

# Gwydir Shire Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*To be the recognised leader in Local Government through  
continuous learning and sustainability.*



# Gwydir Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*To be the recognised leader in Local Government through  
continuous learning and sustainability.*



# Gwydir Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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### Overview

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

33 Maitland Street  
Bingara NSW 2404

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.gwydir.nsw.gov.au](http://www.gwydir.nsw.gov.au).

# Gwydir Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Understanding Council's Financial Statements

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#### Introduction

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

#### What you will find in the Statements

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

## Gwydir Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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

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

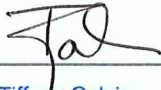
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

Signed in accordance with a resolution of Council made on **17 October 2024**.



Tiffany Galvin

**Mayor**

17 October 2024



Sean Coleman

**Councillor**

17 October 2024



Max Eastcott

**General Manager**

17 October 2024



Helen Thomas

**Responsible Accounting Officer**

17 October 2024

## Gwydir Shire Council

### Income Statement

for the year ended 30 June 2024

<b>Original unaudited budget 2024 \$ '000</b>		Notes	<b>Actual 2024 \$ '000</b>	<b>Actual 2023 \$ '000</b>
	<b>Income from continuing operations</b>			
11,869	Rates and annual charges	B2-1	<b>12,110</b>	11,474
3,374	User charges and fees	B2-2	<b>7,318</b>	5,036
10,448	Other revenues	B2-3	<b>5,463</b>	4,739
13,585	Grants and contributions provided for operating purposes	B2-4	<b>19,519</b>	18,769
36,591	Grants and contributions provided for capital purposes	B2-4	<b>13,637</b>	19,985
29	Interest and investment income	B2-5	<b>1,025</b>	194
–	Other income	B2-6	<b>356</b>	306
75,896	<b>Total income from continuing operations</b>		<b>59,428</b>	60,503
	<b>Expenses from continuing operations</b>			
14,909	Employee benefits and on-costs	B3-1	<b>15,651</b>	13,407
12,293	Materials and services	B3-2	<b>18,436</b>	19,349
175	Borrowing costs	B3-3	<b>904</b>	495
8,377	Depreciation, amortisation and impairment of non-financial assets	B3-4	<b>10,496</b>	9,637
3,510	Other expenses	B3-5	<b>722</b>	661
–	Net loss from the disposal of assets	B4-1	<b>2,955</b>	147
39,264	<b>Total expenses from continuing operations</b>		<b>49,164</b>	43,696
<b>36,632</b>	<b>Operating result from continuing operations</b>		<b>10,264</b>	16,807
<b>36,632</b>	<b>Net operating result for the year attributable to Council</b>		<b>10,264</b>	16,807
41	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>(3,373)</b>	(3,178)

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

## Gwydir Shire Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>Net operating result for the year – from Income Statement</b>		<b>10,264</b>	16,807
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	<b>25,928</b>	38,725
Impairment Reversal		<b>4,914</b>	1,164
Impairment loss relating to infrastructure, property, plant and equipment	C1-8	<b>(1,643)</b>	(3,009)
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>29,199</b>	36,880
<b>Total other comprehensive income for the year</b>		<b>29,199</b>	36,880
<b>Total comprehensive income for the year attributable to Council</b>		<b>39,463</b>	53,687
Total comprehensive income attributable to Council		<b>39,463</b>	53,687

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

## Gwydir Shire Council

## Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	33,016	29,009
Receivables	C1-4	2,531	7,873
Inventories	C1-5	304	325
Contract assets and contract cost assets	C1-6	998	1,258
Other		10	10
<b>Total current assets</b>		<b>36,859</b>	<b>38,475</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment (IPPE)	C1-7	535,575	498,062
<b>Total non-current assets</b>		<b>535,575</b>	<b>498,062</b>
<b>Total assets</b>		<b>572,434</b>	<b>536,537</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	4,910	4,601
Contract liabilities	C3-2	7,779	9,796
Borrowings	C3-3	669	1,064
Employee benefit provisions	C3-4	3,636	3,357
Provisions	C3-5	158	61
<b>Total current liabilities</b>		<b>17,152</b>	<b>18,879</b>
<b>Non-current liabilities</b>			
Borrowings	C3-3	9,295	9,953
Employee benefit provisions	C3-4	155	147
Provisions	C3-5	3,632	4,821
<b>Total non-current liabilities</b>		<b>13,082</b>	<b>14,921</b>
<b>Total liabilities</b>		<b>30,234</b>	<b>33,800</b>
<b>Net assets</b>		<b>542,200</b>	<b>502,737</b>
<b>EQUITY</b>			
Accumulated surplus		319,966	309,702
IPPE revaluation reserve	C4-1	222,234	193,035
<b>Total equity</b>		<b>542,200</b>	<b>502,737</b>

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



## Gwydir Shire Council

## Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		309,702	193,035	502,737	292,895	158,750	451,645
Correction of prior period errors		-	-	-	-	(2,595)	(2,595)
<b>Restated opening balance</b>		<b>309,702</b>	<b>193,035</b>	<b>502,737</b>	<b>292,895</b>	<b>156,155</b>	<b>449,050</b>
Net operating result for the year		10,264	-	10,264	16,807	-	16,807
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	-	25,928	25,928	-	38,725	38,725
Impairment Reversal		-	4,914	4,914	-	1,164	1,164
- Impairment loss relating to IPP&E	C1-7	-	(1,643)	(1,643)	-	(3,009)	(3,009)
<b>Restated Other comprehensive income</b>		<b>-</b>	<b>29,199</b>	<b>29,199</b>	<b>-</b>	<b>36,880</b>	<b>36,880</b>
<b>Total comprehensive income</b>		<b>10,264</b>	<b>29,199</b>	<b>39,463</b>	<b>16,807</b>	<b>36,880</b>	<b>53,687</b>
<b>Closing balance at 30 June</b>		<b>319,966</b>	<b>222,234</b>	<b>542,200</b>	<b>309,702</b>	<b>193,035</b>	<b>502,737</b>

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

## Gwydir Shire Council

## Statement of Cash Flows

for the year ended 30 June 2024

<i>Original unaudited budget 2024 \$ '000</i>		Notes	<i>Actual 2024 \$ '000</i>	<i>Actual 2023 \$ '000</i>
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
11,000	Rates and annual charges		<b>11,956</b>	11,305
2,300	User charges and fees		<b>7,242</b>	5,325
42	Interest received		<b>973</b>	233
49,500	Grants and contributions		<b>38,978</b>	41,569
–	Bonds, deposits and retentions received		<b>6</b>	7
–	Other		<b>7,602</b>	6,434
<i>Payments:</i>				
(13,500)	Payments to employees		<b>(15,364)</b>	(15,652)
(42,545)	Payments for materials and services		<b>(22,084)</b>	(21,482)
(900)	Borrowing costs		<b>(909)</b>	(321)
(3,000)	Other		<b>(1,645)</b>	76
2,897	<b>Net cash flows from operating activities</b>	G1-1	<b>26,755</b>	27,494
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Sale of investments		<b>33,126</b>	13,796
300	Proceeds from sale of IPPE		<b>462</b>	787
<i>Payments:</i>				
–	Purchase of investments		<b>(33,126)</b>	–
1,500	Payments for IPPE		<b>(22,157)</b>	(21,266)
1,800	<b>Net cash flows from investing activities</b>		<b>(21,695)</b>	(6,683)
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
–	Proceeds from borrowings		<b>–</b>	7,000
<i>Payments:</i>				
(1,500)	Repayment of borrowings		<b>(1,053)</b>	(1,989)
(1,500)	<b>Net cash flows from financing activities</b>		<b>(1,053)</b>	5,011
<b>3,197</b>	<b>Net change in cash and cash equivalents</b>		<b>4,007</b>	<b>25,822</b>
8,000	Cash and cash equivalents at beginning of year		<b>29,009</b>	3,187
<b>11,197</b>	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>33,016</b>	<b>29,009</b>
3,500	plus: Investments on hand at end of year	C1-2	<b>–</b>	–
<b>14,697</b>	<b>Total cash, cash equivalents and investments</b>		<b>33,016</b>	<b>29,009</b>

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

# Gwydir Shire Council

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# Gwydir Shire Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 17th October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 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.

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

- General purpose operations
- Water service
- Sewerage service
- Waste management
- Naroo Aged Care

## 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.

### Goods and Services Tax (GST)

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

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

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

### Volunteer services

Council makes use of volunteers for the community transport program, Aged Care, events and information centres. The value of these services cannot be reliably measured and as such have not been included within the financials.

### 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.

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

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

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

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

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

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

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

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

This Standard amends a number of standards as follows:

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

## A1-1 Basis of preparation (continued)

- AASB Practice Statement 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

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

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

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

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

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

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

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

### **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. None of these standards had a significant impact on reported position or performance.

## 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.

	<i>Income</i>		<i>Expenses</i>		<i>Operating result</i>		<i>Grants and contributions</i>		<i>Carrying amount of assets</i>	
	<b>2024</b>	2023	<b>2024</b>	2023	<b>2024</b>	2023	<b>2024</b>	2023	<b>2024</b>	2023
	<b>\$ '000</b>	\$ '000	<b>\$ '000</b>	\$ '000	<b>\$ '000</b>	\$ '000	<b>\$ '000</b>	\$ '000	<b>\$ '000</b>	\$ '000
<b>Functions or activities</b>										
Social	<b>5,421</b>	5,724	<b>5,301</b>	6,153	<b>120</b>	(429)	<b>17,036</b>	1,991	<b>23,952</b>	22,398
Other	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-	<b>69</b>	4,323	<b>2,002</b>	5,287
Economic	<b>21,955</b>	30,229	<b>24,596</b>	16,439	<b>(2,641)</b>	13,790	<b>7,974</b>	21,555	<b>344,699</b>	320,243
Environment	<b>3,335</b>	3,509	<b>3,501</b>	3,659	<b>(166)</b>	(150)	<b>1,310</b>	702	<b>26,147</b>	25,779
Civic Leadership	<b>907</b>	722	<b>1,132</b>	1,770	<b>(225)</b>	(1,048)	<b>34</b>	-	<b>4,809</b>	4,460
Governance	<b>27,810</b>	20,319	<b>14,634</b>	15,675	<b>13,176</b>	4,644	<b>6,733</b>	10,183	<b>170,825</b>	158,370
<b>Total functions and activities</b>	<b>59,428</b>	<b>60,503</b>	<b>49,164</b>	<b>43,696</b>	<b>10,264</b>	<b>16,807</b>	<b>33,156</b>	<b>38,754</b>	<b>572,434</b>	<b>536,537</b>



## B1-2 Components of functions or activities

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

### **Social**

Includes aged and disability services, social services, library, emergency services, parks and urban spaces, public health.

### **Economic**

Includes Gwydir Learning Region, shire roads, asset management, sewerage services, marketing & promotion.

### **Environment**

Includes development and land use management, water supply, environmental protection, waste operations and circular economy.

### **Civic Leadership**

Includes organisational development & recreational facilities.

### **Governance**

Includes technical services, governance, financial operations, information services, compliance, town utilities and plant operations.

## B2 Sources of income

### B2-1 Rates and annual charges

	Timing	2024 \$ '000	2023 \$ '000
<b>Ordinary rates</b>			
Residential	2	1,413	1,353
Farmland	2	7,064	6,780
Business	2	325	339
Less: pensioner rebates (mandatory)	2	(86)	(87)
<b>Rates levied to ratepayers</b>		<b>8,716</b>	<b>8,385</b>
Pensioner rate subsidies received	2	47	48
<b>Total ordinary rates</b>		<b>8,763</b>	<b>8,433</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>			
Domestic waste management services	2	570	548
Stormwater management services	2	40	40
Water supply services	2	929	837
Sewerage services	2	879	719
Waste management services (non-domestic)	2	997	962
Less: pensioner rebates (mandatory)	2	(142)	(141)
<b>Annual charges levied</b>		<b>3,273</b>	<b>2,965</b>
Pensioner annual charges subsidies received:			
– Water	2	22	23
– Sewerage	2	19	20
– Domestic waste management	2	33	33
<b>Total annual charges</b>		<b>3,347</b>	<b>3,041</b>
<b>Total rates and annual charges</b>		<b>12,110</b>	<b>11,474</b>
<b>Timing of revenue recognition for rates and annual charges</b>			
Rates and annual charges recognised at a point in time (2)		12,110	11,474
<b>Total rates and annual charges</b>		<b>12,110</b>	<b>11,474</b>

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

#### Material accounting policy information

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government and are recognised within the underlying revenue item based on their substance.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

## B2-2 User charges and fees

	<i>Timing</i>	<b>2024</b> \$ '000	2023 \$ '000
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>			
Water supply services	1	758	592
Sewerage services	1	44	38
<b>Total specific user charges</b>		<b>802</b>	<b>630</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Inspection services	2	6	5
Planning and building regulation	2	85	119
Private works – section 67	1	38	27
Registration fees	2	9	10
Section 603 certificates	2	16	16
<b>Total fees and charges – statutory/regulatory</b>		<b>154</b>	<b>177</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>			
Caravan park	2	345	378
Cemeteries	2	67	48
Child care	2	–	2
Park rents	2	13	10
Quarry revenues		1	–
Transport for NSW works (state roads not controlled by Council)	1	5,410	3,210
Tourism	2	–	4
Gwydir learning region	2	41	78
Home and community care / community transport	2	88	150
Pre-school services	2	164	121
Roxy theatre	2	10	14
Community fitness	2	51	39
Other	2	–	2
Other	2	172	173
<b>Total fees and charges – other</b>		<b>6,362</b>	<b>4,229</b>
<b>Total other user charges and fees</b>		<b>6,516</b>	<b>4,406</b>
<b>Total user charges and fees</b>		<b>7,318</b>	<b>5,036</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		6,250	3,777
User charges and fees recognised at a point in time (2)		1,068	1,259
<b>Total user charges and fees</b>		<b>7,318</b>	<b>5,036</b>

### Material accounting policy information

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

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

## B2-3 Other revenues

	<i>Timing</i>	<b>2024</b> <b>\$ '000</b>	<b>2023</b> <b>\$ '000</b>
Fines – other	2	6	7
Legal fees recovery – rates and charges (extra charges)	2	14	–
Commissions and agency fees	2	109	104
Diesel rebate	2	331	119
Sales – general	2	67	72
Emergency services reimbursements	2	38	–
Employee related	2	80	53
Festivals	2	23	14
Naroo	1	4,547	3,844
Sewer operations	2	6	2
Waste management revenues	2	11	213
Tourism	2	24	23
Insurance Incentives	2	43	94
Water supplies	2	5	10
Companion Animals Reimbursement	2	9	4
Advertising Income	2	–	3
Container Deposit reimbursement	2	90	4
Crown Land Assets Reconciliation		–	81
Other	2	60	92
<b>Total other revenue</b>		<b>5,463</b>	<b>4,739</b>

### Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	4,547	3,844
Other revenue recognised at a point in time (2)	916	895
<b>Total other revenue</b>	<b>5,463</b>	<b>4,739</b>

### Material accounting policy information for other revenue

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

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

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

Fines are recognised as revenue when the fine is paid.

## B2-4 Grants and contributions

		<b>Operating</b> <b>2024</b> <b>\$ '000</b>	<b>Operating</b> <b>2023</b> <b>\$ '000</b>	<b>Capital</b> <b>2024</b> <b>\$ '000</b>	<b>Capital</b> <b>2023</b> <b>\$ '000</b>
	<i>Timing</i>				
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance	2	758	1,675	-	-
<b>Payment in advance - future year allocation</b>					
Financial assistance	2	5,929	6,051	-	-
<b>Amount recognised as income during current year</b>					
		<b>6,687</b>	<b>7,726</b>	<b>-</b>	<b>-</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Water supplies	1	-	-	71	149
Sewerage services	1	-	-	-	96
Aged care	1	-	14	129	441
Child care	2	18	18	14	166
Community care	2	489	351	-	-
Employment and training programs	2	46	221	-	-
Library	2	78	77	-	-
Noxious weeds	1	214	127	-	-
NSW rural fire services	1	190	234	-	-
Recreation and culture	2	70	-	-	68
Storm/flood damage	2	1,308	-	1,345	6,851
Gwydir learning region	1	-	-	-	850
Dept of Communities & Justice programs	2	187	163	-	-
Street lighting	2	22	21	8	-
Preschool	2	549	403	-	-
Tharawonga operational	2	372	365	-	-
Transport (3x3, flood works, roads to recovery)	1	1,428	2,471	31	2
Drought Communities	1	-	58	99	259
Stronger Country Communities - Council Projects	1	-	-	176	204
Stronger Country Communities - Community Projects	1	-	659	-	-
Big River Dreaming	2	-	-	39	190
Caravan Park	1	-	-	23	9
Planning Portal	2	37	-	-	-
Transport Regional and local roads repair program	2	5,900	-	-	-
Local roads and community infrastructure	1	-	-	1,156	792
Transport (other roads and bridges funding)	1	-	-	9,489	8,050
Showground stimulus	1	-	-	-	32
Recreation and culture	1	-	4	646	147
Other specific grants	2	10	414	-	717
Sewerage (excl. section 64 contributions)	2	-	-	18	12
Transport for NSW contributions (regional roads, block grant)	1	1,771	5,222	188	230
Water supplies (excl. section 64 contributions)	1	9	-	-	1
Tourism	2	101	199	-	-
Other contributions	2	33	17	-	-
Community services	2	-	5	-	-
<b>Total special purpose grants and non-developer contributions – cash</b>					
		<b>12,832</b>	<b>11,043</b>	<b>13,432</b>	<b>19,266</b>
<b>Non-cash contributions</b>					
RFS assets	2	-	-	70	537
<b>Total other contributions – non-cash</b>					
		<b>-</b>	<b>-</b>	<b>70</b>	<b>537</b>

## B2-4 Grants and contributions (continued)

		<b>Operating 2024 \$ '000</b>	<b>Operating 2023 \$ '000</b>	<b>Capital 2024 \$ '000</b>	<b>Capital 2023 \$ '000</b>
	<i>Timing</i>				
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>12,832</b>	11,043	<b>13,502</b>	19,803
<b>Total grants and non-developer contributions</b>		<b>19,519</b>	18,769	<b>13,502</b>	19,803
<b>Comprising:</b>					
– Commonwealth funding		9,046	9,760	4,865	6,472
– State funding		10,386	5,561	8,609	13,314
– Other funding		87	3,448	28	17
		<b>19,519</b>	18,769	<b>13,502</b>	19,803

## Developer contributions

			<b>Operating 2024 \$ '000</b>	<b>Operating 2023 \$ '000</b>	<b>Capital 2024 \$ '000</b>	<b>Capital 2023 \$ '000</b>
	<i>Notes</i>	<i>Timing</i>				
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>						
<b>Cash contributions</b>	G4					
S 7.11 – contributions towards amenities/services		2	–	–	135	182
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>135</b>	<b>182</b>
<b>Total grants and contributions</b>			<b>19,519</b>	18,769	<b>13,637</b>	19,985
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time (1)			3,612	5,377	13,353	18,113
Grants and contributions recognised at a point in time (2)			15,907	13,392	284	1,872
<b>Total grants and contributions</b>			<b>19,519</b>	18,769	<b>13,637</b>	19,985

## 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:

	<i>Operating</i> <b>2024</b> \$ '000	<i>Operating</i> 2023 \$ '000	<i>Capital</i> <b>2024</b> \$ '000	<i>Capital</i> 2023 \$ '000
<b>Unspent grants</b>				
Unspent funds at 1 July	1,315	691	9,533	5,193
<b>Add:</b> operating grants recognised as income in the current period but not yet spent	634	248	–	–
<b>Add:</b> Funds received and not recognised as revenue in the current year	162	449	7,779	9,533
<b>Less:</b> grants recognised in a previous reporting period now spent	(195)	(73)	–	–
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(90)	–	(9,533)	(5,193)
<b>Unspent funds at 30 June</b>	<b>1,826</b>	<b>1,315</b>	<b>7,779</b>	<b>9,533</b>
<b>Contributions</b>				
Unspent funds at 1 July	–	–	721	394
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	135	182
<b>Add:</b> contributions received and not recognised as revenue in the current year	–	–	–	145
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
<b>Unspent contributions at 30 June</b>	<b>–</b>	<b>–</b>	<b>856</b>	<b>721</b>

### Material accounting policy information

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

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

The performance obligations vary according to the agreement but include milestones within AASB 15 grants. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

#### Capital grants

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

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

## B2-4 Grants and contributions (continued)

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

	2024 \$ '000	2023 \$ '000
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	55	40
– Cash and investments	970	154
<b>Total interest and investment income (losses)</b>	<b>1,025</b>	<b>194</b>

### Material accounting policy information

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



## B2-6 Other income

	Notes	2024 \$ '000	2023 \$ '000
<b>Rental income</b>			
<b>Other lease income</b>			
Housing Rent		14	18
Commercial Property		29	29
Medical Centres		10	14
Roxy Theatre		4	7
Community Housing		171	149
Caravan Park		128	89
De-recognition of quarry assets remediation provision	C3-5	—	—
<b>Total other income</b>		<b>356</b>	<b>306</b>

## B3 Costs of providing services

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

	2024 \$ '000	2023 \$ '000
Salaries and wages	12,660	11,412
Travel expenses	–	3
Employee leave entitlements (ELE)	2,954	2,816
Superannuation	1,641	1,437
Workers' compensation insurance	573	750
Fringe benefit tax (FBT)	28	22
Training costs (other than salaries and wages)	1	–
Other	58	55
<b>Total employee costs</b>	<b>17,915</b>	<b>16,495</b>
Less: capitalised costs	(2,264)	(3,088)
<b>Total employee costs expensed</b>	<b>15,651</b>	<b>13,407</b>

#### 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

	Notes	2024 \$ '000	2023 \$ '000
Raw materials and consumables		27,746	29,339
Contractor and consultancy costs			
– Consultants		307	437
– Domestic waste management contract		646	494
– Health services		12	14
– Pools		372	230
– Road infrastructure contractors		3,155	3,295
– Footpaths		492	417
– Other		2,381	1,565
Audit Fees	F2-1	107	69
Councillor and Mayoral fees and associated expenses	F1-2	270	248
Advertising		8	10
Bank charges		43	34
Computer software charges		191	4
Electricity and heating		715	518
Insurance		1,039	798
Street lighting		80	69
Subscriptions and publications		233	140
Telephone and communications		245	127
Valuation fees		30	29
Travel expenses		2	1
Contributions/levies to other levels of government			
<b>Legal expenses:</b>			
– Legal expenses: debt recovery		35	6
– Legal expenses: other		9	7
Expenses from leases of low value assets		19	8
Variable lease expense relating to usage		32	43
<b>Total materials and services</b>		<b>38,169</b>	<b>37,902</b>
Less: capitalised costs		(19,733)	(18,553)
<b>Total materials and services</b>		<b>18,436</b>	<b>19,349</b>

### Material accounting policy information

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

## B3-3 Borrowing costs

	Notes	2024 \$ '000	2023 \$ '000
<b>(i) Interest bearing liability costs</b>			
Interest on loans		675	287
<b>Total interest bearing liability costs expensed</b>		<b>675</b>	<b>287</b>
<b>(ii) Other borrowing costs</b>			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	194	168
Amortisation of discounts and premiums: – unwinding discount on reduced interest loan		35	40
<b>Total other borrowing costs</b>		<b>229</b>	<b>208</b>
<b>Total borrowing costs expensed</b>		<b>904</b>	<b>495</b>

### Material accounting policy information

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

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

	Notes	2024 \$ '000	2023 \$ '000
<b>Depreciation and amortisation</b>			
Plant and equipment		1,496	1,433
Office equipment		102	104
Furniture and fittings		54	48
Land improvements (depreciable)		6	6
<b>Infrastructure:</b>	C1-7		
– Buildings – non-specialised		612	600
– Buildings – specialised		538	508
– Other structures		223	202
– Roads		5,872	5,170
– Bridges		373	355
– Footpaths		38	32
– Stormwater drainage		60	40
– Water supply network		470	358
– Sewerage network		227	176
– Swimming pools		56	54
<b>Other assets:</b>			
– Other		10	10
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C1-7	336	462
– Quarry assets	C1-7	23	79
<b>Total depreciation and amortisation costs</b>		<b>10,496</b>	<b>9,637</b>
<b>Impairment / revaluation decrement of IPPE</b>			
<b>Infrastructure:</b>	C1-7		
– Buildings – non-specialised		(1,919)	–
– Roads		(1,189)	–
– Bridges		(163)	–
<b>Total gross IPPE impairment / revaluation decrement costs</b>		<b>(3,271)</b>	<b>–</b>
Amounts taken through revaluation reserve	C1-7	3,271	–
<b>Total IPPE impairment / revaluation decrement costs charged to Income Statement</b>		<b>–</b>	<b>–</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>10,496</b>	<b>9,637</b>

### Material accounting policy information

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-7 for IPPE assets.

#### Impairment of non-financial assets

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

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

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

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

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

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

## B3-5 Other expenses

	2024 \$ '000	2023 \$ '000
<b>Other</b>		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	612	581
– Other contributions/levies	–	5
Donations, contributions and assistance to other organisations (Section 356)	110	75
<b>Total other</b>	<b>722</b>	<b>661</b>
<b>Total other expenses</b>	<b>722</b>	<b>661</b>

### Material accounting policy information

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

Impairment expenses are recognised when identified.

## B4 Gains or losses

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

	2024 \$ '000	2023 \$ '000
<b>Gain (or loss) on disposal of property (excl. investment property)</b>		
Proceeds from disposal – property	15	603
Less: carrying amount of property assets sold/written off	(604)	(506)
<b>Gain (or loss) on disposal</b>	<b>(589)</b>	<b>97</b>
<b>Gain (or loss) on disposal of plant and equipment</b>		
Proceeds from disposal – plant and equipment	447	184
Less: carrying amount of plant and equipment assets sold/written off	(216)	(169)
<b>Gain (or loss) on disposal</b>	<b>231</b>	<b>15</b>
<b>Gain (or loss) on disposal of infrastructure</b>		
Less: carrying amount of infrastructure assets sold/written off	(2,597)	(259)
<b>Gain (or loss) on disposal</b>	<b>(2,597)</b>	<b>(259)</b>
<b>Gain (or loss) on disposal of investments</b>		
Proceeds from disposal/redemptions/maturities – investments	33,126	13,796
Less: carrying amount of investments sold/redeemed/matured	(33,126)	(13,796)
<b>Gain (or loss) on disposal</b>	<b>–</b>	<b>–</b>
<b>Net gain (or loss) from disposal of assets</b>	<b>(2,955)</b>	<b>(147)</b>

### Material accounting policy information

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

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 29 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Revenues</b>				
<b>Rates and annual charges</b>	11,869	12,110	241	2% <b>F</b>
<b>User charges and fees</b>	3,374	7,318	3,944	117% <b>F</b>
A significant amount of RMS Works was completed during the Financial Year.				
<b>Other revenues</b>	10,448	5,463	(4,985)	(48)% <b>U</b>
Delays in the building works created a misalignment in the income and expenditure.				
<b>Operating grants and contributions</b>	13,585	19,519	5,934	44% <b>F</b>
Council successfully secured grant funding throughout the Financial Year that was not anticipated.				
<b>Capital grants and contributions</b>	36,591	13,637	(22,954)	(63)% <b>U</b>
Budget included expected grant funds for the year. Actual includes adjustment for unspent grant funds transferred to liability for reporting as income next year				
<b>Interest and investment revenue</b>	29	1,025	996	3,434% <b>F</b>
Increase in interest rates throughout the Financial Year seen higher than expected returns on term deposits. Council also changed bank account types to earn interest on cash at bank.				
<b>Other income</b>	-	356	356	∞ <b>F</b>
Budget was included in other fees and charges.				

## B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	14,909	15,651	(742)	(5)% U
<b>Materials and services</b>	12,293	18,436	(6,143)	(50)% U
Increased use of contractors to complete works within timeframes for funding deadlines.				
<b>Borrowing costs</b>	175	904	(729)	(417)% U
Increase in borrowings due to loans for Bingara administration and to cover the delay in payments for funded projects.				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	8,377	10,496	(2,119)	(25)% U
Increase in depreciation due to indexation.				
<b>Other expenses</b>	3,510	722	2,788	79% F
Changes to the mapping for some other expenses being reallocated to the other categories created this variation. Budget also includes over allowances for various costs that did not materialise.				
<b>Net losses from disposal of assets</b>	-	2,955	(2,955)	∞ U
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	2,897	26,755	23,858	824% F
Increase in cash inflow from higher return on interest and higher user fees and charges income than expected.				
<b>Cash flows from investing activities</b>	1,800	(21,695)	(23,495)	(1,305)% U
Actual includes expenditure for capitalisations transferred from budgeted for a operating activities				
<b>Cash flows from financing activities</b>	(1,500)	(1,053)	447	(30)% F
Cash inflow from financing activities increased because the actual cash at bank exceeded the budget, driven by the loan for the administration building and grant income.				



## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
<b>Cash assets</b>		
Cash on hand and at bank	29,593	25,594
Cash equivalent assets		
– Deposits at call	3,423	3,415
<b>Total cash and cash equivalents</b>	<b>33,016</b>	<b>29,009</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	33,016	29,009
<b>Balance as per the Statement of Cash Flows</b>	<b>33,016</b>	<b>29,009</b>

#### Material accounting policy information

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

#### C1-2 Financial investments

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Total financial investments	–	–	–	–
Total cash assets, cash equivalents and investments	<b>33,016</b>	–	29,009	–

#### Material accounting policy information

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

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

#### Financial assets

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

#### Classification

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

- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition.

#### Financial assets through profit or loss

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

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

## C1-2 Financial investments (continued)

Council's financial assets measured at fair value through profit or loss comprise investments in Managed Funds in the Statement of Financial Position.

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

	2024 \$ '000	2023 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>33,016</b>	29,009
Less: Externally restricted cash, cash equivalents and investments	<u>(24,110)</u>	<u>(24,541)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>8,906</b>	4,468
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended loans – sewer	–	2,000
Aged care bonds	515	569
Specific purpose unexpended grants – general fund	8,971	10,603
<b>External restrictions – included in liabilities</b>	<b>9,486</b>	13,172
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	856	721
Regional and Local Roads Repair Program	6,258	3,412
Specific purpose unexpended grants – general fund	634	245
Water fund	1,318	1,235
Sewer fund	1,159	1,359
Waste management	4,399	4,397
<b>External restrictions – other</b>	<b>14,624</b>	11,369
<b>Total external restrictions</b>	<b>24,110</b>	24,541

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

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

	<b>2024</b>	2023
	<b>\$ '000</b>	\$ '000
<b>(b) Internal allocations</b>		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>8,906</b>	4,468
Less: Internally restricted cash, cash equivalents and investments	<b>(6,899)</b>	(3,964)
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>2,007</b>	504
<b>Internal allocations</b>		
At 30 June, Council has internally allocated funds to the following:		
Employees leave entitlement	<b>900</b>	900
Deposits, retentions and bonds	<b>70</b>	64
Advance Payment Financial Assistance Grant	<b>5,929</b>	3,000
<b>Total internal allocations</b>	<b>6,899</b>	3,964

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

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	872	-	758	-
Interest and extra charges	95	-	43	-
User charges and fees	313	-	237	-
Accrued revenues				
– Other income accruals	-	-	1,645	-
Government grants and subsidies	856	-	4,657	-
Developer Contributions	-	-	-	-
Net GST receivable	289	-	555	-
Sundry trade debtors	149	-	46	-
Other debtors	81	-	56	-
<b>Total</b>	<b>2,655</b>	<b>-</b>	<b>7,997</b>	<b>-</b>
<b>Less: provision for impairment</b>				
User charges and fees	(5)	-	(5)	-
Sundry debtors	(119)	-	(119)	-
<b>Total provision for impairment – receivables</b>	<b>(124)</b>	<b>-</b>	<b>(124)</b>	<b>-</b>
<b>Total net receivables</b>	<b>2,531</b>	<b>-</b>	<b>7,873</b>	<b>-</b>

	2024 \$ '000	2023 \$ '000
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	124	124
<b>Balance at the end of the year</b>	<b>124</b>	<b>124</b>

## C1-4 Receivables (continued)

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### Material accounting policy information

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

#### Impairment

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

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

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

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

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

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

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

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

## C1-5 Inventories

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
<b>(i) Inventories at cost</b>				
Stores and materials	304	–	325	–
<b>Total inventories at cost</b>	<b>304</b>	<b>–</b>	<b>325</b>	<b>–</b>
<b>Total inventories</b>	<b>304</b>	<b>–</b>	<b>325</b>	<b>–</b>

**Material accounting policy information****Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value.

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

## C1-6 Contract assets and Contract cost assets

	<b>2024</b> <b>Current</b> <b>\$ '000</b>	<b>2024</b> <b>Non-current</b> <b>\$ '000</b>	<b>2023</b> <b>Current</b> <b>\$ '000</b>	<b>2023</b> <b>Non-current</b> <b>\$ '000</b>
Contract assets	998	–	1,258	–
<b>Total contract assets and contract cost assets</b>	<b>998</b>	<b>–</b>	<b>1,258</b>	<b>–</b>

### Contract assets

Construction of roads	–	–	–	–
Construction of recreation assets	386	–	1,236	–
Community assets	612	–	22	–
<b>Total contract assets</b>	<b>998</b>	<b>–</b>	<b>1,258</b>	<b>–</b>

### Significant changes in contract assets

The rise in contracted assets can be attributed to delayed receipt of funding reimbursements, which were not received until the 2025 Financial Year.

### Material accounting policy information

#### Contract assets

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

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

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

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

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

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

The capitalised costs are recognised in the Income statement on a systematic basis consistent with the timing of revenue recognition.

Refer to B3-4 for the accounting policy for impairment of contract cost assets.

## C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period									At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	Impairment reversal recognised in equity (ARR)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	16,669	–	16,669	11,410	1,859	–	–	–	–	(5,918)	(58)	–	23,962	–	23,962
Plant and equipment <sup>3</sup>	29,399	(16,416)	12,983	–	1,857	(258)	(1,496)	–	–	–	–	151	29,912	(16,675)	13,237
Office equipment	1,305	(925)	380	–	124	–	(102)	–	–	–	–	–	1,430	(1,028)	402
Furniture and fittings	1,423	(731)	692	–	166	(3)	(54)	–	–	–	–	–	1,576	(775)	801
<b>Land:</b>															
– Operational land	6,593	–	6,593	–	611	(8)	–	–	–	–	–	500	7,696	–	7,696
– Community land	3,472	–	3,472	–	–	–	–	–	–	–	–	241	3,713	–	3,713
Land improvements – depreciable	255	(12)	243	–	–	–	(6)	–	–	–	–	16	272	(19)	253
<b>Infrastructure:</b>															
– Buildings – non-specialised	46,195	(17,868)	28,327	36	–	(2,474)	(612)	–	1,919	–	–	1,891	45,245	(16,158)	29,087
– Buildings – specialised	46,035	(11,745)	34,290	46	597	(290)	(538)	–	–	838	–	2,429	50,275	(12,903)	37,372
– Other structures	10,820	(2,892)	7,928	–	189	–	(223)	–	–	188	–	263	11,562	(3,217)	8,345
– Roads	249,302	(49,743)	199,559	2,401	250	–	(5,872)	(1,602)	2,791	2,613	–	10,561	267,596	(56,895)	210,701
– Bridges	52,238	(10,850)	41,388	–	228	(124)	(373)	(41)	204	94	–	2,222	55,225	(11,627)	43,598
– Footpaths	3,379	(1,646)	1,733	–	493	(75)	(38)	–	–	320	–	131	4,253	(1,689)	2,564
– Bulk earthworks (non-depreciable)	101,746	–	101,746	795	–	(184)	–	–	–	187	–	5,406	107,950	–	107,950
– Stormwater drainage	6,614	(1,856)	4,758	66	28	–	(60)	–	–	30	–	245	7,080	(2,013)	5,067
– Water supply network	27,473	(8,890)	18,583	83	981	–	(470)	–	–	740	–	1,010	30,761	(9,834)	20,927
– Sewerage network	18,958	(5,741)	13,217	256	1,004	–	(227)	–	–	908	–	769	22,197	(6,270)	15,927
– Swimming pools	3,883	(973)	2,910	–	–	–	(56)	–	–	–	–	93	4,010	(1,063)	2,947
<b>Other assets:</b>															
– Other	233	(96)	137	–	–	–	(10)	–	–	–	–	–	233	(106)	127
<b>Reinstatement, rehabilitation and restoration assets:</b>															
– Quarry assets	252	(112)	140	–	–	–	(23)	–	–	–	(42)	–	210	(135)	75
– Tip assets	4,318	(2,004)	2,314	–	–	–	(336)	–	–	–	(1,154)	–	3,164	(2,340)	824
<b>Total infrastructure, property, plant and equipment</b>	<b>630,562</b>	<b>(132,500)</b>	<b>498,062</b>	<b>15,093</b>	<b>8,387</b>	<b>(3,416)</b>	<b>(10,496)</b>	<b>(1,643)</b>	<b>4,914</b>	<b>–</b>	<b>(1,254)</b>	<b>25,928</b>	<b>678,322</b>	<b>(142,747)</b>	<b>535,575</b>

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



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

By aggregated asset class	At 1 July 2022 <sup>2</sup>			Asset movements during the reporting period										At 30 June 2023		
	Gross carrying amount <sup>2</sup>	Accumulated depreciation and impairment	Net carrying amount <sup>2</sup>	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment reversal recognised in equity (ARR)	WIP transfers	Adjustments and transfers	Contributed (from Note B2-4)	Impairment decrements to equity (ARR) <sup>2</sup>	Revaluation increments to equity (ARR)	Gross carrying amount <sup>2</sup>	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	7,319	–	7,319	3,552	10,726	–	–	–	(4,865)	(63)	–	–	–	16,669	–	16,669
Plant and equipment	28,123	(15,436)	12,687	–	1,441	(224)	(1,433)	–	–	(24)	537	–	–	29,399	(16,416)	12,983
Office equipment	1,271	(822)	449	–	34	–	(104)	–	–	–	–	–	–	1,305	(925)	380
Furniture and fittings	1,310	(682)	628	–	112	–	(48)	–	–	–	–	–	–	1,423	(731)	692
<b>Land:</b>																
– Operational land	6,171	–	6,171	–	53	(70)	–	–	–	–	–	–	440	6,593	–	6,593
– Community land	3,160	–	3,160	–	81	–	–	–	–	–	–	–	232	3,472	–	3,472
Land improvements – depreciable	201	(5)	196	–	–	–	(6)	–	38	–	–	–	16	255	(12)	243
<b>Infrastructure:</b>																
– Buildings – non-specialised	43,045	(16,209)	26,836	318	15	(436)	(600)	–	303	–	–	–	1,890	46,195	(17,868)	28,327
– Buildings – specialised	42,518	(10,453)	32,065	–	284	–	(508)	–	161	–	–	–	2,288	46,035	(11,745)	34,290
– Other structures	9,655	(2,550)	7,105	–	353	–	(202)	–	286	–	–	–	385	10,820	(2,892)	7,928
– Roads	228,330	(40,394)	187,936	3,207	–	(40)	(5,170)	1,164	4,005	–	–	(3,009)	11,466	249,302	(49,743)	199,559
– Bridges	49,334	(9,921)	39,413	–	–	–	(355)	–	–	–	–	–	2,330	52,238	(10,850)	41,388
– Footpaths	3,118	(1,523)	1,595	–	–	–	(32)	–	72	–	–	–	97	3,379	(1,646)	1,733
– Bulk earthworks (non-depreciable)	95,041	–	95,041	1,036	–	(9)	–	–	–	–	–	–	5,678	101,746	–	101,746
– Stormwater drainage	4,538	(2,378)	2,160	–	–	(6)	(40)	–	–	–	–	–	2,644	6,614	(1,856)	4,758
– Water supply network	25,116	(9,537)	15,579	66	–	(67)	(358)	–	–	(2)	–	–	3,366	27,473	(8,890)	18,583
– Sewerage network	14,537	(8,890)	5,647	51	–	(82)	(176)	–	–	26	–	–	7,752	18,958	(5,741)	13,217
– Swimming pools	3,694	(871)	2,823	–	–	–	(54)	–	–	–	–	–	141	3,883	(973)	2,910
<b>Other assets:</b>																
– Other	233	(86)	147	–	–	–	(10)	–	–	–	–	–	–	233	(96)	137
<b>Reinstatement, rehabilitation and restoration assets:</b>																
– Tip assets	6,328	(1,542)	4,786	–	–	–	(462)	–	–	(2,010)	–	–	–	4,318	(2,004)	2,314
– Quarry assets	372	(33)	339	–	–	–	(79)	–	–	(121)	–	–	–	252	(112)	140
<b>Total infrastructure, property, plant and equipment</b>	<b>573,414</b>	<b>(121,332)</b>	<b>452,082</b>	<b>8,230</b>	<b>13,099</b>	<b>(934)</b>	<b>(9,637)</b>	<b>1,164</b>	<b>–</b>	<b>(2,194)</b>	<b>537</b>	<b>(3,009)</b>	<b>38,725</b>	<b>630,562</b>	<b>(132,500)</b>	<b>498,062</b>

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

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

### Material accounting policy information

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

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

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

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

#### Useful lives of IPPE

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

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	5 to 20	Playground equipment	5 to 15
Office furniture	9 to 30	Benches, seats etc.	10 to 20
Vehicles, plant and equipment	5 to 50	Other structures	5 to 100
<b>Water and sewer assets</b>		<b>Buildings</b>	
Dams and reservoirs	80 to 100	Buildings	8 to 262
Bores	20 to 40		
Reticulation pipes: PVC	70 to 80	<b>Stormwater assets</b>	
Reticulation pipes: other	25 to 75	Drains	80 to 100
Pumps and telemetry	15 to 20	Culverts	50 to 80
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	20 to 36	Bulk earthworks	infinite
Sealed roads: structure	36 to 200	Swimming pools	60
Unsealed roads	12 to 200	Other Assets	10 to 100
Bridge: concrete	150		
Bridge: other	100		
Kerb and gutter	100		
Footpaths	100		

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

#### Revaluation model

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

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

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

#### Land under roads

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

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

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

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### **Crown reserves**

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

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

### **Rural Fire Service assets**

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to recognise rural fire service assets including land, buildings, plant and vehicles.

## C2 Leasing activities

### C2-1 Council as a lessee

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

#### Terms and conditions of leases

##### Buildings

Council leases 65 Maitland Street, Bingara, for Landcare to operate. This lease is for 2 years and expires on 19 November 2025.

Council leases the property located at 48 Maitland Street, Bingara, for its IT office. The lease term is 6 months and is set to expire on 17 December 2022. No new lease agreement has been signed as of the date of the financial statement.

Council leases the former St Mary's school for community purposes. The initial lease term was for 3 years, expiring on 30 June 2021. This lease has been renewed and is now set to expire on 30 June 2024. No new lease agreement has been signed beyond this date.

Right of Use Assets have not been bought in for these leases as they are short-term with low annual rental.

##### Office and IT equipment

Leases for photocopiers are for low value assets. The leases are for 5 years with no renewal option, the payments are fixed, however the leases include variable payments based on usage.

#### (a) Income Statement

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

	2024 \$ '000	2023 \$ '000
Variable lease payments based on usage not included in the measurement of lease liabilities	32	43
Expenses relating to leases of low-value assets	19	8
	<b>51</b>	<b>51</b>

#### (b) Statement of Cash Flows

Total cash outflow for leases	51	51
	<b>51</b>	<b>51</b>

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

Council has a lease at significantly below market value for a building which is used for:

- a gymnasium

The lease is on-going at council discretion and requires a payment of a maximum amount of \$10 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

#### Material accounting policy information

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

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

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

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

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

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

### Exceptions to lease accounting

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

### Leases at significantly below market value / Concessionary leases

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

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties for housing, caravan park residents, medical centres, cafe and commercial premises; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E (refer Note C1-7). They have not been classified under AASB 140 Investment Property as they are either occupied by council employees, aged and permanent residents or held for strategic purposes.

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

	2024	2023
	\$ '000	\$ '000

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

Council leases out a number of properties for housing, caravan park residents, medical centres, cafe and commercial premises, the table relates to operating leases on assets disclosed in note C1-7.

Lease income (excluding variable lease payments not dependent on an index or rate)	356	306
<b>Total income relating to operating leases for Council assets</b>	<b>356</b>	<b>306</b>

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

< 1 year	259	259
1–2 years	259	259
2–3 years	259	259
3–4 years	259	259

## C2-2 Council as a lessor (continued)

	<b>2024</b>	2023
	<b>\$ '000</b>	\$ '000
4–5 years	<b>259</b>	259
> 5 years	<b>259</b>	259
<b>Total undiscounted lease payments to be received</b>	<b>1,554</b>	1,554

**Material accounting policy information**

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

## C3 Liabilities of Council

### C3-1 Payables

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
Goods and services – operating expenditure	729	–	550	–
Accrued expenses:				
– Borrowings	37	–	42	–
– Other expenditure accruals	1,010	–	2,019	–
Prepaid rates	308	–	348	–
Security bonds, deposits and retentions	75	–	69	–
Aged care deposits and bonds	2,582	–	1,431	–
Sundry	19	–	11	–
Other	150	–	131	–
<b>Total payables</b>	<b>4,910</b>	<b>–</b>	<b>4,601</b>	<b>–</b>

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

	<b>2024</b>	<b>2023</b>
	<b>\$ '000</b>	<b>\$ '000</b>
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	2,137	773
<b>Total payables</b>	<b>2,137</b>	<b>773</b>

#### Material accounting policy information

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

#### Payables

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

## C3-2 Contract Liabilities

	Notes	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	7,617	–	9,533	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	162	–	263	–
<b>Total contract liabilities</b>		<b>7,779</b>	<b>–</b>	<b>9,796</b>	<b>–</b>

### Notes

(i) Council has received funding to construct assets including sporting and aged care facilities, 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 and AASB 1058 being satisfied since the performance obligations are ongoing.

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

	2024 \$ '000	2023 \$ '000
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	841	2,804
Operating grants (received prior to performance obligation being satisfied)	22	–
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>863</b>	<b>2,804</b>

### Material accounting policy information

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



## C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – secured <sup>1</sup>	669	9,295	1,064	9,953
<b>Total borrowings</b>	<b>669</b>	<b>9,295</b>	<b>1,064</b>	<b>9,953</b>

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

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

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	11,017	(1,053)	–	–	–	–	9,964
<b>Total liabilities from financing activities</b>	<b>11,017</b>	<b>(1,053)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9,964</b>

	2022		Non-cash movements				2023
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	6,006	(1,989)	7,000	–	–	–	11,017
<b>Total liabilities from financing activities</b>	<b>6,006</b>	<b>(1,989)</b>	<b>7,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11,017</b>

### (b) Financing arrangements

	2024 \$ '000	2023 \$ '000
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#### Total facilities

Total financing facilities available to Council at the reporting date are:

Bank overdraft facilities <sup>1</sup>	500	500
Credit cards/purchase cards	100	100
<b>Total financing arrangements</b>	<b>600</b>	<b>600</b>

#### Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	27	28
<b>Total drawn financing arrangements</b>	<b>27</b>	<b>28</b>

#### Undrawn facilities

Undrawn financing facilities available to Council at the reporting date are:

– Bank overdraft facilities	500	500
– Credit cards/purchase cards	73	72
<b>Total undrawn financing arrangements</b>	<b>573</b>	<b>572</b>

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

#### Material accounting policy information

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

### C3-3 Borrowings (continued)

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

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

### C3-4 Employee benefit provisions

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
Annual leave	1,692	–	1,464	–
Long service leave	1,944	155	1,893	147
<b>Total employee benefit provisions</b>	<b>3,636</b>	<b>155</b>	<b>3,357</b>	<b>147</b>

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

	<b>2024</b>	<b>2023</b>
	<b>\$ '000</b>	<b>\$ '000</b>
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,933	3,101
	<b>1,933</b>	<b>3,101</b>

#### Material accounting policy information

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

#### Short-term obligations

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

#### Other long-term employee benefit obligations

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

#### On-costs

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

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

## C3-5 Provisions

	2024 Current \$ '000	2024 Non-Current \$ '000	2023 Current \$ '000	2023 Non-Current \$ '000
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	158	3,632	61	4,821
<b>Total provisions</b>	<b>158</b>	<b>3,632</b>	<b>61</b>	<b>4,821</b>

### Description of and movements in provisions

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
<b>2024</b>		
At beginning of year	4,882	4,882
Remeasurement effects	(1,092)	(1,092)
Total other provisions at end of year	<b>3,790</b>	<b>3,790</b>
<b>2023</b>		
At beginning of year	6,847	6,847
Unwinding of discount	168	168
Remeasurement effects	(2,133)	(2,133)
Total other provisions at end of year	<b>4,882</b>	<b>4,882</b>

### Nature and purpose of provisions

#### Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip and quarry.

#### Material accounting policy information

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

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

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

#### Asset remediation – tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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

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

## C3-5 Provisions (continued)

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The cost estimate for landfill rehabilitation has been based on phytocapping treatment which is yet to be approved by the EPA that recommends clay compaction. Estimated costs will increase if the EPA does not approve the different rehabilitation treatment.

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **IPPE Revaluation reserve**

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

## D Council structure

### D1 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

	<b>General 2024 \$ '000</b>	<b>Water 2024 \$ '000</b>	<b>Sewer 2024 \$ '000</b>
<b>Income from continuing operations</b>			
Rates and annual charges	10,340	910	860
User charges and fees	6,093	1,081	144
Interest and investment revenue	997	14	14
Other revenues	5,452	5	6
Grants and contributions provided for operating purposes	19,519	–	–
Grants and contributions provided for capital purposes	13,539	80	18
Other income	356	–	–
<b>Total income from continuing operations</b>	<b>56,296</b>	<b>2,090</b>	<b>1,042</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	14,745	506	400
Materials and services	16,827	1,154	455
Borrowing costs	693	74	137
Depreciation, amortisation and impairment of non-financial assets	9,758	502	236
Other expenses	719	2	1
Net losses from the disposal of assets	2,955	–	–
<b>Total expenses from continuing operations</b>	<b>45,697</b>	<b>2,238</b>	<b>1,229</b>
<b>Operating result from continuing operations</b>	<b>10,599</b>	<b>(148)</b>	<b>(187)</b>
<b>Net operating result for the year</b>	<b>10,599</b>	<b>(148)</b>	<b>(187)</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(2,940)</b>	<b>(228)</b>	<b>(205)</b>

## D1-2 Statement of Financial Position by fund

	<b>General 2024 \$ '000</b>	<b>Water 2024 \$ '000</b>	<b>Sewer 2024 \$ '000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	30,539	1,318	1,159
Receivables	1,984	413	134
Inventories	279	24	1
Contract assets and contract cost assets	998	–	–
Other	10	–	–
<b>Total current assets</b>	<b>33,810</b>	<b>1,755</b>	<b>1,294</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	496,295	21,061	18,219
<b>Total non-current assets</b>	<b>496,295</b>	<b>21,061</b>	<b>18,219</b>
<b>Total assets</b>	<b>530,105</b>	<b>22,816</b>	<b>19,513</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	4,877	33	–
Borrowings	464	155	50
Contract liabilities	7,779	–	–
Employee benefit provision	3,636	–	–
Provisions	158	–	–
<b>Total current liabilities</b>	<b>16,914</b>	<b>188</b>	<b>50</b>
<b>Non-current liabilities</b>			
Borrowings	6,653	740	1,902
Employee benefit provision	155	–	–
Provisions	3,632	–	–
<b>Total non-current liabilities</b>	<b>10,440</b>	<b>740</b>	<b>1,902</b>
<b>Total liabilities</b>	<b>27,354</b>	<b>928</b>	<b>1,952</b>
<b>Net assets</b>	<b>502,751</b>	<b>21,888</b>	<b>17,561</b>
<b>EQUITY</b>			
Accumulated surplus	298,982	12,862	8,122
Revaluation reserves	203,769	9,026	9,439
<b>Total equity</b>	<b>502,751</b>	<b>21,888</b>	<b>17,561</b>

## E Risks and accounting uncertainties

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

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

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

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

Financial risk management is carried out by the finance team under policies approved by the Councillors.

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

The risks associated with the instruments held are:

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

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

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

	<b>2024</b>	<b>2023</b>
	<b>\$ '000</b>	<b>\$ '000</b>
The impact on result for the year and equity of a reasonably possible movement in the interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	<b>231</b>	<b>180</b>



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

### (b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

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

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

#### Credit risk profile

##### Receivables – rates and annual charges

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

	<i>Not yet overdue \$ '000</i>	<i>overdue rates and annual charges</i>		<i>Total \$ '000</i>
		<i>&lt; 5 years \$ '000</i>	<i>≥ 5 years \$ '000</i>	
<b>2024</b>				
Gross carrying amount	–	645	227	872
<b>2023</b>				
Gross carrying amount	–	558	200	758

##### 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.

	<i>Not yet overdue \$ '000</i>	<i>0 - 30 days \$ '000</i>	<i>Overdue debts</i>			<i>Total \$ '000</i>
			<i>31 - 60 days \$ '000</i>	<i>61 - 90 days \$ '000</i>	<i>&gt; 91 days \$ '000</i>	
<b>2024</b>						
Gross carrying amount	2,417	7	94	2	261	2,781
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	10.12%	0.95%
<b>ECL provision</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>26</b>	<b>26</b>
<b>2023</b>						
Gross carrying amount	8,434	21	8	5	29	8,497
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	45.60%	0.16%
<b>ECL provision</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>13</b>	<b>13</b>

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

### (c) Liquidity risk

Payables 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 and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

	<i>Weighted average interest rate %</i>	<i>Subject to no maturity \$ '000</i>	<i>payable in:</i>			<i>Total contractu al cash flows \$ '000</i>	<i>Actual carrying values \$ '000</i>
			<i>≤ 1 Year \$ '000</i>	<i>1 - 5 Years \$ '000</i>	<i>&gt; 5 Years \$ '000</i>		
<b>2024</b>							
Payables	0.00%	75	4,652	330	–	5,057	4,910
Borrowings	6.86%	–	688	2,625	6,617	9,930	9,964
<b>Total financial liabilities</b>		<b>75</b>	<b>5,340</b>	<b>2,955</b>	<b>6,617</b>	<b>14,987</b>	<b>14,874</b>
<b>2023</b>							
Payables	0.00%	69	4,257	275	–	4,601	4,601
Borrowings	7.10%	–	1,154	3,052	10,255	14,461	11,017
<b>Total financial liabilities</b>		<b>69</b>	<b>5,411</b>	<b>3,327</b>	<b>10,255</b>	<b>19,062</b>	<b>15,618</b>

## E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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).

		Fair value measurement hierarchy							
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
<b>Recurring fair value measurements</b>									
<b>Financial assets</b>									
Financial investments	C1-2								
At fair value through profit or loss		30/06/24	30/06/23	–	–	–	–	–	–
<b>Total financial assets</b>				<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Infrastructure, property, plant and equipment</b>									
	C1-7								
Plant & Equipment		30/06/20	30/06/20	–	–	<b>13,238</b>	12,983	<b>13,238</b>	12,983
Office Equipment		30/06/20	30/06/20	–	–	<b>401</b>	380	<b>401</b>	380
Furniture & Fittings		30/06/20	30/06/20	–	–	<b>801</b>	692	<b>801</b>	692
Operational Land		30/06/22	30/06/22	–	–	<b>7,696</b>	6,593	<b>7,696</b>	6,593
Community Land		30/06/21	30/06/21	–	–	<b>3,713</b>	3,472	<b>3,713</b>	3,472
Land Improvements - depreciable		30/06/20	30/06/20	–	–	<b>254</b>	243	<b>254</b>	243
Buildings Specialised		30/06/22	30/06/22	–	–	<b>37,372</b>	34,290	<b>37,372</b>	34,290
Buildings Non-Specialised		30/06/22	30/06/22	–	–	<b>29,088</b>	28,327	<b>29,088</b>	28,327
Other Structures		30/06/21	30/06/21	–	–	<b>8,345</b>	7,928	<b>8,345</b>	7,928
Roads and bulk earthworks <sup>1</sup>		30/06/20	30/06/20	–	–	<b>318,653</b>	301,305	<b>318,653</b>	301,305
Bridges		30/06/20	30/06/20	–	–	<b>43,599</b>	41,388	<b>43,599</b>	41,388
Footpaths		30/06/20	30/06/20	–	–	<b>2,562</b>	1,733	<b>2,562</b>	1,733
Stormwater Drainage		30/06/23	30/06/23	–	–	<b>5,067</b>	4,758	<b>5,067</b>	4,758
Water Supply Network		30/06/23	30/06/23	–	–	<b>20,928</b>	18,583	<b>20,928</b>	18,583
Sewerage Network		30/06/23	30/06/23	–	–	<b>15,928</b>	13,217	<b>15,928</b>	13,217
Swimming Pools		30/06/21	30/06/21	–	–	<b>2,947</b>	2,910	<b>2,947</b>	2,910
Other		30/06/21	30/06/21	–	–	<b>127</b>	137	<b>127</b>	137
<b>Total infrastructure, property, plant and equipment</b>				<b>–</b>	<b>–</b>	<b>510,719</b>	<b>478,939</b>	<b>510,719</b>	<b>478,939</b>

### 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.

## E2-1 Fair value measurement (continued)

### Valuation techniques

All assets have been valued at level 3 fair values

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

##### Land & Buildings

Highest and best use.

There were no assets valued where it was assumed that the highest and best use was other than its current use.

##### Plant & Equipment, Office equipment, Furniture & Fittings and Other Structures

Plant & Equipment, Office equipment and Furniture & Fittings are valued at cost. The carrying amount of these assets is assumed to approximate fair value due to the nature of the assets. Examples of assets within the classes are as follows:

*Plant & Equipment	Trucks, tractors, ride-on-mowers, earthmoving equipment and motor vehicles.
*Office Equipment	Electronic whiteboards and computer equipment
*Furniture & Fittings	Chairs, desks and filing cabinets.
*Other structures	Fences, small sheds, water tanks and street bins

The key unobservable inputs to the valuations are the remaining useful life and residual value. Council reviews the value of these

##### Community land

All valuations of Community land are based upon the land valuations issued by the Valuer-General on a regular basis.

#### Valuation techniques used to derive fair values - land and buildings

The council engages external, independent and qualified valuers to determine the fair value of the entities land on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim evaluation using appropriate indices.

A comprehensive revaluation was undertaken by APV valuers for Buildings and Operational Land as at 30 June 2022.

The main level 3 inputs used are derived and evaluated as follows –

1. Relationship between asset consumption rating scale and the level of consumed service potential – Under the cost approach the
2. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then

##### (i) Recurring fair value measurements

The following methods are used to determine the fair value measurements.

##### Land

Level 3 valuation inputs were used to value land held in freehold title (investment and noninvestment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

##### Buildings

Level 3 valuation inputs.

Last comprehensive revaluation of buildings was performed by an independent valuer (APV) on 30 June 2022. Buildings were valued using the cost approach. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

## E2-1 Fair value measurement (continued)

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### Swimming Pools

The fair value amount for this asset has been derived from assets originally classed in Other Structures. Swimming pools were valued as part of Other Structures on 30 June 2021. The valuation was based upon the depreciated replacement cost approach and unobservable inputs such as estimated patterns of consumption, residual value, asset condition and useful life require extensive professional judgement and rely on the experience of the valuer. The unobservable inputs place this class of asset at level 3. This has been no change to the valuation process during the reporting period.

### Water System Assets

This class of assets includes water mains & reticulation, reservoirs, pumping stations and treatment works. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

A comprehensive revaluation was undertaken by APV valuers for Water System Assets as at 30 June 2023.

### Sewer System Assets

This class of assets includes sewer mains & reticulation, pumping stations, treatment works and ancillary. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

A comprehensive revaluation was undertaken by APV valuers for Sewer System Assets as at 30 June 2023.

### Roads, Bridges, Bulk Earthworks and other Infrastructure Assets

This class of asset includes roads, culverts, bridges, footpaths, kerb & gutter, bulk earthworks and causeways. The valuation of the infrastructure assets has been undertaken internally by Council's Engineering Department by experienced Engineers. This valuation relies on key unobservable inputs such as unit rates, gross replacement cost, condition ratings, pattern of consumption, useful life and residual value. The valuation process also relied on the skill and experience of the Engineers. The key unobservable inputs and no active market places this asset category at Level 3. The last valuation was undertaken internally by Council's Engineers on 30 June 2020. There has been no change to the valuation process during the reporting year.

### Stormwater Drainage

This class of assets includes culverts, mains, open drains, trash screens, GPT. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

A comprehensive revaluation was undertaken by APV valuers for Stormwater Drainage as at 30 June 2023.

### Remediation Assets

This class of asset includes the various landfill sites within the local government areas. Restoration, cell capping, leachate collection and site closures have been recognised as significant costs for the remediation assets. In particular the closing of a landfill site will include preparation, final cell capping, site re-vegetation and leachate management. The key unobservable inputs are discount rate, estimated costs, legislative requirements, and timing of remediation and indexation of labour costs. There has been changes to the valuation process during the reporting period. Also included in this group are the various gravel pits (quarries) operated by Council. The remediation cost include final site management and works to comply with environmental requirements. The key unobservable inputs are discount rate, estimated costs, legislative requirements, and timing of remediation and indexation of labour costs. There has been changes to the valuation process during the reporting period.

## E2-1 Fair value measurement (continued)

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

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

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

	<i>Valuation technique/s</i>	<i>Unobservable inputs</i>
<b>Infrastructure, property, plant and equipment</b>		
Plant & Equipment, office equipment, furniture & fittings	Cost	Gross Replacement Costs, Useful Life, Residual Value
Operational land	Market	Land Value
Community land	Land Values issued by Valuer General	Land Value
Land Improvements -depreciable	Cost	Replacement Costs, Useful Life, Asset Condition
Buildings	Market	Replacement Costs, Useful Life, Asset Condition
Other structures	Cost	Replacement Costs, Useful Life, Asset Condition
Roads, bridges, footpaths	Cost	Replacement Costs, Useful Life, Asset Condition
Stormwater drainage	Cost	Replacement Costs, Useful Life, Asset Condition
Water supply & sewerage network	Cost	Replacement Costs, Useful Life, Asset Condition
Swimming pools	Cost	Gross Replacement Costs, Useful Life
Other	Cost	Gross Replacement Costs, Useful Life
Tip & quarry asset	Cost	Replacement Costs, Useful Life, Asset Condition

### 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

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

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

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

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

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

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

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

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

\* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

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

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

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

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

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

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

## E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$95,371.69. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$32,925.79. Council's expected contribution to the plan for the next annual reporting period is \$81,274.39.

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

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

\* excluding other accumulation accounts and reserves in both assets and liabilities.

The share of any funding surplus or deficit that can be attributed to Council is 0.33%

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

\* Plus promotional increases

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

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

### (ii) 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.



## E3-1 Contingencies (continued)

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### **(iv) Other guarantees**

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

### **(v) The Community Mutual Group**

Council provides bank guarantees to the value of \$422 804.69 to provide additional assistance to borrowers for home loans relating to properties within the local government area. The guarantees are provided to The Community Mutual Group.

## **2. Other**

### **(i) Third party claims**

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

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

## 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:

	2024 \$ '000	2023 \$ '000
<b>Compensation:</b>		
Short-term benefits	876	667
Post-employment benefits	78	53
Other long-term benefits	144	101
<b>Total</b>	<b>1,098</b>	<b>821</b>

#### 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.

Nature of the transaction	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
<b>2024</b>					
Employee Expenses relating to close family members of KMP	120	-	Council staff award	-	-
Contractors	257	-	7 days on invoice	-	-
<b>2023</b>					
Employee Expenses relating to close family members of KMP	156	-	Council staff award	-	-
Contractors	240	-	7 days on invoice	-	-

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

	2024 \$ '000	2023 \$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	31	30
Councillors' fees	127	123
Other Councillors' expenses (including Mayor)	112	95
<b>Total</b>	<b>270</b>	<b>248</b>

## F2 Other relationships

### F2-1 Audit fees

	2024 \$ '000	2023 \$ '000
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	99	61
<b>Remuneration for audit and other assurance services</b>	<b>99</b>	<b>61</b>
<b>Total Auditor-General remuneration</b>	<b>99</b>	<b>61</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	8	8
<b>Remuneration for audit and other assurance services</b>	<b>8</b>	<b>8</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>8</b>	<b>8</b>
<b>Total audit fees</b>	<b>107</b>	<b>69</b>

## G Other matters

### G1-1 Statement of Cash Flows information

#### Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
<b>Net operating result from Income Statement</b>	<b>10,264</b>	16,807
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	10,496	9,637
(Gain) / loss on disposal of assets	2,955	147
Non-cash capital grants and contributions	(70)	(538)
Unwinding of discount rates on reinstatement provisions	–	168
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	5,342	(1,423)
(Increase) / decrease of inventories	21	(65)
(Increase) / decrease of contract asset	260	(1,193)
Increase / (decrease) in payables	179	(2,068)
Increase / (decrease) in accrued interest payable	(5)	6
Increase / (decrease) in other accrued expenses payable	(1,009)	1,728
Increase / (decrease) in other liabilities	1,144	82
Increase / (decrease) in contract liabilities	(2,017)	3,997
Increase / (decrease) in employee benefit provision	287	209
Increase / (decrease) in other provisions	(1,092)	–
<b>Net cash flows from operating activities</b>	<b>26,755</b>	<b>27,494</b>

### G2-1 Commitments

#### Capital commitments (exclusive of GST)

	2024 \$ '000	2023 \$ '000
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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

Buildings	170	–
Regional Drought Resilience Plan	31	31
Bingara North and East Pressure Sewer Construction	–	1,736
County Boundary Road Pallamallawa - drainage construction	–	760
<b>Total commitments</b>	<b>201</b>	<b>2,527</b>

#### These expenditures are payable as follows:

Within the next year	201	2,527
<b>Total payable</b>	<b>201</b>	<b>2,527</b>

#### Sources for funding of capital commitments:

Unrestricted general funds	201	2,527
<b>Total sources of funding</b>	<b>201</b>	<b>2,527</b>

## G3-1 Events occurring after the reporting date

---

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

## G4 Statement of developer contributions

### G4-1 Summary of developer contributions

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
S7.11 not under plans	721	135	–	–	–	–	856	–	
<b>Total contributions</b>	<b>721</b>	<b>135</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>856</b>	<b>–</b>	

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

### G4-2 Contributions not under plans

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
<b>CONTRIBUTIONS NOT UNDER A PLAN</b>									
Roads	721	135	–	–	–	–	856	–	
<b>Total</b>	<b>721</b>	<b>135</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>856</b>	<b>–</b>	

## G5 Statement of performance measures

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

\$ '000	<b>Amounts 2024</b>	<b>Indicator 2024</b>	<b>Indicators</b>		<b>Benchmark</b>
			2023	2022	
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(418)</b>	<b>(0.91)%</b>	(7.48)%	(15.15)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>45,791</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>26,272</b>	<b>44.21%</b>	35.95%	42.14%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>59,428</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>12,177</b>	<b>3.14x</b>	3.25x	1.15x	> 1.50x
Current liabilities less specific purpose liabilities	<b>3,873</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>10,982</b>	<b>5.61x</b>	2.86x	2.65x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>1,957</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>967</b>	<b>7.45%</b>	6.58%	5.50%	< 10.00%
Rates and annual charges collectable	<b>12,980</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>33,016</b>	<b>9.65</b>	8.84	1.51	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>3,421</b>	<b>months</b>	months	months	months

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

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

## G5-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses	<b>0.04%</b>	(7.59)%	<b>(11.34)%</b>	2.11%	<b>(20.02)%</b>	(21.60)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions	<b>41.28%</b>	33.25%	<b>96.17%</b>	91.93%	<b>98.27%</b>	88.85%	> 60.00%
Total continuing operating revenue							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>3.14x</b>	2.71x	<b>9.34x</b>	14.08x	<b>25.88x</b>	44.72x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation	<b>5.99x</b>	2.75x	<b>4.70x</b>	5.91x	<b>1.23x</b>	0.67x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	<b>6.81%</b>	7.52%	<b>12.75%</b>	0.00%	<b>10.23%</b>	0.00%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>8.93 months</b>	7.44 months	∞	∞	∞	∞	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(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**



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Gwydir Shire Council

To the Councillors of Gwydir Shire Council

### Opinion

I have audited the accompanying financial statements of Gwydir 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

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

- that the Council carried out its activities effectively, efficiently and economically
- 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.



Furqan Yousuf  
Delegate of the Auditor-General for New South Wales

18 October 2024  
SYDNEY

Cr Tiffany Galvin  
Mayor  
Gwydir Shire Council  
Locked Bag 5  
BINGARA NSW 240

Contact: Furqan Yousuf  
Phone no: 02 9275 7470  
Our ref: R008-2124742775-6363

18 October 2024

Dear Mayor

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





I have audited the general purpose financial statements (GPFS) of the Gwydir 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	12.1	11.5	5.2 
Grants and contributions revenue	33.2	38.8	14.4 
Operating result from continuing operations	10.3	16.8	38.7 
Net operating result before capital grants and contributions	(3.4)	(3.2)	6.2 

Rates and annual charges revenue (\$12.1 million) increased by \$0.6 million (5.2 per cent) in 2023–24 due to rate peg increase of 4.1 per cent and increase in annual charges for sewer supply due to additional charge levied by the Council for the sewer extension project.

Grants and contributions revenue (\$33.2 million) decreased by \$5.6 million (14.4 per cent) in 2023–24. This was mainly due to decrease of:

- \$5.5 million in flood work grants recognised in the previous financial year
- \$1.0 million in financial assistance grant (Council received in advance 85 per cent of FAG compared to the 100 per cent received in 2022-23)
- \$850,000 for the one-off Gwydir learning centre grant received in the previous financial year
- \$717,000 for the one-off Warialda emergency accommodation grant received in the previous financial year.

The above movements were partially offset by increase of:

- \$1.8 million in grants and contributions for operational purposes (excluding FAG)
- \$1.4 million in grants for transport other roads and bridges.

Council’s operating result from continuing operations (\$10.3 million including depreciation, amortisation and impairment expense of \$10.5 million) was \$6.5 million lower than the 2022–23 result. This was mainly due to decrease in grants and contributions revenue, as explained above.

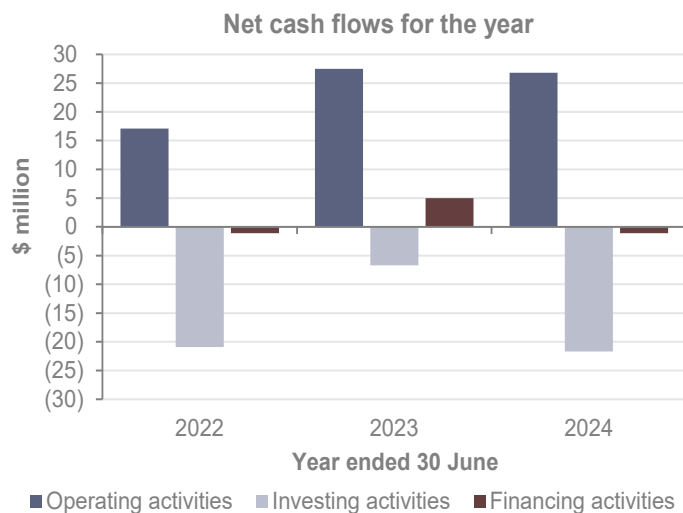
The net operating result before capital grants and contributions (deficit of \$3.4 million) was \$0.2 million lower than the 2022–23 result.

## STATEMENT OF CASH FLOWS

Cash from operating activities decreased by \$739,000, mainly due to a decrease in grants and contributions received during the year.

Cash outflows from investing activities increased by \$15.0 million mainly due to purchases and sales of investments offsetting each other in the current financial year compared to significant net inflows from conversion of investments to cash and cash equivalents in the previous financial year.

Cash from financing activities decreased by \$6.1 million mainly due to no new borrowings during the year compared to \$7.0 million borrowings received in the previous year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>33.0</b>	<b>29.0</b>	Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council's externally restricted balances comprise mainly of specific purpose unexpended grants, water funds, sewer funds, waste management and Regional and Local Roads Repair program.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	24.1	24.5	Internal allocations are determined by council policies or decisions, which are subject to change.
• Internal allocations	6.9	4.0	At 30 June 2024 Council holds \$2.0 million in unrestricted and unallocated cash, cash equivalents and investments (2022-23: \$504,000). The increase in unrestricted cash balances is mainly due to increased cash reserves and decrease in internal restrictions as at 30 June 2024.

### Debt

At 30 June 2024, Council had:

- \$10.0 million in secured loans (\$11.0 million in 2022-23)
- \$500,000 in approved overdraft facility with Nil drawn down
- \$100,000 in credit card facility with \$27,000 used.

# PERFORMANCE

## Performance measures

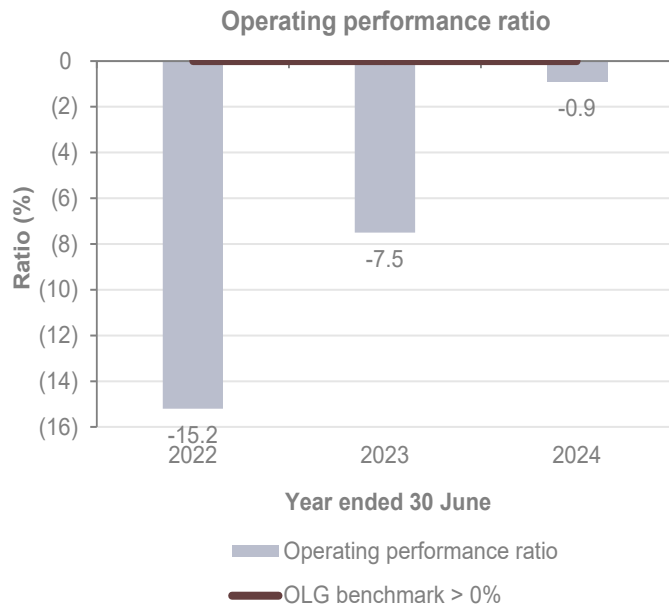
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

### Operating performance ratio

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

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.

The ratio has improved from previous year mainly due to increase in revenue from user charges and fees, operating grants and contributions and interest income.

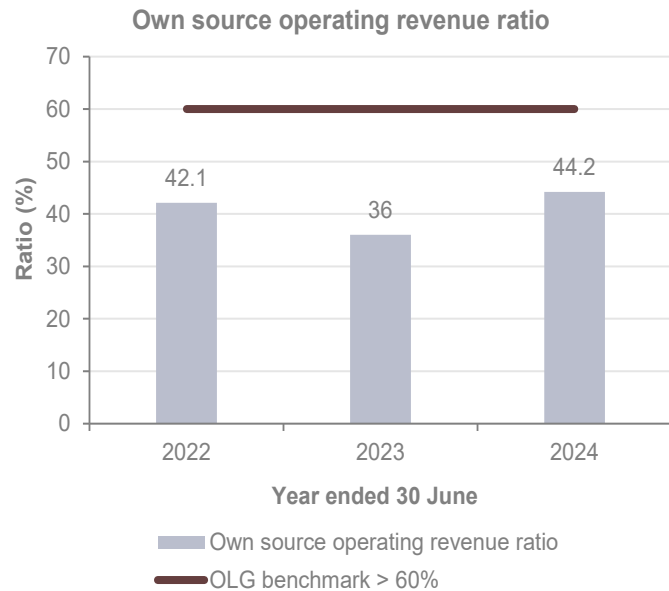


### Own source operating revenue ratio

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 ratio has improved during the year due to increase in revenue from user charges and fees, and interest income. The overall decrease in grants and contributions received during the year, has also impacted this measure positively.



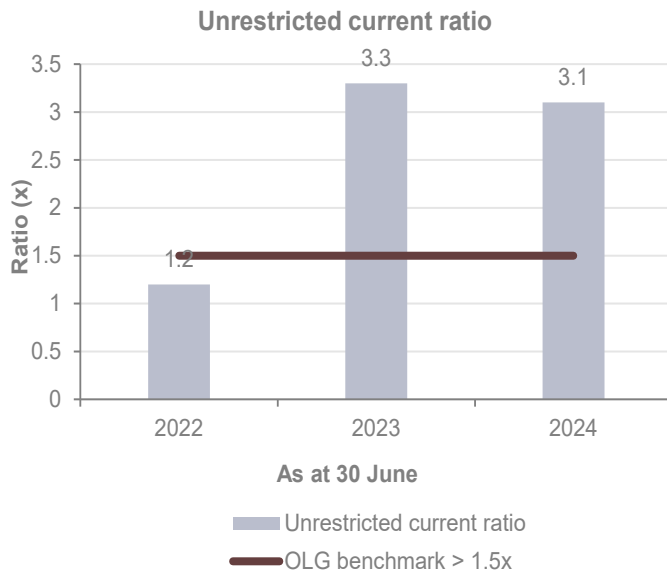


### Unrestricted current ratio

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 ratio has remained consistent with the previous year.

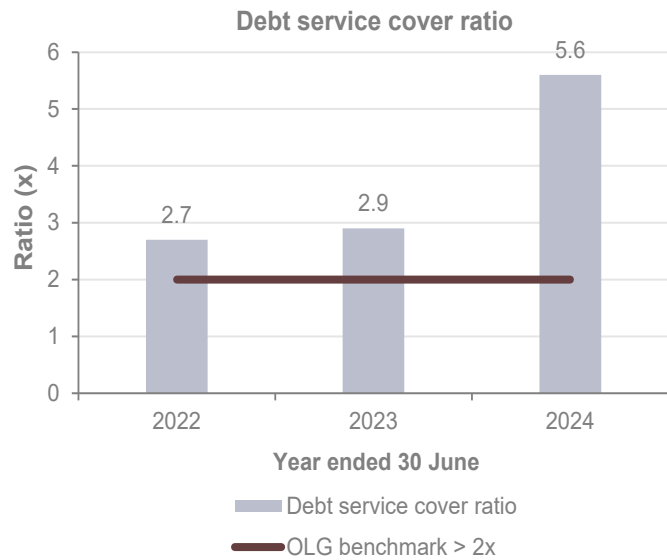


### Debt service cover ratio

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.

The ratio has increased from previous year mainly due to improved operating result before capital grants excluding interest, depreciation and impairment.

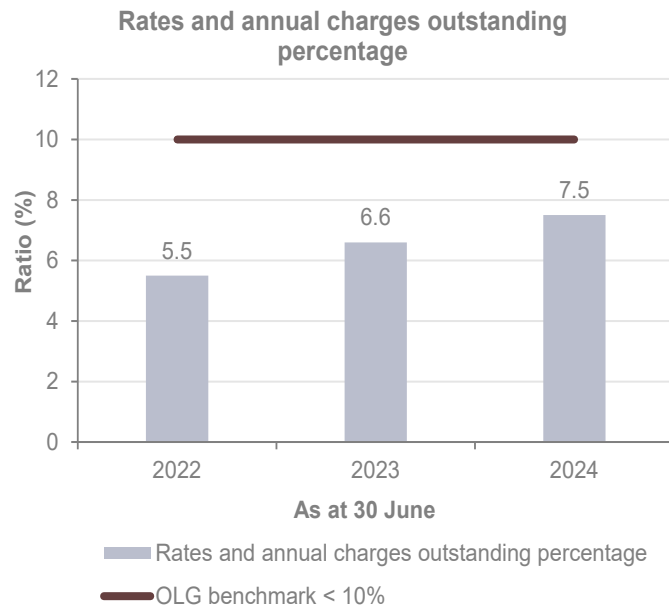


## Rates and annual charges outstanding percentage

Council exceeded 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 ratio has declined from previous year mainly due to increase in rates and annual charges receivables.

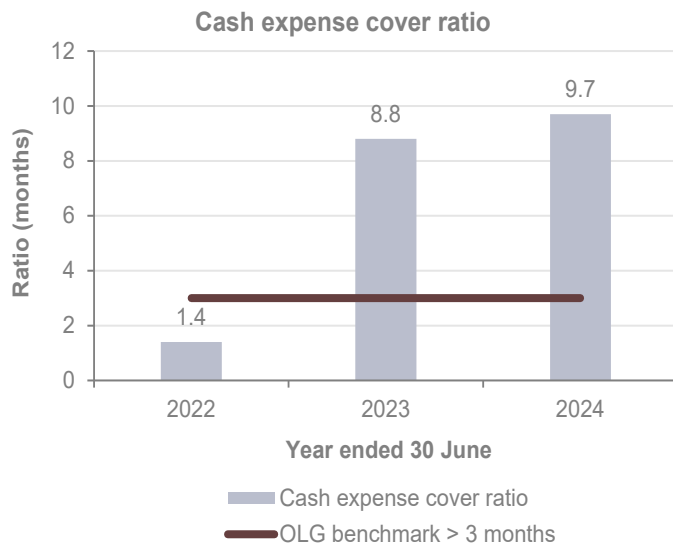


## Cash expense cover ratio

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 ratio has increased from previous year mainly due to increase in cash reserves held by the Council.



## Infrastructure, property, plant and equipment renewals

Council renewed \$15.1 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on renewals of IB Bore road, County Boundary road and Wearnes road. A further \$8.4 million was spent on new assets including roads, sewerage network extension and plant & equipment.

## 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.



Furqan Yousuf  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

# Gwydir Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*To be the recognised leader in Local Government through  
continuous learning and sustainability.*



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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).

## Gwydir Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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

The attached Special Purpose Financial Statements have been prepared in accordance with:

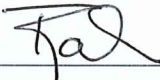
- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.
- 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 17 October 2024.



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**Tiffany Galvin**  
**Mayor**  
17 October 2024



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**Sean Coleman**  
**Councillor**  
17 October 2024



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**Max Eastcott**  
**General Manager**  
17 October 2024



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**Helen Thomas**  
**Responsible Accounting Officer**  
17 October 2024

## Gwydir Shire Council

## Income Statement of water supply business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>Income from continuing operations</b>		
Access charges	910	818
User charges	1,080	859
Fees	1	2
Interest and investment income	14	19
Other income	5	10
<b>Total income from continuing operations</b>	<b>2,010</b>	<b>1,708</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	506	449
Borrowing costs	74	87
Materials and services	1,154	632
Depreciation, amortisation and impairment	502	391
Net loss from the disposal of assets	-	111
Other expenses	2	2
<b>Total expenses from continuing operations</b>	<b>2,238</b>	<b>1,672</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(228)</b>	<b>36</b>
Grants and contributions provided for capital purposes	80	150
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(148)</b>	<b>186</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(148)</b>	<b>186</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	-	(9)
<b>Surplus (deficit) after tax</b>	<b>(148)</b>	<b>177</b>
<b>Plus accumulated surplus</b>	<b>13,010</b>	<b>12,824</b>
<b>Plus adjustments for amounts unpaid:</b>		
- Corporate taxation equivalent	-	9
<b>Closing accumulated surplus</b>	<b>12,862</b>	<b>13,010</b>
<b>Return on capital %</b>	<b>(0.7)%</b>	<b>0.6%</b>
<b>Subsidy from Council</b>	<b>1,060</b>	<b>700</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	(148)	177
Less: capital grants and contributions (excluding developer contributions)	(80)	(150)
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>27</b>
<b>Potential dividend calculated from surplus</b>	<b>-</b>	<b>14</b>

## Gwydir Shire Council

### Income Statement of sewerage business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>Income from continuing operations</b>		
Access charges	860	703
User charges	144	122
Interest and investment income	14	34
Other income	6	2
<b>Total income from continuing operations</b>	<b>1,024</b>	<b>861</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	400	388
Borrowing costs	137	3
Materials and services	455	379
Depreciation, amortisation and impairment	236	185
Net loss from the disposal of assets	-	82
Other expenses	1	10
<b>Total expenses from continuing operations</b>	<b>1,229</b>	<b>1,047</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(205)</b>	<b>(186)</b>
Grants and contributions provided for capital purposes	18	108
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(187)</b>	<b>(78)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(187)</b>	<b>(78)</b>
<b>Surplus (deficit) after tax</b>	<b>(187)</b>	<b>(78)</b>
<b>Plus accumulated surplus</b>	<b>8,309</b>	<b>8,387</b>
<b>Plus adjustments for amounts unpaid:</b>		
<b>Closing accumulated surplus</b>	<b>8,122</b>	<b>8,309</b>
<b>Return on capital %</b>	<b>(0.4)%</b>	<b>(1.2)%</b>
<b>Subsidy from Council</b>	<b>851</b>	<b>805</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	(187)	(78)
Less: capital grants and contributions (excluding developer contributions)	(18)	(108)
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>-</b>
<b>Potential dividend calculated from surplus</b>	<b>-</b>	<b>-</b>



## Gwydir Shire Council

### Income Statement of Waste business activity

for the year ended 30 June 2024

	<b>2024</b>	<b>2023</b>
	<b>Category 2</b>	<b>Category 2</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Income from continuing operations</b>		
Annual charges	1,538	1,481
Interest and investment income	35	57
Other income	101	218
<b>Total income from continuing operations</b>	<b>1,674</b>	<b>1,756</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	457	369
Borrowing costs	1	2
Materials and services	1,053	971
Depreciation, amortisation and impairment	531	629
Other expenses	5	–
<b>Total expenses from continuing operations</b>	<b>2,047</b>	<b>1,971</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(373)</b>	<b>(215)</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(373)</b>	<b>(215)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(373)</b>	<b>(215)</b>
<b>Surplus (deficit) after tax</b>	<b>(373)</b>	<b>(215)</b>
<b>Plus accumulated surplus</b>	<b>2,369</b>	<b>2,584</b>
<b>Plus adjustments for amounts unpaid:</b>		
<b>Closing accumulated surplus</b>	<b>1,996</b>	<b>2,369</b>
<b>Return on capital %</b>	<b>(21.5)%</b>	<b>(6.7)%</b>
<b>Subsidy from Council</b>	<b>447</b>	<b>342</b>

## Gwydir Shire Council

### Income Statement of Naroo aged care

for the year ended 30 June 2024

	<b>2024</b>	<b>2023</b>
	<b>Category 1</b>	<b>Category 1</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Income from continuing operations</b>		
Rentals	4,520	3,826
Investment revenues	3	6
Other income	47	18
<b>Total income from continuing operations</b>	<b>4,570</b>	<b>3,850</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	2,540	2,316
Borrowing costs	100	125
Materials and services	1,358	1,174
Depreciation, amortisation and impairment	139	124
Other expenses	81	83
<b>Total expenses from continuing operations</b>	<b>4,218</b>	<b>3,822</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>352</b>	<b>28</b>
Grants and contributions provided for capital purposes	129	441
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>481</b>	<b>469</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>481</b>	<b>469</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(88)	(7)
<b>Surplus (deficit) after tax</b>	<b>393</b>	<b>462</b>
<b>Plus accumulated surplus</b>	<b>47</b>	<b>(422)</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	88	7
<b>Closing accumulated surplus</b>	<b>528</b>	<b>47</b>
<b>Return on capital %</b>	<b>5.1%</b>	<b>1.9%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>173</b>

## Gwydir Shire Council

### Statement of Financial Position of water supply business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,318	1,235
Receivables	413	318
Inventories	24	20
<b>Total current assets</b>	<b>1,755</b>	<b>1,573</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	21,061	20,461
<b>Total non-current assets</b>	<b>21,061</b>	<b>20,461</b>
<b>Total assets</b>	<b>22,816</b>	<b>22,034</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	33	52
Borrowings	155	155
<b>Total current liabilities</b>	<b>188</b>	<b>207</b>
<b>Non-current liabilities</b>		
Borrowings	740	891
<b>Total non-current liabilities</b>	<b>740</b>	<b>891</b>
<b>Total liabilities</b>	<b>928</b>	<b>1,098</b>
<b>Net assets</b>	<b>21,888</b>	<b>20,936</b>
<b>EQUITY</b>		
Accumulated surplus	12,862	13,010
Revaluation reserves	9,026	7,926
<b>Total equity</b>	<b>21,888</b>	<b>20,936</b>

## Gwydir Shire Council

### Statement of Financial Position of sewerage business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,159	3,359
Receivables	134	101
Inventories	1	1
<b>Total current assets</b>	<b>1,294</b>	<b>3,461</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	18,219	15,480
<b>Total non-current assets</b>	<b>18,219</b>	<b>15,480</b>
<b>Total assets</b>	<b>19,513</b>	<b>18,941</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Borrowings	50	47
<b>Total current liabilities</b>	<b>50</b>	<b>47</b>
<b>Non-current liabilities</b>		
Borrowings	1,902	1,953
<b>Total non-current liabilities</b>	<b>1,902</b>	<b>1,953</b>
<b>Total liabilities</b>	<b>1,952</b>	<b>2,000</b>
<b>Net assets</b>	<b>17,561</b>	<b>16,941</b>
<b>EQUITY</b>		
Accumulated surplus	8,122	8,309
Revaluation reserves	9,439	8,632
<b>Total equity</b>	<b>17,561</b>	<b>16,941</b>

## Gwydir Shire Council

## Statement of Financial Position of Waste business activity

as at 30 June 2024

	<b>2024</b> <b>Category 2</b> <b>\$ '000</b>	<b>2023</b> <b>Category 2</b> <b>\$ '000</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,421	4,397
Receivables	228	194
<b>Total current assets</b>	<b>4,649</b>	<b>4,591</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	1,733	3,198
<b>Total non-current assets</b>	<b>1,733</b>	<b>3,198</b>
<b>Total assets</b>	<b>6,382</b>	<b>7,789</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Borrowings	7	12
<b>Total current liabilities</b>	<b>7</b>	<b>12</b>
<b>Non-current liabilities</b>		
Borrowings	–	7
Provisions	3,531	4,591
<b>Total non-current liabilities</b>	<b>3,531</b>	<b>4,598</b>
<b>Total liabilities</b>	<b>3,538</b>	<b>4,610</b>
<b>Net assets</b>	<b>2,844</b>	<b>3,179</b>
<b>EQUITY</b>		
Accumulated surplus	1,996	2,369
Revaluation reserves	848	810
<b>Total equity</b>	<b>2,844</b>	<b>3,179</b>

## Gwydir Shire Council

## Statement of Financial Position of Naroo aged care

as at 30 June 2024

	2024 Category 1 \$ '000	2023 Category 1 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	515	569
Receivables	20	54
<b>Total current assets</b>	<b>535</b>	<b>623</b>
<b>Non-current assets</b>		
Receivables	136	136
Infrastructure, property, plant and equipment	8,812	8,103
<b>Total non-current assets</b>	<b>8,948</b>	<b>8,239</b>
<b>Total assets</b>	<b>9,483</b>	<b>8,862</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	1,049	1,178
Aged care bonds	2,582	1,431
Bank overdraft	554	1,759
Borrowings	218	214
<b>Total current liabilities</b>	<b>4,403</b>	<b>4,582</b>
<b>Non-current liabilities</b>		
Borrowings	1,688	1,907
Other Liabilities	117	117
<b>Total non-current liabilities</b>	<b>1,805</b>	<b>2,024</b>
<b>Total liabilities</b>	<b>6,208</b>	<b>6,606</b>
<b>Net assets</b>	<b>3,275</b>	<b>2,256</b>
<b>EQUITY</b>		
Accumulated surplus	528	47
Revaluation reserves	2,747	2,209
<b>Total equity</b>	<b>3,275</b>	<b>2,256</b>

## Note – Material accounting policy information

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

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

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

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

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1

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

##### Naroo Aged Care Facility

Comprising the whole of the operations and assets of the aged care facility located at Warialda.

#### Category 2

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

##### Gwydir Water Supply -

Comprising the whole of the operations and net assets of the water supply systems servicing the towns of Bingara, Warialda, Gravesend and North Star.

##### Gwydir Sewerage Services -

Comprising the whole of the operations and assets of the sewerage reticulation and treatment systems servicing the towns of Bingara and Warialda

##### Gwydir Waste Management Services -

Comprising the whole of the operations and assets of the waste management service carried out by the Waste Management contract servicing all towns and villages within Gwydir Shire

### 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,

## Note – Material accounting policy information (continued)

such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in special purpose financial statements. For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

### Notional rate applied (%)

Corporate income tax rate – **25%** (22/23 25%)

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

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

In accordance with the Department of Planning, Industry & Environment – Water guidelines, 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 Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to the DPIE – Water guidelines 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 corporate income tax rate, currently 25% (22/23 25%).

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

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 25% is/is not the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

### Local government rates and charges

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

### Loan and debt guarantee fees

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

#### (i) Subsidies

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

#### (ii) Return on investments (rate of return)

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

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



## Note – Material accounting policy information (continued)

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### (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

#### Gwydir Shire Council

To the Councillors of Gwydir Shire Council

### Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Gwydir 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
- Sewerage
- Waste
- Naroo Aged Care.

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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

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

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



Furqan Yousuf  
Delegate of the Auditor-General for New South Wales

18 October 2024  
SYDNEY

# Gwydir Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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*To be the recognised leader in Local Government through  
continuous learning and sustainability.*



Gwydir Shire Council

Special Schedules

for the year ended 30 June 2024

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## Gwydir Shire Council

## Permissible income for general rates

	Notes	Calculation 2023/24 \$ '000	Calculation 2024/25 \$ '000
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	8,472	8,834
Plus or minus adjustments <sup>2</sup>	b	14	(29)
<b>Notional general income</b>	c = a + b	<b>8,486</b>	<b>8,805</b>
<b>Permissible income calculation</b>			
Percentage increase	d	4.10%	4.50%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	348	396
<b>Sub-total</b>	g = (c + e + f)	<b>8,834</b>	<b>9,201</b>
Plus (or minus) last year's carry forward total	h	17	17
<b>Sub-total</b>	j = (h + i)	<b>17</b>	<b>17</b>
<b>Total permissible income</b>	k = g + j	<b>8,851</b>	<b>9,218</b>
Less notional general income yield	l	8,834	9,198
<b>Catch-up or (excess) result</b>	m = k - l	<b>17</b>	<b>20</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>17</b>	<b>20</b>

**Notes**

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (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

#### Gwydir Shire Council

To the Councillors of Gwydir Shire Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Gwydir 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](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

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

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



Furqan Yousuf  
Delegate of the Auditor-General for New South Wales

18 October 2024  
SYDNEY

## Gwydir Shire Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard		Estimated cost to bring assets to agreed level of service set by Council	2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000			\$ '000	1	2	3	4
Buildings	Buildings – non-specialised	663	–	809	809	29,088	45,246	17.0%	31.0%	36.0%	12.0%	4.0%	
	Buildings – specialised	295	–	793	793	37,372	50,275	30.0%	46.0%	16.0%	7.0%	1.0%	
	<b>Sub-total</b>	<b>958</b>	<b>–</b>	<b>1,602</b>	<b>1,602</b>	<b>66,459</b>	<b>95,521</b>	<b>23.8%</b>	<b>38.9%</b>	<b>25.5%</b>	<b>9.4%</b>	<b>2.4%</b>	
Other structures	Other structures	–	–	5	5	8,345	11,562	77.0%	18.0%	5.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>5</b>	<b>8,345</b>	<b>11,562</b>	<b>77.0%</b>	<b>18.0%</b>	<b>5.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
Roads	Roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sealed roads	464	–	7,281	7,281	185,150	216,183	54.0%	36.0%	7.0%	3.0%	0.0%	
	Unsealed roads	195	–	1,364	1,364	24,001	49,026	38.0%	40.0%	15.0%	3.0%	4.0%	
	Bridges	–	–	–	–	43,599	55,226	47.0%	48.0%	5.0%	0.0%	0.0%	
	Footpaths	169	–	100	100	2,562	4,251	25.0%	16.0%	44.0%	14.0%	1.0%	
	Kerb & Guttering	71	–	6	6	1,552	2,389	18.0%	47.0%	18.0%	14.0%	3.0%	
	Other road assets (incl. bulk earth works)	–	–	–	–	107,951	107,951	83.0%	17.0%	0.0%	0.0%	0.0%	
<b>Sub-total</b>	<b>899</b>	<b>–</b>	<b>8,751</b>	<b>8,751</b>	<b>364,813</b>	<b>435,026</b>	<b>58.0%</b>	<b>33.1%</b>	<b>6.3%</b>	<b>2.0%</b>	<b>0.6%</b>		
Water supply network	Water supply network	66	–	567	567	20,928	30,762	39.0%	45.0%	14.0%	0.0%	2.0%	
	<b>Sub-total</b>	<b>66</b>	<b>–</b>	<b>567</b>	<b>567</b>	<b>20,927</b>	<b>30,762</b>	<b>39.0%</b>	<b>45.0%</b>	<b>14.0%</b>	<b>0.0%</b>	<b>2.0%</b>	
Sewerage network	Sewerage network	66	–	291	291	15,928	22,198	27.0%	45.0%	27.0%	1.0%	0.0%	
	<b>Sub-total</b>	<b>66</b>	<b>–</b>	<b>291</b>	<b>291</b>	<b>15,927</b>	<b>22,198</b>	<b>27.0%</b>	<b>45.0%</b>	<b>27.0%</b>	<b>1.0%</b>	<b>0.0%</b>	

## Gwydir Shire Council

## Report on infrastructure assets as at 30 June 2024 (continued)

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		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					
<b>Stormwater drainage</b>	Stormwater drainage	–	–	25	25	5,067	7,080	6.0%	87.0%	7.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>25</b>	<b>25</b>	<b>5,067</b>	<b>7,080</b>	<b>6.0%</b>	<b>87.0%</b>	<b>7.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Open space / recreational assets</b>	Swimming pools	–	–	529	529	2,947	4,010	57.0%	0.0%	43.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>529</b>	<b>529</b>	<b>2,947</b>	<b>4,010</b>	<b>57.0%</b>	<b>0.0%</b>	<b>43.0%</b>	<b>0.0%</b>	<b>0.0%</b>
	<b>Total – all assets</b>	<b>1,989</b>	<b>–</b>	<b>11,770</b>	<b>11,770</b>	<b>484,485</b>	<b>606,159</b>	<b>50.3%</b>	<b>35.2%</b>	<b>10.7%</b>	<b>3.0%</b>	<b>0.8%</b>

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

## Infrastructure asset condition assessment 'key'

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

## Gwydir 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	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>3,683</b>	<b>70.85%</b>	44.54%	128.41%	> 100.00%
Depreciation, amortisation and impairment	<b>5,198</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>1,989</b>	<b>0.39%</b>	0.32%	0.66%	< 2.00%
Net carrying amount of infrastructure assets	<b>508,447</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>11,770</b>	<b>100.00%</b>	100.00%	100.00%	> 100.00%
Required asset maintenance	<b>11,770</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>–</b>	<b>0.00%</b>	0.00%	0.00%	
Gross replacement cost	<b>606,159</b>				

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

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

## Gwydir Shire Council

## Report on infrastructure assets as at 30 June 2024

## Infrastructure asset performance indicators (by fund)

\$ '000	<i>General fund</i>		<i>Water fund</i>		<i>Sewer fund</i>		<i>Benchmark</i>
	<b>2024</b>	2023	<b>2024</b>	2023	<b>2024</b>	2023	
<b>Buildings and infrastructure renewals ratio</b>							
Asset renewals <sup>1</sup>	<b>74.29%</b>	65.52%	<b>17.66%</b>	18.44%	<b>112.78%</b>	28.98%	> 100.00%
Depreciation, amortisation and impairment							
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard	<b>0.39%</b>	0.31%	<b>0.32%</b>	0.46%	<b>0.41%</b>	0.45%	< 2.00%
Net carrying amount of infrastructure assets							
<b>Asset maintenance ratio</b>							
Actual asset maintenance	<b>100.00%</b>	100.00%	<b>100.00%</b>	100.00%	<b>100.00%</b>	100.00%	> 100.00%
Required asset maintenance							
<b>Cost to bring assets to agreed service level</b>							
Estimated cost to bring assets to an agreed service level set by Council	<b>0.00%</b>	0.00%	<b>0.00%</b>	0.00%	<b>0.00%</b>	0.00%	
Gross replacement cost							

(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.