \$0.6 million on roads

OTHER MATTERS

Legislative compliance

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

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

Unaib Jeffrey
Associate Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Warrumbungle Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Warrumbungle Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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Income Statement of sewerage business activity	5
Statement of Financial Position of water supply business activity	6
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Background

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

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

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

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

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

Warrumbungle Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) *Regulatory and assurance framework for local water utilities, July 2022*

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

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

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

Signed in accordance with a resolution of Council made on 19 September 2024.



Dale Hogden
Councillor
19 September 2024



Kathy Rindfleish
Councillor
19 September 2024



Lindsay Mason
Acting General Manager
19 September 2024



Lisa Grammer
Responsible Accounting Officer
19 September 2024

Warrumbungle Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	2,419	2,331
User charges	2,938	2,074
Fees	11	12
Interest and investment income	65	32
Other income	20	29
Total income from continuing operations	5,453	4,478
Expenses from continuing operations		
Employee benefits and on-costs	1,304	1,088
Borrowing costs	–	3
Materials and services	1,274	1,573
Depreciation, amortisation and impairment	1,570	1,345
Net loss from the disposal of assets	428	212
Other expenses	417	289
Total expenses from continuing operations	4,993	4,510
Surplus (deficit) from continuing operations before capital amounts	460	(32)
Grants and contributions provided for capital purposes	48	1,179
Surplus (deficit) from continuing operations after capital amounts	508	1,147
Surplus (deficit) from all operations before tax	508	1,147
Less: corporate taxation equivalent (25%) [based on result before capital]	(115)	–
Surplus (deficit) after tax	393	1,147
Plus accumulated surplus	24,800	23,653
– Corporate taxation equivalent	115	–
Closing accumulated surplus (deficit)	25,308	24,800
Return on capital %	0.9%	(0.1)%
Subsidy from Council	–	29
Calculation of dividend payable:		
Surplus (deficit) after tax	393	1,147
Less: capital grants and contributions (excluding developer contributions)	(48)	(1,179)
Surplus for dividend calculation purposes	345	–
Potential dividend calculated from surplus	173	–

Warrumbungle Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	1,922	1,894
User charges	178	115
Liquid trade waste charges	127	50
Interest and investment income	5	4
Other income	139	38
Total income from continuing operations	2,371	2,101
Expenses from continuing operations		
Employee benefits and on-costs	606	556
Materials and services	807	718
Depreciation, amortisation and impairment	625	558
Net loss from the disposal of assets	221	95
Total expenses from continuing operations	2,259	1,927
Surplus (deficit) from continuing operations before capital amounts	112	174
Grants and contributions provided for capital purposes	–	1,819
Surplus (deficit) from continuing operations after capital amounts	112	1,993
Surplus (deficit) from all operations before tax	112	1,993
Less: corporate taxation equivalent (25%) [based on result before capital]	(28)	(44)
Surplus (deficit) after tax	84	1,949
Plus accumulated surplus	14,766	12,773
– Corporate taxation equivalent	28	44
Closing accumulated surplus (deficit)	14,878	14,766
Return on capital %	0.5%	0.8%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	84	1,950
Less: capital grants and contributions (excluding developer contributions)	–	(1,819)
Surplus for dividend calculation purposes	84	131
Potential dividend calculated from surplus	42	65

Warrumbungle Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Contract assets and contract cost assets	64	180
Cash and cash equivalents	3,466	1,563
Receivables	1,200	1,635
Total current assets	4,730	3,378
Non-current assets		
Infrastructure, property, plant and equipment	52,019	50,370
Total non-current assets	52,019	50,370
Total assets	56,749	53,748
LIABILITIES		
Current liabilities		
Contract liabilities	258	–
Borrowings	–	56
Employee benefit provisions	351	351
Total current liabilities	609	407
Total liabilities	609	407
Net assets	56,140	53,341
EQUITY		
Accumulated surplus	25,308	24,800
Revaluation reserves	30,832	28,541
Total equity	56,140	53,341

Warrumbungle Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Contract assets and contract cost assets	350	173
Cash and cash equivalents	5,203	4,091
Investments	3,350	2,500
Receivables	374	513
Total current assets	9,277	7,277
Non-current assets		
Infrastructure, property, plant and equipment	23,767	22,454
Total non-current assets	23,767	22,454
Total assets	33,044	29,731
LIABILITIES		
Current liabilities		
Contract liabilities	2,172	–
Employee benefit provisions	78	78
Total current liabilities	2,250	78
Total liabilities	2,250	78
Net assets	30,794	29,653
EQUITY		
Accumulated surplus	14,878	14,766
Revaluation reserves	15,916	14,887
Total equity	30,794	29,653

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Warrumbungle Shire Council Combined Water Supply

All individual Water Funds are now combined into one entity known as Warrumbungle Water Fund. This entity incorporates the previous individual Operations and Net Assets of the Water Supply Systems of the towns of Baradine, Binnaway, Coonabarabran, Coolah, Dunedoo and Mendooran.

b. Warrumbungle Shire Council Sewerage Service

All individual Sewerage Services are now combined into one entity known as Warrumbungle Sewerage Fund. This entity incorporates the previous individual Operations and Net Assets of the Sewerage Treatment and Reticulation Systems of the towns Baradine, Coonabarabran, Coolah and Dunedoo.

Category 2

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

N/A

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes, which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in special purpose financial statements. For the purposes of disclosing comparative information relevant to the

Note – Material accounting policy information (continued)

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

Notional rate applied (%)

Corporate income tax rate – 25% (LY 25%)

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

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

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

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

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

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the relevant corporate income tax rate, currently 25% (LY 25%).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the 'Council' as the owner of business operations – it represents an internal payment and has no effect on the operations of the Council.

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 25% is the equivalent company tax rate prevalent at reporting date.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.02% at 30/6/23.

Note – Material accounting policy information (continued)

(iii) Dividends

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

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

In accordance with the Best Practice Management of Water Supply and Sewer Guidelines, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are submitted to DPIE – Water.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Warrumbungle Shire Council

To the Councillors of Warrumbungle Shire Council

Opinion

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

The Declared Business Activities of the Council are:

- Water supply business activity
- sewerage business activity.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Unaib Jeffrey', with a long, sweeping flourish extending to the right.

Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

30 October
SYDNEY

Warrumbungle Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Warrumbungle Shire Council

Special Schedules

for the year ended 30 June 2024

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Warrumbungle Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	8,738	9,045
Plus or minus adjustments ²	b	3	2
Notional general income	c = a + b	8,741	9,047
Permissible income calculation			
Percentage increase	d	3.70%	4.50%
Plus percentage increase amount ³	f = d x (c + e)	323	407
Sub-total	g = (c + e + f)	9,064	9,454
Plus (or minus) last year's carry forward total	h	18	37
Sub-total	j = (h + i)	18	37
Total permissible income	k = g + j	9,082	9,491
Less notional general income yield	l	9,045	9,496
Catch-up or (excess) result	m = k - l	38	(4)
Carry forward to next year ⁶	p = m + n + o	38	(4)

Notes

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



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Warrumbungle Shire Council

To the Councillors of Warrumbungle Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Unaib Jeffrey', with a long, sweeping flourish extending to the right.

Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Warrumbungle Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Other	11,289	8,871	426	494	41,594	105,126	4.0%	8.5%	51.8%	26.8%	8.9%
	Sub-total	11,289	8,871	426	494	41,594	105,126	4.0%	8.5%	51.8%	26.8%	8.9%
Other structures	Other structures	1,212	1,107	1,628	1,411	22,103	35,946	36.3%	10.2%	42.1%	8.4%	3.0%
	Sub-total	1,212	1,107	1,628	1,411	22,103	35,946	36.3%	10.2%	42.1%	8.4%	3.0%
Roads	Bridges	–	–	35	35	67,019	93,304	35.3%	40.3%	23.7%	0.7%	0.0%
	Footpaths	–	–	–	–	6,692	12,302	11.4%	22.5%	57.2%	7.7%	1.2%
	Bulk earthworks	–	–	–	–	183,956	183,956	100.0%	0.0%	0.0%	0.0%	0.0%
	Other	8,598	11,565	12,343	12,303	244,771	335,912	56.7%	17.1%	17.0%	5.6%	3.6%
	Sub-total	8,598	11,565	12,378	12,338	502,438	625,474	65.4%	15.6%	13.8%	3.3%	1.9%
Water supply network	Water supply network	6,310	2,453	896	949	48,646	85,562	15.3%	45.0%	12.6%	24.3%	2.8%
	Sub-total	6,310	2,453	896	949	48,646	85,562	15.3%	45.0%	12.6%	24.3%	2.8%
Sewerage network	Sewerage network	3,532	305	301	350	21,258	40,851	9.8%	46.0%	15.6%	27.8%	0.8%
	Sub-total	3,532	305	301	350	21,258	40,851	9.8%	46.0%	15.6%	27.8%	0.8%
Stormwater drainage	Stormwater drainage	–	–	–	–	5,644	10,727	0.4%	35.5%	50.0%	14.0%	0.1%
	Sub-total	–	–	–	–	5,644	10,727	0.4%	35.5%	50.0%	14.0%	0.1%
Total – all assets		30,941	24,301	15,629	15,542	641,683	903,686	49.0%	19.0%	19.7%	9.4%	2.9%

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

Infrastructure asset condition assessment 'key'

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

Warrumbungle Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	4,620	39.81%	52.87%	89.00%	> 100.00%
Depreciation, amortisation and impairment	11,606				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	30,941	4.79%	4.47%	1.53%	< 2.00%
Net carrying amount of infrastructure assets	645,591				
Asset maintenance ratio					
Actual asset maintenance	15,542	99.44%	94.53%	87.88%	> 100.00%
Required asset maintenance	15,629				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	24,301	2.69%	2.21%	0.66%	
Gross replacement cost	903,686				

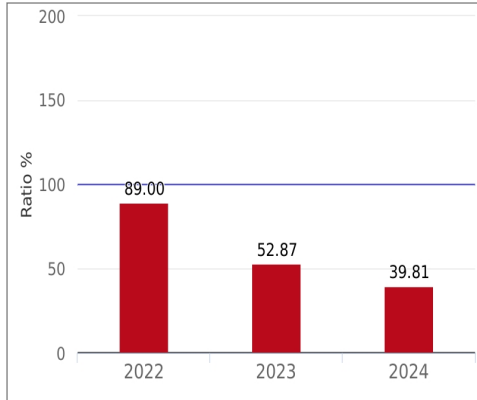
(*) All asset performance indicators are calculated using classes identified in the previous table.

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

Warrumbungle Shire Council

Report on infrastructure assets as at 30 June 2024

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

Commentary on result	
23/24 ratio	39.81%

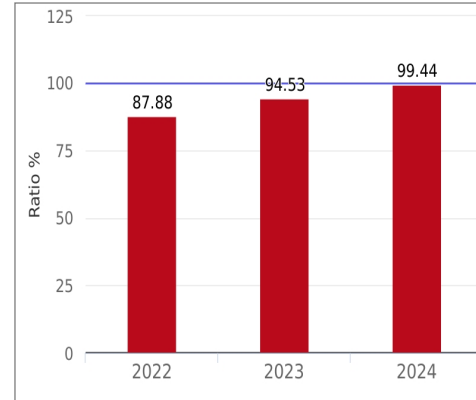
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result	
23/24 ratio	99.44%

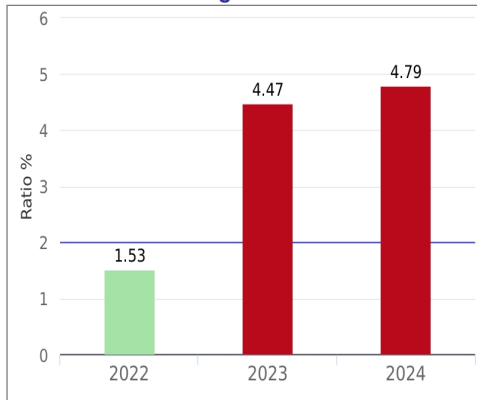
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result	
23/24 ratio	4.79%

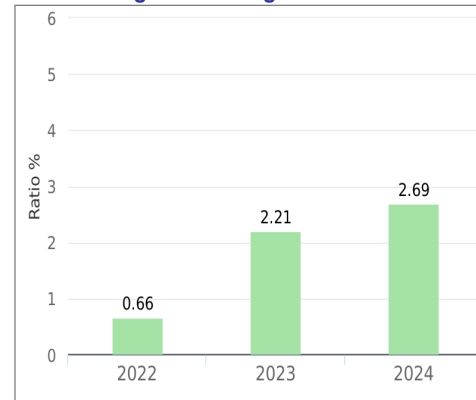
Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result	
23/24 ratio	2.69%

Warrumbungle Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	48.09%	54.83%	0.00%	57.19%	0.00%	21.61%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	3.67%	3.32%	12.97%	13.29%	16.61%	16.03%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	98.69%	91.77%	105.92%	113.50%	116.28%	119.29%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	2.77%	2.21%	2.87%	2.94%	0.75%	0.75%	

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