

# Kyogle Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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# Kyogle Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

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## General Purpose Financial Statements

for the year ended 30 June 2024

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### Overview

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

1 Stratheden Street  
Kyogle NSW 2474

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

# Kyogle 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 (2c) of the *Local Government Act 1993* (NSW)

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

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

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

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

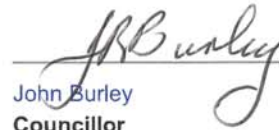
**We are not aware of any matter that would render these statements false or misleading in any way.**

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



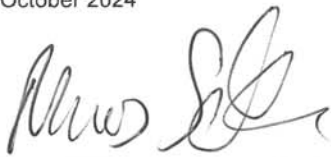
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Danielle Mulholland  
**Mayor**  
28 October 2024



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John Burley  
**Councillor**  
28 October 2024



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Marcus Schintler  
**Acting General Manager**  
28 October 2024



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Glenn Rose  
**Responsible Accounting Officer**  
28 October 2024

# Kyogle Council

## Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Income from continuing operations</b>				
12,967	Rates and annual charges	B2-1	<b>12,928</b>	11,880
7,185	User charges and fees	B2-2	<b>14,954</b>	11,203
6	Other revenues	B2-3	<b>76</b>	122
7,682	Grants and contributions provided for operating purposes	B2-4	<b>11,780</b>	14,025
39,416	Grants and contributions provided for capital purposes	B2-4	<b>56,708</b>	79,485
682	Interest and investment income	B2-5	<b>2,230</b>	1,004
222	Net gain from the disposal of assets	B4-1	<b>–</b>	–
<u>68,160</u>	<b>Total income from continuing operations</b>		<u><b>98,676</b></u>	<u>117,719</u>
<b>Expenses from continuing operations</b>				
10,026	Employee benefits and on-costs	B3-1	<b>11,050</b>	9,462
2,565	Materials and services	B3-2	<b>13,717</b>	12,775
269	Borrowing costs	B3-3	<b>283</b>	313
8,877	Depreciation, amortisation and impairment of non-financial assets	B3-4	<b>10,228</b>	9,518
2,695	Other expenses	B3-5	<b>396</b>	716
–	Net loss from the disposal of assets	B4-1	<b>5,718</b>	7,169
<u>24,432</u>	<b>Total expenses from continuing operations</b>		<u><b>41,392</b></u>	<u>39,953</u>
<u>43,728</u>	<b>Operating result from continuing operations</b>		<u><b>57,284</b></u>	<u>77,766</u>
<u>43,728</u>	<b>Net operating result for the year attributable to Council</b>		<u><b>57,284</b></u>	<u>77,766</u>
<u>4,312</u>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<u><b>576</b></u>	<u>(1,719)</u>

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

# Kyogle Council

## Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Net operating result for the year – from Income Statement</b>		<b>57,284</b>	<b>77,766</b>
<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	C1-6	<b>33,018</b>	(5,980)
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-6	<b>895</b>	12,962
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>33,913</b>	6,982
<b>Total other comprehensive income for the year</b>		<b>33,913</b>	6,982
<b>Total comprehensive income for the year attributable to Council</b>		<b>91,197</b>	<b>84,748</b>

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

# Kyogle Council

## Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	60,179	51,508
Receivables	C1-3	6,148	9,883
Inventories	C1-4	2,881	2,283
Contract assets	C1-5	2,876	1,384
<b>Total current assets</b>		<b>72,084</b>	<b>65,058</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment (IPPE)	C1-6	648,330	550,506
<b>Total non-current assets</b>		<b>648,330</b>	<b>550,506</b>
<b>Total assets</b>		<b>720,414</b>	<b>615,564</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	8,849	12,835
Contract liabilities	C3-2	27,149	7,760
Borrowings	C3-3	2,089	1,832
Employee benefit provisions	C3-4	2,654	2,844
<b>Total current liabilities</b>		<b>40,741</b>	<b>25,271</b>
<b>Non-current liabilities</b>			
Payables	C3-1	134	212
Borrowings	C3-3	9,802	11,594
Employee benefit provisions	C3-4	164	144
Provisions	C3-5	761	728
<b>Total non-current liabilities</b>		<b>10,861</b>	<b>12,678</b>
<b>Total liabilities</b>		<b>51,602</b>	<b>37,949</b>
<b>Net assets</b>		<b>668,812</b>	<b>577,615</b>
<b>EQUITY</b>			
Accumulated surplus		358,029	300,745
IPPE revaluation reserve	C4-1	310,783	276,870
<b>Council equity interest</b>		<b>668,812</b>	<b>577,615</b>
<b>Total equity</b>		<b>668,812</b>	<b>577,615</b>

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

## Kyogle Council

### Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	2024		2023	
	Accumulated surplus	IPPE revaluation reserve	Accumulated surplus	IPPE revaluation reserve
	Total equity	Total equity	Total equity	Total equity
Opening balance at 1 July	300,745	276,870	222,979	269,888
<b>Opening balance</b>	<b>300,745</b>	<b>276,870</b>	<b>222,979</b>	<b>269,888</b>
Net operating result for the year	57,284	–	77,766	–
<b>Net operating result for the period</b>	<b>57,284</b>	<b>–</b>	<b>77,766</b>	<b>–</b>
<b>Other comprehensive income</b>				
Gain (loss) on revaluation of infrastructure, property, plant and equipment	–	33,018	–	(5,980)
– Impairment (loss) reversal relating to IPP&E	–	895	–	12,962
<b>Other comprehensive income</b>	<b>–</b>	<b>33,913</b>	<b>–</b>	<b>6,982</b>
<b>Total comprehensive income</b>	<b>57,284</b>	<b>33,913</b>	<b>77,766</b>	<b>84,748</b>
<b>Closing balance at 30 June</b>	<b>358,029</b>	<b>310,783</b>	<b>300,745</b>	<b>276,870</b>

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



## Kyogle Council

## Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
12,967	Rates and annual charges		12,112	12,670
7,185	User charges and fees		16,935	9,898
682	Interest received		2,131	893
47,098	Grants and contributions		88,680	90,676
–	Bonds, deposits and retentions received		–	45
6	Other		8,637	6,309
<i>Payments:</i>				
(10,026)	Payments to employees		(11,081)	(9,148)
(2,565)	Payments for materials and services		(23,880)	(18,904)
(269)	Borrowing costs		(269)	(307)
–	Bonds, deposits and retentions refunded		(148)	–
(2,695)	Other		(438)	(1,974)
52,383	<b>Net cash provided from (or used in) operating activities</b>	G1-1	<b>92,679</b>	90,158
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
1,290	Proceeds from sale of IPPE		415	400
<i>Payments:</i>				
(51,650)	Payments for IPPE		(82,888)	(77,687)
(50,360)	<b>Net cash provided from (or used in) investing activities</b>		<b>(82,473)</b>	(77,287)
<b>Cash flows from financing activities</b>				
<i>Payments:</i>				
(1,753)	Repayment of borrowings		(1,754)	(1,716)
–	Bank overdraft		219	24
(1,753)	<b>Net cash flow provided from (used in) financing activities</b>		<b>(1,535)</b>	(1,692)
270	<b>Net change in cash and cash equivalents</b>		<b>8,671</b>	11,179
51,508	Cash and cash equivalents at beginning of year		51,508	40,329
51,778	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>60,179</b>	51,508

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

# Kyogle Council

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# Kyogle 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 28 October 2024. Council has the power to amend and reissue these financial statements.

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

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

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

#### **Historical cost convention**

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

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

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

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (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

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

### **Monies and other assets received by Council**

#### **The Consolidated Fund**

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

The Consolidated fund has been included in the financial statements of Council.

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

- General purpose operations
- Water service
- Sewerage service
- Domestic Waste Management

## A1-1 Basis of preparation (continued)

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### The Trust Fund

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

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

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

- Companion Animals Receipts.
- Unclaimed Monies.
- Monumental Deposits.
- Long Services Levies.

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

### Volunteer services

Council has minimal dependence on volunteer services, these services have not been recognised in the income statement as they are not material.

### 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 current reporting period and which have not been adopted.

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

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

### New accounting standards adopted during the year

During the year, Council adopted all standards which were mandatorily effective for 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.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Functions or activities</b>										
Governance	-	-	806	502	(806)	(502)	-	-	-	-
Administration	1	1	1,481	1,173	(1,480)	(1,172)	-	-	44,457	49,538
Personnel	136	135	986	731	(850)	(596)	35	31	-	-
Finance	13,958	13,362	981	799	12,977	12,563	3,710	4,685	-	-
Crown reserves	247	975	329	684	(82)	291	247	975	-	-
Town planning	208	273	586	587	(378)	(314)	13	92	-	-
Environmental health	261	309	686	782	(425)	(473)	93	143	110	80
Building control	51	64	132	127	(81)	(63)	-	-	-	-
Animal control	32	23	161	165	(129)	(142)	-	-	58	57
Other waste management	1,725	1,143	1,673	993	52	150	223	-	1,195	1,619
Strategic, community & cultural services	186	444	1,397	1,530	(1,211)	(1,086)	182	436	2,020	2,783
Pre schools	2	-	72	77	(70)	(77)	2	-	48	-
Public libraries	94	90	574	549	(480)	(459)	94	90	6	6
Regional roads	19,051	5,752	2,256	2,223	16,795	3,529	19,051	5,752	60,707	64,278
Urban roads	7,697	2,176	1,224	1,452	6,473	724	7,697	2,176	21,277	18,524
Rural roads	27,619	51,138	7,092	4,338	20,527	46,800	27,619	51,138	238,175	181,886
Bridges	6,646	24,709	5,955	6,053	691	18,656	6,646	24,709	210,045	158,988
Emergency services	1,069	17	862	687	207	(670)	1,069	17	5,077	4,154
Swimming pools	146	175	983	891	(837)	(716)	-	-	4,433	4,325
Parks & gardens	1,013	1,120	1,129	1,086	(116)	34	980	1,120	7,180	10,624
Community buildings	292	427	426	373	(134)	54	118	249	11,847	11,639
Public cemeteries	283	156	259	205	24	(49)	105	1	318	359
Stormwater drainage	250	781	231	189	19	592	39	585	31,770	30,300
Engineering administration	105	153	(3,615)	2,286	3,720	(2,133)	32	76	-	-
Water supplies	2,174	2,191	2,217	1,872	(43)	319	168	260	27,400	26,366
Sewerage services	2,256	2,829	1,519	1,367	737	1,462	298	975	38,370	36,150
Domestic waste management	1,460	1,151	1,350	1,169	110	(18)	-	-	143	112
State highways	11,652	8,067	11,171	8,672	481	(605)	38	-	(296)	(778)
Quarries	-	-	(373)	(1,354)	373	1,354	-	-	2,180	2,032
Plant fund	62	58	(1,158)	(255)	1,220	313	29	-	13,894	12,522
<b>Total functions and activities</b>	<b>98,676</b>	<b>117,719</b>	<b>41,392</b>	<b>39,953</b>	<b>57,284</b>	<b>77,766</b>	<b>68,488</b>	<b>93,510</b>	<b>720,414</b>	<b>615,564</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:

### **Governance**

Includes costs relating to Council's role as a component of democratic government, including elections, member's fees and expenses, meetings of Council and policy-making committees, public disclosure ( e.g. GIPA ), and legislative compliance.

### **Administration**

Includes corporate support and other support services and any Council Policy compliance.

### **Personnel**

Includes costs relating to payroll, human resources and workplace health and safety.

### **Finance**

Includes rates, accounts receivable, accounts payable and annual financial reporting requirements.

### **Crown reserves**

Includes costs relating to reserves not controlled by council.

### **Town Planning**

Includes costs relating to planning activities.

### **Environmental health**

Includes costs relating to environmental activities.

### **Building control**

Includes costs relating to building inspections.

### **Animal control**

Includes costs relating to regulatory activities.

### **Other waste management**

Includes costs relating to waste management.

### **Strategic, community and cultural services**

Includes costs relating to Economic development, tourism, visitor information centre, community services and art galleries.

### **Pre schools**

Includes building maintenance and operating contributions to local pre schools.

### **Public libraries**

Includes costs relating to the regional library.

### **Regional roads**

Includes costs relating to sealed and unsealed regional roads and bridges.

### **Urban roads**

Includes costs relating to sealed and unsealed urban roads and footpaths.

### **Rural roads**

Includes costs relating to sealed and unsealed rural roads.

### **Bridges**

Includes costs relating to rural bridges.

### **Emergency services**

Includes costs relating to rural fire brigades, town brigade and state emergency services.

### **Swimming pools**

Includes costs relating to Kyogle, Bonalbo and Woodenbong pool.

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

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### **Parks and gardens**

Includes costs relating to parks, gardens and sporting fields.

### **Community buildings**

Includes costs relating to community buildings.

### **Public cemeteries**

Includes costs relating to cemeteries, lawn cemetery and columbarium walls.

### **Stormwater drainage**

Includes costs relating to drainage improvements and flood mitigation.

### **Engineering administration**

Includes costs relating to provision of engineering services.

### **Water supplies**

All matters relating to the provision of water supplies.

### **Sewerage services**

All matters relating to the provision of sewerage services.

### **Domestic waste management**

Includes costs relating to collection of residential and commercial bins.

### **State highways**

All matters relating to works conducted on state highways.

### **Quarries**

All matters relating to the production of quarry materials for council roadworks.

### **Plant fund**

All matters relating to councils vehicle fleet.



## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	3,968	3,777
Farmland	3,771	3,642
Business	353	328
Less: pensioner rebates	(200)	(208)
<b>Rates levied to ratepayers</b>	<b>7,892</b>	<b>7,539</b>
Pensioner rate subsidies received	108	114
<b>Total ordinary rates</b>	<b>8,000</b>	<b>7,653</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	1,487	1,172
Water supply services	1,141	1,092
Sewerage services	1,568	1,494
Drainage	210	195
Waste management services (non-domestic)	593	337
Less: pensioner rebates	(153)	(144)
<b>Annual charges levied</b>	<b>4,846</b>	<b>4,146</b>
Pensioner annual charges subsidies received:		
– Water	25	26
– Sewerage	24	25
– Domestic waste management	33	30
<b>Total annual charges</b>	<b>4,928</b>	<b>4,227</b>
<b>Total rates and annual charges</b>	<b>12,928</b>	<b>11,880</b>

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

#### Material accounting policy information

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

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

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

## B2-2 User charges and fees

\$ '000	Timing	2024	2023
<b>User charges</b>			
Water supply services	1	860	853
Sewerage services	1	407	377
Waste management services (non-domestic)	1	1,055	946
<b>Total user charges</b>		<b>2,322</b>	<b>2,176</b>
<b>Fees</b>			
Building services – other	2	36	21
Inspection services	2	68	80
Planning and building regulation	2	194	186
Private works – section 67	1	22	14
Section 603 certificates	2	22	20
Other	2	202	114
Art galleries	2	3	8
Caravan parks	2	126	138
Cemeteries	2	178	155
Pools	2	146	175
Quarries	2	21	49
Transport for NSW works (State roads not controlled by council)	1	11,614	8,067
<b>Total fees</b>		<b>12,632</b>	<b>9,027</b>
<b>Total user charges and fees</b>		<b>14,954</b>	<b>11,203</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		13,959	10,257
User charges and fees recognised at a point in time (2)		995	946
<b>Total user charges and fees</b>		<b>14,954</b>	<b>11,203</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 or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

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

## B2-3 Other revenues

\$ '000	Timing	2024	2023
Other	2	76	122
<b>Total other revenue</b>		<b>76</b>	<b>122</b>

### Timing of revenue recognition for other revenue

Other revenue recognised over time (1)		-	-
Other revenue recognised at a point in time (2)		76	122
<b>Total other revenue</b>		<b>76</b>	<b>122</b>

### Material accounting policy information for other revenue

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

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

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

## B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance <sup>3</sup>	2	364	1,443	-	-
<b>Payment in advance - future year allocation</b>					
Financial assistance <sup>3</sup>	2	5,219	5,695	-	-
<b>Amount recognised as income during current year</b>		<b>5,583</b>	<b>7,138</b>	<b>-</b>	<b>-</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Water supplies	1	-	-	152	170
Sewerage services	1	-	-	298	827
Bushfire and emergency services	2	-	-	1,048	-
Library	2	94	90	-	-
LIRS subsidy	2	16	22	-	-
Storm/flood damage	2	85	-	-	-
Community projects	1	676	1,714	1,200	1,365
Flood mitigation	1	-	-	-	68
Street lighting	2	74	35	-	-
Transport (other roads and bridges funding)	1	3,835	3,816	53,985	76,151
Transport for NSW contributions (regional roads, block grant)	2	1,105	1,084	-	-
Other contributions	2	196	55	25	-
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>6,081</b>	<b>6,816</b>	<b>56,708</b>	<b>78,581</b>
<b>Non-cash contributions</b>					
Drainage	2	-	-	-	518
Recreation and culture	2	-	-	-	4
Roads and bridges	2	-	-	-	176
Sewerage (excl. section 64 contributions)	2	-	-	-	148
Water supplies (excl. section 64 contributions)	2	-	-	-	68
<b>Total other contributions – non-cash</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>914</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>6,081</b>	<b>6,816</b>	<b>56,708</b>	<b>79,495</b>
<b>Total grants and non-developer contributions</b>		<b>11,664</b>	<b>13,954</b>	<b>56,708</b>	<b>79,495</b>
<b>Comprising:</b>					
- Commonwealth funding		6,496	8,511	10,026	2,976
- State funding		4,972	5,366	46,682	75,605
- Other funding		196	77	-	914
		<b>11,664</b>	<b>13,954</b>	<b>56,708</b>	<b>79,495</b>

(3) \$5.219m of the 2024 - 2025 Financial Assistance Grant from the Commonwealth Government was received by Council in June 2024 and hence is reported as 2023 - 2024 income although it relates to the 2024 - 2025 financial year.

## B2-4 Grants and contributions (continued)

## Developer contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>						
<b>Cash contributions</b>						
S 7.11 – contributions towards amenities/services	G4	2	116	71	–	(10)
<b>Total developer contributions – cash</b>			<b>116</b>	<b>71</b>	<b>–</b>	<b>(10)</b>
<b>Total developer contributions</b>			<b>116</b>	<b>71</b>	<b>–</b>	<b>(10)</b>
<b>Total contributions</b>			<b>116</b>	<b>71</b>	<b>–</b>	<b>(10)</b>
<b>Total grants and contributions</b>			<b>11,780</b>	<b>14,025</b>	<b>56,708</b>	<b>79,485</b>
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time (1)			4,511	1,714	55,635	57,078
Grants and contributions recognised at a point in time (2)			7,269	12,311	1,073	22,407
<b>Total grants and contributions</b>			<b>11,780</b>	<b>14,025</b>	<b>56,708</b>	<b>79,485</b>

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	3,645	3,947	10,362	9,936
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	2,539	3,645	28,525	10,362
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(3,645)	(3,947)	(10,362)	(9,936)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	-	-	-	-
<b>Unspent funds at 30 June</b>	<b>2,539</b>	<b>3,645</b>	<b>28,525</b>	<b>10,362</b>

Various grants for roads, bridges, parks, community buildings and community projects

### 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 obligation is transferred.

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

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

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

#### Capital grants

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

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

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

#### Developer contributions

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

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

## B2-4 Grants and contributions (continued)

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

### Other grants and contributions

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

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

## B2-5 Interest and investment income

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	52	54
– Cash and investments	2,178	950
<b>Total interest and investment income (losses)</b>	<b>2,230</b>	<b>1,004</b>

## B3 Costs of providing services

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

\$ '000	2024	2023
Salaries and wages	10,840	9,692
Employee leave entitlements (ELE)	2,450	2,089
Superannuation – defined contribution plans	1,249	1,017
Superannuation – defined benefit plans	114	142
Workers' compensation insurance	240	250
Fringe benefit tax (FBT)	64	41
Training costs (other than salaries and wages)	323	237
Other	336	246
<b>Total employee costs</b>	<b>15,616</b>	<b>13,714</b>
Less: capitalised costs	(4,566)	(4,252)
<b>Total employee costs expensed</b>	<b>11,050</b>	<b>9,462</b>
Number of 'full-time equivalent' employees (FTE) at year end	142	146

#### Material accounting policy information

##### *Retirement benefit obligations*

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

##### *Superannuation plans*

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

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

### B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		11,206	10,649
Audit Fees	F2-1	97	83
Councillor and Mayoral fees and associated expenses	F1-2	165	153
Advertising		47	63
Electricity and heating		339	301
Insurance		537	413
Street lighting		119	103
Subscriptions and publications		18	13
Telephone and communications		106	97
Emergency services		524	378
Regional library		498	475
<b>Legal expenses:</b>			
– Legal expenses: debt recovery		37	21
– Legal expenses: other		24	26
<b>Total materials and services</b>		<b>13,717</b>	<b>12,775</b>
<b>Total materials and services</b>		<b>13,717</b>	<b>12,775</b>



### B3-3 Borrowing costs

\$ '000	Notes	2024	2023
<b>(i) Interest bearing liability costs</b>			
Interest on loans		260	298
<b>Total interest bearing liability costs</b>		<b>260</b>	<b>298</b>
<b>Total interest bearing liability costs expensed</b>		<b>260</b>	<b>298</b>
<b>(ii) Other borrowing costs</b>			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	23	15
<b>Total other borrowing costs</b>		<b>23</b>	<b>15</b>
<b>Total borrowing costs expensed</b>		<b>283</b>	<b>313</b>

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

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment		1,763	1,494
Office equipment		29	61
Furniture and fittings		1	1
Land improvements (depreciable)		2	–
<b>Infrastructure:</b>			
	C1-6		
– Buildings – non-specialised		85	79
– Buildings – specialised		466	424
– Other structures		428	379
– Roads		4,731	4,462
– Bridges		1,870	1,780
– Footpaths		102	67
– Stormwater drainage		99	83
– Water supply network		380	352
– Sewerage network		270	251
– Swimming pools		–	84
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C3-5,C1-6	2	1
<b>Total gross depreciation and amortisation costs</b>		<b>10,228</b>	<b>9,518</b>
<b>Total depreciation and amortisation costs</b>		<b>10,228</b>	<b>9,518</b>
<b>Impairment / revaluation decrement of IPPE</b>			
<b>Infrastructure:</b>			
	C1-6		
– Roads		(573)	(13,336)
– Bridges		(322)	374
<b>Total gross IPPE impairment / revaluation decrement costs</b>		<b>(895)</b>	<b>(12,962)</b>
Amounts taken through revaluation reserve	C1-6	895	12,962
<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>10,228</b>	<b>9,518</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 C1-6 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 no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

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

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

## B3-5 Other expenses

\$ '000	Notes	2024	2023
<b>Impairment of receivables</b>			
User charges and fees		(3)	1
<b>Total impairment of receivables</b>	C1-3	<b>(3)</b>	<b>1</b>
<b>Other</b>			
Donations, contributions and assistance to other organisations (Section 356)		399	715
<b>Total other</b>		<b>399</b>	<b>715</b>
<b>Total other expenses</b>		<b>396</b>	<b>716</b>

## B4 Gains or losses

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

\$ '000	Notes	2024	2023
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-6		
Proceeds from disposal – plant and equipment		415	400
Less: carrying amount of plant and equipment assets sold/written off		<u>(363)</u>	<u>(177)</u>
<b>Gain (or loss) on disposal</b>		<u>52</u>	<u>223</u>
<b>Gain (or loss) on disposal of infrastructure</b>	C1-6		
Less: carrying amount of infrastructure assets sold/written off		<u>(5,770)</u>	<u>(7,392)</u>
<b>Gain (or loss) on disposal</b>		<u>(5,770)</u>	<u>(7,392)</u>
<b>Net gain (or loss) from disposal of assets</b>		<u>(5,718)</u>	<u>(7,169)</u>

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 13 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>User charges and fees</b> Level of Transport NSW works higher than anticipated.	7,185	14,954	7,769	108%	<b>F</b>
<b>Other revenues</b> Sundry income higher than anticipated.	6	76	70	1,167%	<b>F</b>
<b>Operating grants and contributions</b> Additional funding approved after original estimates adopted.	7,682	11,780	4,098	53%	<b>F</b>
<b>Capital grants and contributions</b> Additional funding approved after initial estimates adopted.	39,416	56,708	17,292	44%	<b>F</b>
<b>Interest and investment revenue</b> Level of funds invested and interest rate levels higher than anticipated.	682	2,230	1,548	227%	<b>F</b>
<b>Net gains from disposal of assets</b> Council does not budget for disposal of infrastructure assets.	222	-	(222)	(100)%	<b>U</b>
<b>Expenses</b>					
<b>Materials and services</b> Level of Transport NSW works higher than anticipated. Additional projects approved throughout the year.	2,565	13,717	(11,152)	(435)%	<b>U</b>
<b>Other expenses</b> Estimates recategorised during the financial year.	2,695	396	2,299	85%	<b>F</b>
<b>Net losses from disposal of assets</b> Council does not budget for disposal of infrastructure assets.	-	5,718	(5,718)	∞	<b>U</b>
<b>Statement of cash flows</b>					
<b>Cash flows from operating activities</b> Additional funding approved after initial estimates adopted.	52,383	92,679	40,296	77%	<b>F</b>
<b>Cash flows from investing activities</b> Additional Infrastructure expenditure due to flood damage approvals received after initial estimates adopted.	(50,360)	(82,473)	(32,113)	64%	<b>U</b>

**C Financial position****C1 Assets we manage****C1-1 Cash and cash equivalents**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Cash assets</b>		
Cash on hand and at bank	<b>23,179</b>	23,508
Cash equivalent assets		
– Deposits at call	<b>37,000</b>	28,000
<b>Total cash and cash equivalents</b>	<b>60,179</b>	<b>51,508</b>
 <b>Reconciliation of cash and cash equivalents</b>		
Total cash and cash equivalents per Statement of Financial Position	<b>60,179</b>	51,508
<b>Balance as per the Statement of Cash Flows</b>	<b>60,179</b>	<b>51,508</b>

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>60,179</b>	51,508
Less: Externally restricted cash, cash equivalents and investments	<u>(32,839)</u>	<u>(15,648)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>27,340</b>	35,860
<b>External restrictions</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Retention bonds and deposits	284	431
Specific purpose unexpended grants – general fund	31,064	13,672
Specific purpose unexpended grants – water fund	–	335
<b>External restrictions</b>	<b>31,348</b>	14,438
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	169	112
Developer contributions – sewer fund	59	56
Water fund	–	150
Sewer fund	1,252	892
Domestic waste management	11	–
<b>External restrictions – other</b>	<b>1,491</b>	1,210
<b>Total external restrictions</b>	<b>32,839</b>	15,648

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.

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

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>(b) Internal allocations</b>		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>27,340</b>	<b>35,860</b>
Less: Internally allocated cash, cash equivalents and investments	<b>(7,330)</b>	<b>(21,842)</b>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>20,010</b>	<b>14,018</b>

**Internal allocations**

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

Plant and vehicle replacement	<b>2,113</b>	694
Employees leave entitlement	<b>1,294</b>	1,447
Carry over works	–	15,984
Building replacement	<b>150</b>	150
Commercial waste	<b>573</b>	573
Emergency works	<b>500</b>	500
Information technology	<b>100</b>	100
Quarries	<b>1,400</b>	1,194
Roads and bridges	<b>1,000</b>	1,000
Stormwater management	<b>200</b>	200
<b>Total internal allocations</b>	<b>7,330</b>	<b>21,842</b>

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



## C1-3 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	896	–	835	–
User charges and fees	3,324	–	3,825	–
Accrued revenues				
– Interest on investments	235	–	136	–
Government grants and subsidies	657	–	2,952	–
Net GST receivable	1,035	–	2,138	–
Other debtors	1	–	1	–
<b>Total</b>	<b>6,148</b>	<b>–</b>	<b>9,887</b>	<b>–</b>
<b>Less: provision for impairment</b>				
Other debtors	–	–	(4)	–
<b>Total provision for impairment – receivables</b>	<b>–</b>	<b>–</b>	<b>(4)</b>	<b>–</b>
<b>Total net receivables</b>	<b>6,148</b>	<b>–</b>	<b>9,883</b>	<b>–</b>

\$ '000	2024	2023
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	4	3
Impairment loss recognised	(4)	1
<b>Balance at the end of the year</b>	<b>–</b>	<b>4</b>

## C1-3 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 determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 2 years past due, whichever occurs first.

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

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

Rates and annual charges outstanding are secured against the property.

## C1-4 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>(i) Inventories at cost</b>				
Stores and materials	2,338	-	1,631	-
Trading stock	543	-	652	-
<b>Total inventories at cost</b>	<b>2,881</b>	<b>-</b>	<b>2,283</b>	<b>-</b>
<b>Total inventories</b>	<b>2,881</b>	<b>-</b>	<b>2,283</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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## C1-5 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	2,876	-	1,384	-
<b>Total contract assets and contract cost assets</b>	<b>2,876</b>	<b>-</b>	<b>1,384</b>	<b>-</b>

### Contract assets

Grants - Transport	2,876	-	1,384	-
<b>Total contract assets</b>	<b>2,876</b>	<b>-</b>	<b>1,384</b>	<b>-</b>

#### Significant changes in contract assets

The 2023 balance related to Remote Roads Upgrade Program and Fixing Country Bridges. In 2024 Council has contract assets relating to Remote Roads Upgrade Program, Fixing Local Roads & Flood damage.

## C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023										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 recognised in equity (ARR)	WIP transfers	Adjustments and transfers equity (ARR)	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount						
Capital work in progress	17,079	–	17,079	37,153	1,978	–	–	–	(8,041)	–	–	48,169	–	48,169						
Plant and equipment	23,682	(12,944)	10,738	2,075	591	(364)	(1,763)	–	–	–	–	25,327	(14,050)	11,277						
Office equipment	834	(787)	47	18	–	–	(28)	–	–	–	–	802	(766)	36						
Furniture and fittings	31	(25)	6	–	–	–	(1)	–	–	–	–	31	(26)	5						
<b>Land:</b>																				
– Operational land	9,040	–	9,040	–	–	–	–	–	–	70	455	9,565	–	9,565						
– Community land	1,677	–	1,677	–	–	–	–	–	(70)	80	80	1,687	–	1,687						
– Land under roads (pre 1/7/08)	2,115	–	2,115	–	–	–	–	–	–	106	106	2,221	–	2,221						
– Land under roads (post 30/6/08)	3	–	3	–	–	–	–	–	–	1	1	4	–	4						
Land improvements – depreciable	42	(8)	34	–	–	–	(2)	–	–	2	2	45	(11)	34						
<b>Infrastructure:</b>																				
– Buildings – non-specialised	4,957	(2,156)	2,801	–	–	–	(85)	–	–	–	187	5,299	(2,396)	2,903						
– Buildings – specialised	30,676	(15,354)	15,322	335	69	–	(466)	–	290	–	300	33,031	(17,181)	15,850						
– Other structures	10,626	(4,434)	6,192	9	2	–	(428)	–	–	2,508	446	18,607	(9,878)	8,729						
– Roads	300,965	(87,097)	213,868	22,397	234	(1,373)	(4,731)	573	684	–	(7,421)	314,871	(90,640)	224,231						
– Bridges	215,499	(56,511)	158,988	15,206	–	(4,286)	(1,870)	322	6,544	–	31,736	267,667	(61,027)	206,640						
– Footpaths	4,626	(1,032)	3,594	127	–	(9)	(102)	–	–	–	1,900	7,262	(1,752)	5,510						
– Bulk earthworks (non-depreciable)	17,626	–	17,626	–	–	–	–	–	–	–	1,015	18,641	–	18,641						
– Stormwater drainage	34,318	(4,218)	30,100	219	–	(65)	(99)	–	252	–	1,163	36,100	(4,530)	31,570						
– Water supply network	37,899	(12,540)	25,359	73	2	(26)	(380)	–	–	–	1,369	39,930	(13,533)	26,397						
– Sewerage network	43,102	(9,707)	33,395	22	–	(10)	(270)	–	–	–	1,679	45,283	(10,468)	34,815						
– Swimming pools	6,779	(4,271)	2,508	–	–	–	–	–	–	(2,508)	–	–	–	–						
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>																				
– Quarry assets	507	(507)	–	–	–	–	–	–	–	–	–	507	(507)	–						
– Tip assets	491	(477)	14	–	–	–	(2)	–	–	34	–	525	(479)	46						
<b>Total infrastructure, property, plant and equipment</b>	<b>762,574</b>	<b>(212,068)</b>	<b>550,506</b>	<b>77,634</b>	<b>2,876</b>	<b>(6,133)</b>	<b>(10,228)</b>	<b>895</b>	<b>(271)</b>	<b>34</b>	<b>33,018</b>	<b>875,574</b>	<b>(227,244)</b>	<b>648,330</b>						

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

### C1-6 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2022						Asset movements during the reporting period						At 30 June 2023	
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss recognised in equity (ARR)	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	23,316	–	23,316	13,934	969	–	–	–	(21,140)	–	–	17,079	–	17,079
Plant and equipment	21,108	(12,694)	8,414	1,652	2,343	(177)	(1,494)	–	–	–	–	23,682	(12,944)	10,738
Office equipment	790	(726)	64	44	–	–	(61)	–	–	–	–	834	(787)	47
Furniture and fittings	31	(24)	7	–	–	–	(1)	–	–	–	–	31	(25)	6
<b>Land:</b>														
– Operational land	6,490	–	6,490	–	249	–	–	–	72	–	2,229	9,040	–	9,040
– Community land	1,809	–	1,809	–	–	–	–	–	–	(132)	–	1,677	–	1,677
– Land under roads (pre 1/7/08)	2,115	–	2,115	–	–	–	–	–	–	–	–	2,115	–	2,115
– Land under roads (post 30/6/08)	3	–	3	–	–	–	–	–	–	–	–	3	–	3
Land improvements – depreciable	1,462	(457)	1,005	–	–	–	–	–	–	(973)	2	42	(8)	34
<b>Infrastructure:</b>														
– Buildings – non-specialised	4,715	(2,193)	2,522	–	–	–	(79)	–	–	110	248	4,957	(2,156)	2,801
– Buildings – specialised	29,461	(14,772)	14,689	514	–	–	(424)	–	91	863	(411)	30,676	(15,354)	15,322
– Other structures	9,350	(3,978)	5,372	196	474	–	(379)	–	734	–	(205)	10,626	(4,434)	6,192
– Roads	275,545	(102,656)	172,889	44,816	2,155	(2,950)	(4,462)	13,336	14,524	–	(26,440)	300,965	(87,097)	213,868
– Bridges	206,477	(73,714)	132,763	16,285	–	(4,411)	(1,780)	(374)	4,964	–	11,541	215,499	(56,511)	158,988
– Footpaths	4,368	(908)	3,460	1	–	–	(67)	–	–	–	200	4,626	(1,032)	3,594
– Bulk earthworks (non-depreciable)	16,205	–	16,205	–	436	–	–	–	–	–	985	17,626	–	17,626
– Stormwater drainage	31,351	(3,827)	27,524	–	530	–	(83)	–	–	–	2,129	34,318	(4,218)	30,100
– Water supply network	34,755	(11,158)	23,597	–	185	–	(352)	–	538	–	1,391	37,899	(12,540)	25,359
– Sewerage network	39,864	(8,902)	30,962	361	212	(31)	(251)	–	–	–	2,142	43,102	(9,707)	33,395
– Swimming pools	6,205	(3,954)	2,251	–	–	–	(84)	–	–	–	341	6,779	(4,271)	2,508
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>														
– Tip assets	821	(476)	345	–	–	–	(1)	–	–	(330)	–	491	(477)	14
– Quarry assets	942	(507)	435	–	–	–	–	–	–	(435)	–	507	(507)	–
<b>Total infrastructure, property, plant and equipment</b>	<b>717,183</b>	<b>(240,946)</b>	<b>476,237</b>	<b>77,803</b>	<b>7,553</b>	<b>(7,569)</b>	<b>(9,518)</b>	<b>12,962</b>	<b>(217)</b>	<b>(765)</b>	<b>(5,980)</b>	<b>762,574</b>	<b>(212,068)</b>	<b>550,506</b>

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

## C1-6 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 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.

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

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.

#### Revaluation model

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

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

Increases in the carrying amounts arising on revaluation are credited to the 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 revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

#### Useful lives of IPPE

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. 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	Playground equipment	5 to 15
Office furniture	5	Benches, seats etc.	10 to 20
Computer equipment	3		
Vehicles	10 to 20	<b>Buildings</b>	
Heavy plant/road making equipment	10	Buildings: masonry	80 to 170
Other plant and equipment	10	Buildings: other	15 to 65
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Civil works	15 to 150	Drains	144 to 203
Mechanical and electrical	15 to 60	Culverts	150 to 203
Reticulation pipes: Water	65 to 203		
Reticulation pipes: Sewer	133 to 319		
<b>Transportation assets</b>			
Sealed roads: surface	10 to 35		
Sealed roads: structure	100		
Unsealed roads	20 to 38		
Bridge: concrete	141		
Bridge: timber	141		
Road pavements	125		
Kerb, gutter and footpaths	30 to 70		

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

#### Land under roads

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

## C1-6 Infrastructure, property, plant and equipment (continued)

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Council has elected to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

### **Crown reserves**

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

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

### **Rural Fire Service assets**

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

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

## C2 Leasing activities

### C2-1 Council as a lessee

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Council is not party to any lease arrangements that would require recognition under AASB 16.

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

Council has a number of leases at significantly below market value for land and buildings which are used for Pre Schools.

The leases are generally between 1 and 20 years and require payments of less than \$1,000 per year.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

#### 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?

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.



## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	2,605	–	3,231	–
Goods and services – capital expenditure	4,975	–	7,591	–
Accrued expenses:				
– Borrowings	62	–	71	–
– Salaries and wages	627	–	488	–
– Other expenditure accruals	145	–	194	–
Security bonds, deposits and retentions	150	134	220	212
Prepaid rates	285	–	1,040	–
<b>Total payables</b>	<b>8,849</b>	<b>134</b>	<b>12,835</b>	<b>212</b>

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

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

#### Material accounting policy information

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

## C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	27,149	-	7,760	-
<b>Total grants received in advance</b>		<b>27,149</b>	<b>-</b>	<b>7,760</b>	<b>-</b>
<b>Total contract liabilities</b>		<b>27,149</b>	<b>-</b>	<b>7,760</b>	<b>-</b>

### Notes

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

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

\$ '000	2024	2023
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	2,102	6,235
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>2,102</b>	<b>6,235</b>

### Significant changes in contract liabilities

Council has received funding in advance for "Sports Priority Needs Program", "Fixing Local Roads", "Local Roads and Community infrastructure Program", "Public Spaces Legacy Program" "Flood Damage", "Betterment Funding", "Fixing Country Bridges" and "Flood Immunity"

### C3-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Bank overdraft	298	–	79	–
Loans – secured <sup>1</sup>	1,791	9,802	1,753	11,594
<b>Total borrowings</b>	<b>2,089</b>	<b>9,802</b>	<b>1,832</b>	<b>11,594</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

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	13,347	(1,754)	–	–	–	–	11,593
<b>Total liabilities from financing activities</b>	<b>13,347</b>	<b>(1,754)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11,593</b>

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	15,063	(1,716)	–	–	–	–	13,347
<b>Total liabilities from financing activities</b>	<b>15,063</b>	<b>(1,716)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>13,347</b>

#### (b) Financing arrangements

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

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

Credit cards/purchase cards	12	12
<b>Total financing arrangements</b>	<b>12</b>	<b>12</b>

##### Drawn facilities

Financing facilities drawn down at the reporting date are:

##### Undrawn facilities

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

– Credit cards/purchase cards	12	12
<b>Total undrawn financing arrangements</b>	<b>12</b>	<b>12</b>

#### Additional financing arrangements information

##### Breaches and defaults

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

### C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	1,182	–	1,217	–
Long service leave	1,272	164	1,429	144
Other leave – time in lieu	56	–	47	–
ELE on-costs	144	–	151	–
<b>Total employee benefit provisions</b>	<b>2,654</b>	<b>164</b>	<b>2,844</b>	<b>144</b>

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

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

Provisions – employees benefits	1,091	1,664
	<b>1,091</b>	<b>1,664</b>

#### Material accounting policy information

##### Long-term employee benefit obligations

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

## C3-5 Provisions

\$ '000	2024		2023	
	Current	Non-Current	Current	Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	761	–	728
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>761</b>	<b>–</b>	<b>728</b>
<b>Total provisions</b>	<b>–</b>	<b>761</b>	<b>–</b>	<b>728</b>

### Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
<b>2024</b>		
At beginning of year	728	728
<b>Changes to provision:</b>		
– Revised costs	34	34
Unwinding of discount	23	23
Remeasurement effects	(24)	(24)
Total other provisions at end of year	761	761
<b>2023</b>		
At beginning of year	2,002	2,002
<b>Changes to provision:</b>		
– Revised costs	(1,155)	(1,155)
Unwinding of discount	15	15
Remeasurement effects	(134)	(134)
Total other provisions at end of year	728	728

### Nature and purpose of provisions

#### Asset remediation

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

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the tip and quarries as a result of past operations.

Asset/operation	Estimated year of restoration	NPV of provision	
		2024	2023
Tip Remediation - Kyogle	2051	329	303
Tip Remediation - Mallanganee	2027	10	13
Tip Remediation - Woodenbong	2048	141	147
Quarry Remediation - Millers	2032	71	67
Quarry Remediation - Medhurst	2032	145	136
Quarry Remediation - Griffiths	2029	21	20
Quarry Remediation - Lloyds	2029	44	42
<b>Balance at the end of the reporting period</b>		<b>761</b>	<b>728</b>

### 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.

## C3-5 Provisions (continued)

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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

#### Restoration

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

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

#### Rehabilitation

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

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

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

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

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

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

## 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

\$ '000	General 2024	Water 2024	Sewer 2024
<b>Income from continuing operations</b>			
Rates and annual charges	10,261	1,119	1,548
User charges and fees	13,673	874	407
Interest and investment revenue	2,225	2	3
Other revenues	65	11	–
Grants and contributions provided for operating purposes	11,764	16	–
Grants and contributions provided for capital purposes	56,258	152	298
<b>Total income from continuing operations</b>	<b>94,246</b>	<b>2,174</b>	<b>2,256</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	10,184	478	388
Materials and services	11,663	1,148	906
Borrowing costs	211	19	53
Depreciation, amortisation and impairment of non-financial assets	9,578	380	270
Other expenses	125	194	77
Net losses from the disposal of assets	5,682	26	10
<b>Total expenses from continuing operations</b>	<b>37,443</b>	<b>2,245</b>	<b>1,704</b>
<b>Operating result from continuing operations</b>	<b>56,803</b>	<b>(71)</b>	<b>552</b>
<b>Net operating result for the year</b>	<b>56,803</b>	<b>(71)</b>	<b>552</b>
<b>Net operating result attributable to each council fund</b>	<b>56,803</b>	<b>(71)</b>	<b>552</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>545</b>	<b>(223)</b>	<b>254</b>

## D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	58,868	–	1,311
Receivables	5,568	353	227
Inventories	2,881	–	–
Contract assets and contract cost assets	2,406	47	423
<b>Total current assets</b>	<b>69,723</b>	<b>400</b>	<b>1,961</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	584,920	27,000	36,410
<b>Total non-current assets</b>	<b>584,920</b>	<b>27,000</b>	<b>36,410</b>
<b>Total assets</b>	<b>654,643</b>	<b>27,400</b>	<b>38,371</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	8,443	402	4
Contract liabilities	27,149	–	–
Borrowings	1,802	255	32
Employee benefit provision	2,420	117	117
<b>Total current liabilities</b>	<b>39,814</b>	<b>774</b>	<b>153</b>
<b>Non-current liabilities</b>			
Payables	134	–	–
Borrowings	9,046	84	672
Employee benefit provision	164	–	–
Provisions	761	–	–
<b>Total non-current liabilities</b>	<b>10,105</b>	<b>84</b>	<b>672</b>
<b>Total liabilities</b>	<b>49,919</b>	<b>858</b>	<b>825</b>
<b>Net assets</b>	<b>604,724</b>	<b>26,542</b>	<b>37,546</b>
<b>EQUITY</b>			
Accumulated surplus	330,023	15,532	12,474
Revaluation reserves	274,701	11,010	25,072
<b>Council equity interest</b>	<b>604,724</b>	<b>26,542</b>	<b>37,546</b>
<b>Total equity</b>	<b>604,724</b>	<b>26,542</b>	<b>37,546</b>



## D2 Interests in other entities

### D2-1 Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

Name of entity/operation	Principal activity/type of entity	2024	2024
		Net loss	Net assets
Newlog	Vehicle Weight Limits	(16)	86

#### Reasons for non-recognition

The Council is a member of the North-East Weight of Loads Group. The constitution of the group specifies the council as having a part "ownership" of the groups net assets but not one member as having control. The stated objectives of the group include to generally promote the aims of reducing damage to Councils roads by policing of vehicles weight limits.

Council's share of the operations (12.5%) have been deemed as "immaterial" and therefore have not been incorporated into these Financial Statements.

## E Risks and accounting uncertainties

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

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

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

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

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

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

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	60,179	51,508	60,179	51,508
Receivables	6,148	9,883	6,148	9,883
<b>Total financial assets</b>	<b>66,327</b>	<b>61,391</b>	<b>66,327</b>	<b>61,391</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Bank overdraft	298	79	298	79
Payables	8,983	13,047	8,983	13,047
Loans/advances	11,593	13,347	10,902	12,453
<b>Total financial liabilities</b>	<b>20,874</b>	<b>26,473</b>	<b>20,183</b>	<b>25,579</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and measured at amortised cost investments** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) **at fair value through profit and loss** or (ii) **at fair value through other comprehensive income** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

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

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there 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.

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

- **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

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	602	515

### (b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

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

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

#### Credit risk profile

##### Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – 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 the payment of debt.

\$ '000	Not yet overdue	overdue rates and annual charges < 5 years	≥ 5 years	Total
<b>2024</b>				
Gross carrying amount	836	60	–	896
2023				
Gross carrying amount	784	51	–	835

##### 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.

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2024</b>						
Gross carrying amount	8,128	–	–	–	–	8,128
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>2023</b>						
Gross carrying amount	10,436	–	–	–	–	10,436
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

### (c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
<b>2024</b>							
Bank overdraft	0.00%	298	–	–	–	298	298
Payables	0.00%	284	8,699	–	–	8,983	8,983
Borrowings	2.08%	–	2,022	6,960	3,703	12,685	11,593
<b>Total financial liabilities</b>		<b>582</b>	<b>10,721</b>	<b>6,960</b>	<b>3,703</b>	<b>21,966</b>	<b>20,874</b>
<b>2023</b>							
Bank overdraft	0.00%	79	–	–	–	79	79
Payables	0.00%	432	12,615	–	–	13,047	13,047
Borrowings	2.09%	–	2,022	9,227	3,703	14,952	13,347
<b>Total financial liabilities</b>		<b>511</b>	<b>14,637</b>	<b>9,227</b>	<b>3,703</b>	<b>28,078</b>	<b>26,473</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).

\$ '000	Notes	Fair value measurement hierarchy							
		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>Infrastructure, property, plant and equipment</b>									
	C1-6								
Plant & Equipment		30/06/24	30/06/23	–	–	11,277	10,738	11,277	10,738
Office Equipment		30/06/24	30/06/23	–	–	36	47	36	47
Furniture & Fittings		30/06/24	30/06/23	–	–	5	6	5	6
Land Operational		01/07/22	01/07/22	–	–	9,565	7,411	9,565	7,411
Land Community		01/07/22	01/07/22	–	–	1,687	1,677	1,687	1,677
Land Crown		01/07/22	01/07/22	–	–	–	1,628	–	1,628
Land under Roads		30/06/21	30/06/21	–	–	2,225	2,118	2,225	2,118
Land Improvements		01/07/22	01/07/22	–	–	34	34	34	34
Buildings		01/07/22	01/07/22	–	–	18,753	18,123	18,753	18,123
Other Structures		01/07/22	01/07/22	–	–	8,729	6,192	8,729	6,192
Roads		31/03/20	31/03/20	–	–	224,231	213,868	224,231	213,868
Bridges		01/07/23	30/06/21	–	–	206,640	158,988	206,640	158,988
Footpaths		01/07/23	31/03/20	–	–	5,510	3,593	5,510	3,593
Earthworks		31/03/20	31/03/20	–	–	18,641	17,626	18,641	17,626
Stormwater Drainage		01/07/21	01/07/21	–	–	31,570	30,100	31,570	30,100
Water Supply		01/07/21	01/07/21	–	–	26,397	25,359	26,397	25,359
Sewerage Network		01/07/21	01/07/21	–	–	34,815	33,395	34,815	33,395
Swimming Pools		01/07/22	01/07/22	–	–	–	2,508	–	2,508
Reinstatement Assets		30/06/24	30/06/23	–	–	46	14	46	14
<b>Total infrastructure, property, plant and equipment</b>				<b>–</b>	<b>–</b>	<b>600,161</b>	<b>533,425</b>	<b>600,161</b>	<b>533,425</b>

Note that Capital WIP is not included above since it is carried at cost.

## E2-1 Fair value measurement (continued)

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### Valuation techniques

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

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

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

##### Plant & Equipment, Office Equipment and Furniture & Fittings

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

- Plant and Equipment - Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment - Computers, servers etc.
- Furniture & Fittings - Chairs & desks etc.

There has been no change to the valuation process during the reporting period.

##### Operational & Community Land & Land Improvements

The key unobservable input to the valuation of these classes of assets is the price per square metre. The last valuation was undertaken at 1 July 2022 and was performed by Marsh Pty Ltd.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal.

There has been no change to the valuation process during the reporting period.

##### Crown Land

Council's Crown Land ( including land managed by Council ) by definition is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access. Many of these parcels of land have no feasible alternative use, such as parks and reserves. Community land is valued using the 'Market Approach'.

Fair value is derived by adjusting observable market inputs using unobservable inputs. The resulting measurement is categorised within level 3. Crown Land was revalued as at 1 July 2022. There has been no change to the valuation process during the reporting period.

##### Land Under Roads

Land under roads has been valued using the Engloba method for nearby or adjacent Community Land having regard to the highest and best use for this land. Land under roads was revalued at 30 June 2021 by internal staff.

There has been no change to the valuation process during the reporting period.

##### Buildings - Non-Specialised & Specialised

Buildings were valued by Marsh Pty Ltd at 1 July 2022 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 all buildings were physically inspected inputs such as pattern of consumption 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.

There has been no change to the valuation process during the reporting period.

## E2-1 Fair value measurement (continued)

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### Other Structures

These assets include all other structures not included in the category of Buildings. Examples include statues, fences, monuments and clocktowers. Other Structures were valued by Marsh Pty Ltd at 1 July 2022 using the cost approach. The approach estimated the replacement cost for each structure by componentising the structures into significant parts with different useful lives and taking into account a range of factors. While all structures were physically inspected inputs such as pattern of consumption 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.

There has been no change to the valuation process during the reporting period.

### Roads ( including Bulk Earthworks )

Roads were revalued at 31 March 2020 by internal staff valuation. The calculation of unit rates has been based on a series of project construction costs. A sample of 6 projects was taken which represents a range of construction types. The costs used in the analysis were based on figures derived from Council 'Work Order' system. The total cost and area for each project were used to derive an average unit cost. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and road type. This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class includes the road formation ( bulk earthworks ) road pavement and road seal, along with other road assets including kerb and guttering, guardrail and roadside furniture including signs and other traffic management devices. The cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken in-house based on actual costs and assumptions from Council's Engineering Department. No market based evidence ( Level 2 ) inputs are available therefore Level 3 valuation inputs were used for this asset class.

There has been no change to the valuation process during the reporting period.

### Bridges

Bridges were revalued at 1 July 2023 by internal staff valuation. The calculation of unit rates has been based on a series of project construction costs ( estimated or actual ). This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

### Footpaths

Footpaths were revalued at 1 July 2023 by internal staff valuation. The calculation of unit rates has been based on a series of project construction costs. The costs used in the analysis were based on figures derived from Council 'Work Order' system. This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

### Drainage Infrastructure

Assets within this class comprise pits and pipes.

Drainage infrastructure was revalued at 1 July 2021 by internal staff valuation. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

There has been no change to the valuation process during the reporting period.

## E2-1 Fair value measurement (continued)

### Water Supply

Assets within this class comprise reservoirs, pumping stations and, water pipelines.

Water Supply infrastructure was revalued as at 1 July 2021 by internal staff valuation. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the DCCEEW.

There has been no change to the valuation process during the reporting period.

### Sewerage Network

Assets within this class comprise treatment works, pumping stations and, sewerage mains.

Sewerage Network infrastructure was revalued at 1 July 2021 by internal staff valuation. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the DCCEEW.

There has been no change to the valuation process during the reporting period.

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

### a. The valuation process for level 3 fair value measurements

#### Fair Value Techniques

The valuation techniques prescribed by AASB 13 can be summarised as:

**'Cost Approach'**: A valuation technique that reflects the amount that would be required to replace the service capacity of an asset ( current replacement cost ).

**'Income Approach'**: A valuation technique that converts future amounts ( cash inflows / outflows ) to signal the current ( i.e. discounted ) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about these future amounts.

**'Market Approach'**: A valuation technique that uses prices and other relevant information, generated by market transactions involving identical or comparable ( similar ) assets, liabilities or a group of assets and liabilities such as a business.

#### Valuation Techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets ( i.e. level 1 inputs ), Council instead utilises a spread of both observable inputs ( Level 2 inputs ) and unobservable inputs ( Level 3 inputs ).

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Level 2 valuation process for some asset classes where the basis was Cost Approach under Level 2 input, whereby maximising observable inputs and minimising unobservable inputs as below:

- \* Quoted prices for similar asset in active markets
- \* Current replacement cost concept
- \* Purchase price
- \* Useful life

Level 3 valuation process for some asset classes where the basis was Cost Approach. The inputs used for this technique were:

- \* Pattern of consumption
- \* Asset condition
- \* Unit rates
- \* Useful life



## E2-1 Fair value measurement (continued)

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

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Operational land	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>10,738</b>	8,414	<b>47</b>	64	<b>6</b>	7	<b>7,411</b>	4,862
<b>Total gains or losses for the period</b>								
Recognised in other comprehensive income – revaluation surplus	–	–	–	–	–	–	<b>2,154</b>	2,228
<b>Other movements</b>								
Purchases (GBV)	<b>2,666</b>	3,995	<b>18</b>	44	–	–	–	321
Disposals (WDV)	<b>(364)</b>	(177)	–	–	<b>(1)</b>	–	–	–
Depreciation and impairment	<b>(1,763)</b>	(1,494)	<b>(29)</b>	(61)	–	(1)	–	–
<b>Closing balance</b>	<b>11,277</b>	10,738	<b>36</b>	47	<b>5</b>	6	<b>9,565</b>	7,411

\$ '000	Community land		Crown lands		Land under Roads		Land improvements	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>1,677</b>	1,809	<b>1,628</b>	1,628	<b>2,118</b>	2,118	<b>34</b>	1,005
<b>Total gains or losses for the period</b>								
Recognised in other comprehensive income – revaluation surplus	<b>10</b>	(132)	<b>(1,628)</b>	–	<b>106</b>	–	<b>2</b>	(971)
<b>Other movements</b>								
Depreciation and impairment	–	–	–	–	–	–	<b>(2)</b>	–
<b>Closing balance</b>	<b>1,687</b>	1,677	<b>–</b>	1,628	<b>2,224</b>	2,118	<b>34</b>	34

\$ '000	Buildings non specialised		Building specialised		Other structures		Roads	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>2,801</b>	2,522	<b>15,322</b>	14,688	<b>6,192</b>	5,372	<b>213,868</b>	172,889
<b>Total gains or losses for the period</b>								
Recognised in other comprehensive income – revaluation surplus	<b>187</b>	358	<b>299</b>	452	<b>2,954</b>	183	<b>(6,847)</b>	(13,492)
<b>Other movements</b>								
Purchases (GBV)	–	–	<b>694</b>	606	<b>11</b>	1,016	<b>23,315</b>	61,883
Disposals (WDV)	–	–	–	–	–	–	<b>(1,374)</b>	(2,950)
Depreciation and impairment	<b>(85)</b>	(79)	<b>(466)</b>	(424)	<b>(428)</b>	(379)	<b>(4,731)</b>	(4,462)
<b>Closing balance</b>	<b>2,903</b>	2,801	<b>15,849</b>	15,322	<b>8,729</b>	6,192	<b>224,231</b>	213,868

## E2-1 Fair value measurement (continued)

\$ '000	Bridges		Footpaths		Bulk earthworks		Stormwater drainage	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>158,988</b>	132,763	<b>3,594</b>	3,460	<b>17,626</b>	16,205	<b>30,100</b>	27,524
<b>Total gains or losses for the period</b>								
Recognised in other comprehensive income – revaluation surplus	<b>32,058</b>	11,167	<b>1,900</b>	200	<b>1,015</b>	985	<b>1,162</b>	2,129
<b>Other movements</b>								
Purchases (GBV)	<b>21,750</b>	21,249	<b>127</b>	1	–	436	<b>471</b>	530
Disposals (WDV)	<b>(4,286)</b>	(4,411)	<b>(9)</b>	–	–	–	<b>(65)</b>	–
Depreciation and impairment	<b>(1,870)</b>	(1,780)	<b>(102)</b>	(67)	–	–	<b>(99)</b>	(83)
<b>Closing balance</b>	<b>206,640</b>	158,988	<b>5,510</b>	3,594	<b>18,641</b>	17,626	<b>31,569</b>	30,100

\$ '000	Water supply network		Sewerage network		Swimming pools		Reinstatement assets	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>25,360</b>	23,598	<b>33,395</b>	30,962	<b>2,508</b>	2,251	<b>14</b>	780
<b>Total gains or losses for the period</b>								
Recognised in other comprehensive income – revaluation surplus	<b>1,368</b>	1,391	<b>1,678</b>	2,142	<b>(2,508)</b>	341	–	–
<b>Other movements</b>								
Purchases (GBV)	<b>75</b>	723	<b>22</b>	573	–	–	<b>34</b>	(765)
Disposals (WDV)	<b>(26)</b>	–	<b>(10)</b>	(31)	–	–	–	–
Depreciation and impairment	<b>(380)</b>	(352)	<b>(270)</b>	(251)	–	(84)	<b>(2)</b>	(1)
<b>Closing balance</b>	<b>26,397</b>	25,360	<b>34,815</b>	33,395	<b>–</b>	2,508	<b>46</b>	14

\$ '000	Total	
	2024	2023
<b>Opening balance</b>	<b>533,427</b>	452,921
Recognised in other comprehensive income – revaluation surplus	<b>33,910</b>	6,981
Purchases (GBV)	<b>49,183</b>	90,612
Disposals (WDV)	<b>(6,135)</b>	(7,569)
Depreciation and impairment	<b>(10,227)</b>	(9,518)
<b>Closing balance</b>	<b>600,158</b>	<b>533,427</b>

## Highest and best use

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

## E3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

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

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

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

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

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

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

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

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

\* For 180 Point Members, Employers are required to contribute 8.5% of salaries to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

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

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

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

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

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

## E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$ 113,752.76. The last valuation of the Scheme was performed by Richard Boyland FIAA, and covers the period ended 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$22,638.23. Council's expected contribution to the plan for the next annual reporting period is \$86,128.07.

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

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

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$22,638.23 as at 30 June 2024.

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

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

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

\* Plus promotional increases

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

### (ii) Statewide Limited

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

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

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

### (iii) StateCover Limited

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

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

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

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

### (iv) Other guarantees

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

## E3-1 Contingencies (continued)

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### 2. Other liabilities

#### (i) Third party claims

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

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

#### (ii) Richmond Upper-Clarence Regional Library

Council together with other local government authorities have entered into an agreement to operate a regional library known as the Richmond Upper-Clarence Regional Library. Annually, the Council contributes to the library to fund its activities based upon a prescribed formula. In the event that Council wishes to withdraw from the agreement, the assets and liabilities of the Regional Library attributable to Council will be determined by the Library Board of New South Wales.

#### (iii) Section 7.11 Infrastructure

Council has significant obligations to provide Section 7.11 infrastructure in new release areas. It is possible that funds contributed may be less than the cost of this infrastructure requiring Council to borrow or use general revenue to fund the difference ( Refer Note G3 ).

## 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	2023
<b>Compensation:</b>		
Short-term benefits	996	933
Post-employment benefits	138	99
Other long-term benefits	(90)	(10)
Termination benefits	189	–
<b>Total</b>	<b>1,233</b>	<b>1,022</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	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
<b>2024</b>						
Employee expenses relating to close family members of KMP	1	94	–		–	–
<b>2023</b>						
Employee expenses relating to close family members of KMP	1	89	–		–	–
1 One ( 1 ) close family member of Council's KMP is employed by the Council under the relevant pay award on an arms length basis						

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

<b>\$ '000</b>	<b>2024</b>	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	<b>28</b>	25
Councillors' fees	<b>117</b>	104
Other Councillors' expenses (including Mayor)	<b>20</b>	24
<b>Total</b>	<b>165</b>	<b>153</b>

## F2 Other relationships

### F2-1 Audit fees

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

#### Auditors of the Council - NSW Auditor-General:

##### (i) Audit and other assurance services

Audit and review of financial statements	93	78
Other audit services	4	5
<b>Remuneration for audit and other assurance services</b>	<b>97</b>	<b>83</b>
<b>Total Auditor-General remuneration</b>	<b>97</b>	<b>83</b>
<b>Total audit fees</b>	<b>97</b>	<b>83</b>



## G Other matters

### G1-1 Statement of Cash Flows information

#### Reconciliation of Operating Result

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>57,284</b>	77,766
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	10,228	9,518
(Gain) / loss on disposal of assets	5,718	7,169
Non-cash capital grants and contributions	–	(914)
Unwinding of discount rates on reinstatement provisions	23	15
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	3,739	(3,046)
Increase / (decrease) in provision for impairment of receivables	(4)	1
(Increase) / decrease of inventories	(598)	1,226
(Increase) / decrease of contract asset	(1,492)	(984)
Increase / (decrease) in payables	(626)	1,417
Increase / (decrease) in accrued interest payable	(9)	(9)
Increase / (decrease) in other accrued expenses payable	90	161
Increase / (decrease) in other liabilities	(903)	899
Increase / (decrease) in contract liabilities	19,389	(1,955)
Increase / (decrease) in employee benefit provision	(170)	183
Increase / (decrease) in other provisions	10	(1,289)
<b>Net cash flows from operating activities</b>	<b>92,679</b>	<b>90,158</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Bridge Infrastructure	3,287	7,554
Plant and equipment	629	–
Other	3,511	74
<b>Total commitments</b>	<b>7,427</b>	<b>7,628</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	6,918	4,999
Later than one year and not later than 5 years	509	2,629
<b>Total payable</b>	<b>7,427</b>	<b>7,628</b>
<b>Sources for funding of capital commitments:</b>		
Unrestricted general funds	–	1,806
Future grants and contributions	962	5,748
Unexpended grants	5,836	74
Internally restricted reserves	629	–
<b>Total sources of funding</b>	<b>7,427</b>	<b>7,628</b>

#### Details of capital commitments

Construction of 2 concrete bridges, restoration of 4 landslips and purchase of low loader and water cart.

## 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

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Roads	91	116	-	-	4	(64)	-	147	-
Open space	21	-	-	-	1	-	-	22	-
<b>S7.11 contributions – under a plan</b>	112	116	-	-	5	(64)	-	169	-
<b>Total S7.11 and S7.12 revenue under plans</b>	112	116	-	-	5	(64)	-	169	-
S64 contributions	56	-	-	-	3	-	-	59	-
<b>Total contributions</b>	168	116	-	-	8	(64)	-	228	-

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

### G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
<b>CONTRIBUTION PLAN NUMBER 1</b>									
Roads	91	116	-	-	4	(64)	-	147	-
Open space	21	-	-	-	1	-	-	22	-
<b>Total</b>	112	116	-	-	5	(64)	-	169	-

## G5 Statement of performance measures

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

\$ '000	Amounts 2024	Indicator 2024	2023	Indicators 2022	2021	Benchmark
<b>1. Operating performance ratio</b>						
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>6,291</b>	<b>14.99%</b>	14.26%	28.90%	7.05%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>41,968</b>					
<b>2. Own source operating revenue ratio</b>						
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>30,188</b>	<b>30.59%</b>	20.57%	34.48%	44.07%	> 60.00%
Total continuing operating revenue	<b>98,676</b>					
<b>3. Unrestricted current ratio</b>						
Current assets less all external restrictions	<b>38,063</b>	<b>4.78x</b>	5.37x	17.82x	5.83x	> 1.50x
Current liabilities less specific purpose liabilities	<b>7,957</b>					
<b>4. Debt service cover ratio</b>						
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>16,802</b>	<b>8.25x</b>	7.53x	13.39x	10.27x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>2,037</b>					
<b>5. Rates and annual charges outstanding percentage</b>						
Rates and annual charges outstanding	<b>896</b>	<b>6.49%</b>	6.57%	6.24%	6.73%	< 10.00%
Rates and annual charges collectable	<b>13,815</b>					
<b>6. Cash expense cover ratio</b>						
Current year's cash and cash equivalents plus all term deposits	<b>60,179</b>	<b>19.33 months</b>	19.30 months	19.20 months	9.18 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<b>3,113</b>					

(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

	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>\$ '000</b>							
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>16.38%</b>	14.72%	<b>(9.74)%</b>	(5.38)%	<b>13.48%</b>	26.27%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>27.83%</b>	18.12%	<b>92.27%</b>	88.13%	<b>86.79%</b>	65.54%	> 60.00%
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>4.78x</b>	5.37x	<b>0.52x</b>	0.86x	<b>7.54x</b>	10.16x	> 1.50x
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions							
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>9.48x</b>	8.43x	<b>0.77x</b>	1.04x	<b>7.07x</b>	9.95x	> 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>5.56%</b>	5.70%	<b>12.57%</b>	12.00%	<b>7.87%</b>	7.93%	< 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>19.24</b>	19.61	<b>0.00</b>	63.26	<b>17.92</b>	8.85	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>months</b>	months	<b>months</b>	months	<b>months</b>	months	months

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

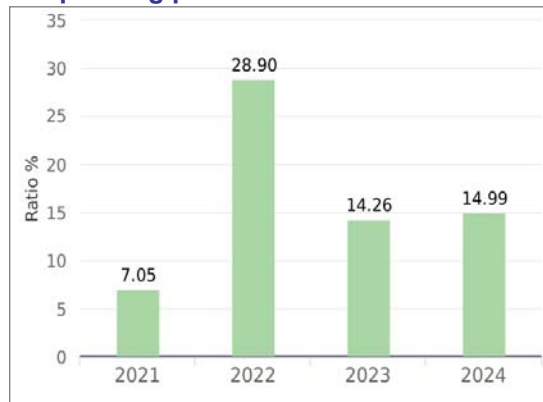
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

**End of the audited financial statements**

## H Additional Council disclosures (unaudited)

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

#### 1. Operating performance ratio



**Purpose of operating performance ratio**

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

**Commentary on 2023/24 result**

**2023/24 ratio 14.99%**

Council's operating performance ratio is above the benchmark of 0%. Council has developed strategies & actions within its delivery & operational plan as well as the long term financial plan to improve its operating performance.

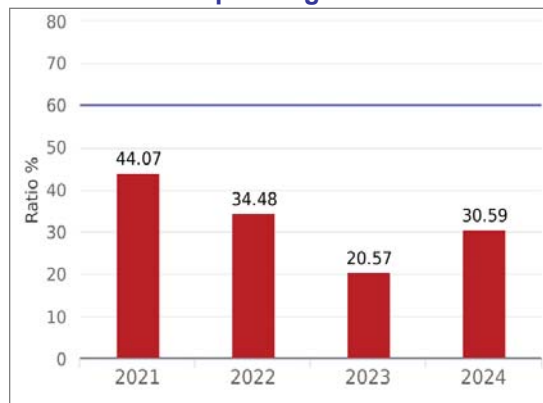
Benchmark: — > 0.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



**Purpose of own source operating revenue ratio**

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

**Commentary on 2023/24 result**

**2023/24 ratio 30.59%**

This ratio can fluctuate dramatically each year depending on the level of grant funding. Flood damage funding of \$36.6 Million, funding for the Clarence Way of \$10.1 Million, Fixing Country Bridges funding of \$6.1 Million & advance payment of financial assistance grants of \$5.6 Million have impacted this ratio.

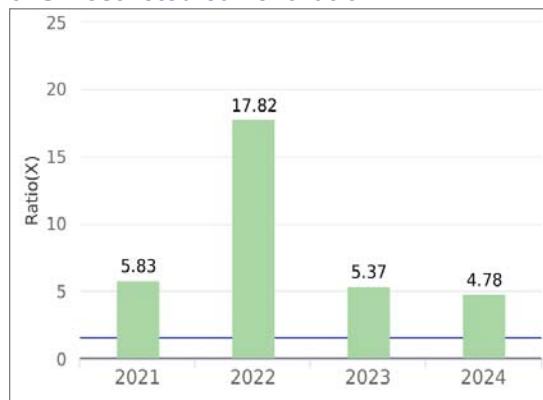
Benchmark: — > 60.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

#### 3. Unrestricted current ratio



**Purpose of unrestricted current ratio**

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

**Commentary on 2023/24 result**

**2023/24 ratio 4.78x**

Council has adequate unrestricted cash & internal reserves to satisfy its current obligations & has adequate levels of internally restricted funds to meet identified needs.

Benchmark: — > 1.50x

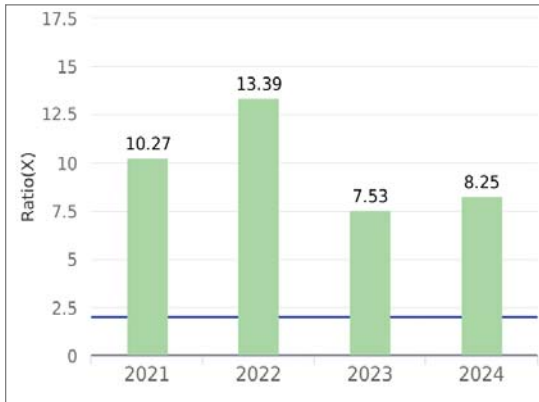
Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

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

## 4. Debt service cover ratio



### Purpose of debt service cover ratio

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

### Commentary on 2023/24 result

2023/24 ratio 8.25x

Council's ability to generate sufficient cash to cover its debt payments is sound & is in excess of the required benchmark.

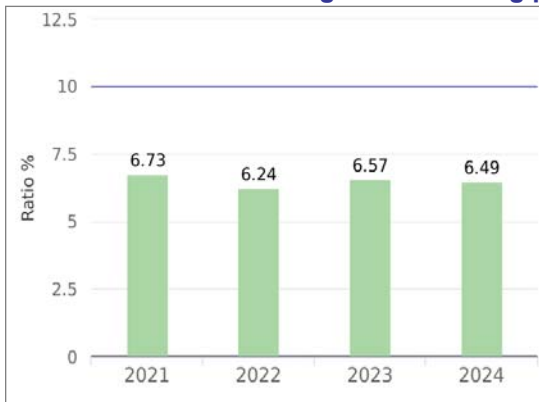
Benchmark: — > 2.00x

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

## 5. Rates and annual charges outstanding percentage



### Purpose of rates and annual charges outstanding percentage

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

### Commentary on 2023/24 result

2023/24 ratio 6.49%

This ratio is within the required benchmark of <10.00%. Council will continue to monitor and pursue all outstanding debts.

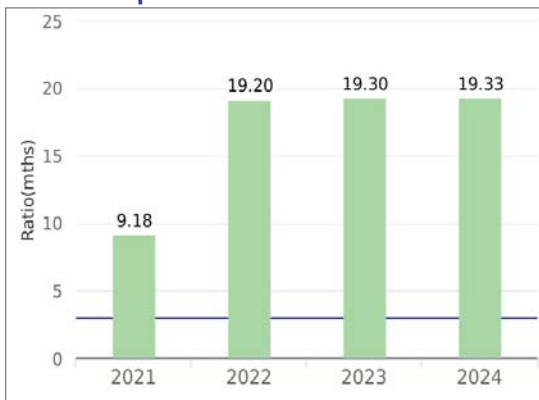
Benchmark: — < 10.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

## 6. Cash expense cover ratio



### Purpose of cash expense cover ratio

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

### Commentary on 2023/24 result

2023/24 ratio 19.33 months

Council's ability to continue paying for its immediate expenses without additional cash inflow is sound & is in excess of the required benchmark.

Benchmark: — > 3.00months

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark





**INDEPENDENT AUDITOR'S REPORT**  
**Report on the general purpose financial statements**  
**Kyogle Council**

To the Councillors of Kyogle Council

## Opinion

I have audited the accompanying financial statements of Kyogle 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:

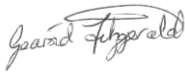
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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.



Gearoid Fitzgerald  
Delegate of the Auditor-General for New South Wales

29 October 2024  
SYDNEY



Cr Danielle Mulholland  
 Mayor  
 Kyogle Council  
 PO Box 11  
 KYOGLE NSW 2474

Contact: Gearoid Fitzgerald  
 Phone no: 9275 7392  
 Our ref: [R008-2124742775-8472](#)

29 October 2024

Dear Mayor

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

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

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

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

### INCOME STATEMENT

#### Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	12.9	11.9	↑ 8.4
Grants and contributions revenue	68.5	93.5	↓ 26.7
Operating result from continuing operations	57.3	77.8	↓ 26.3
Net operating result before capital grants and contributions	0.6	(1.7)	↑ 135.3

Rates and annual charges revenue (\$12.9 million) increased by \$1.0 million (8.4 per cent) in 2023–24 largely due to rate peg increase of 4.1 per cent. Annual Charges on domestic waste management also

increased, primarily due to the introduction of a three-bin system, which contributed to a further increase of \$0.3 million.

Grants and contributions revenue (\$68.5 million) decreased by \$25.0 million (26.7 per cent) in 2023–24 due to:

- decrease of \$15.5 million in grant revenue recognised under the fixing country bridges program
- decrease of \$10.9 million in natural disaster funding to reconstruct essential public infrastructure, which was considered one-off funding as a result of the severe flood events in 2022.

Council's operating result from continuing operations (\$57.3 million including depreciation, amortisation and impairment expense of \$10.2 million) was \$20.5 million lower than the 2022–23 result. The main contributor to this is the decrease in grants and contributions received.

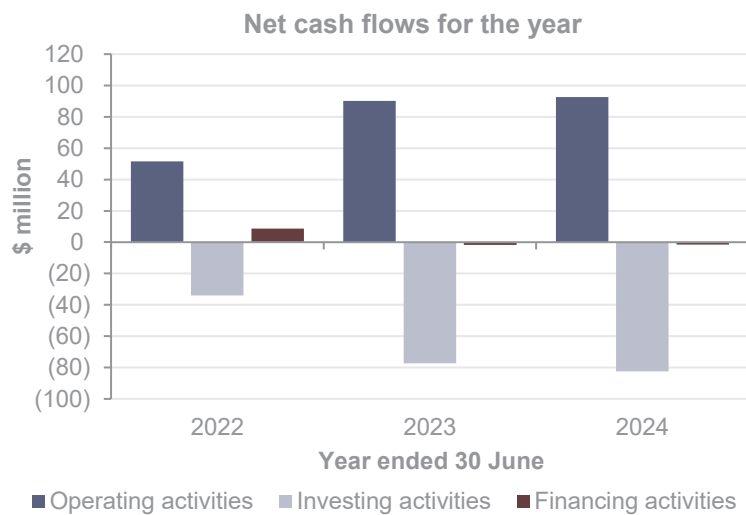
The net operating result before capital grants and contributions (\$0.6 million) was \$2.3 million higher than the 2022–23 result.

## STATEMENT OF CASH FLOWS

Net cash provided by operating activities increased by \$2.5 million (2.8 per cent) driven by an increase in fees received by Transport for NSW works (State roads not controlled by council).

Net cash used in investing activities increased by \$5.2 million, mainly due to the construction of IPPE funded by capital grants.

Net cash from financing activities has remained stable, largely to no new borrowings within this financial year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>60.2</b>	<b>51.5</b>	Externally restricted balances comprise mainly of specific purpose unexpended grants, developer contributions, water and sewer funds.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	32.8	15.6	• Externally restricted cash has increased by \$17.2 million.
• Internal allocations	7.3	21.8	• Internally restricted cash has decreased by \$14.5 million.

## Debt

At 30 June 2024, Council had:

- \$11.9 million in secured loans (\$13.3 million in 2022-23)
- \$0.012 million in credit card facility with nil used.

## PERFORMANCE

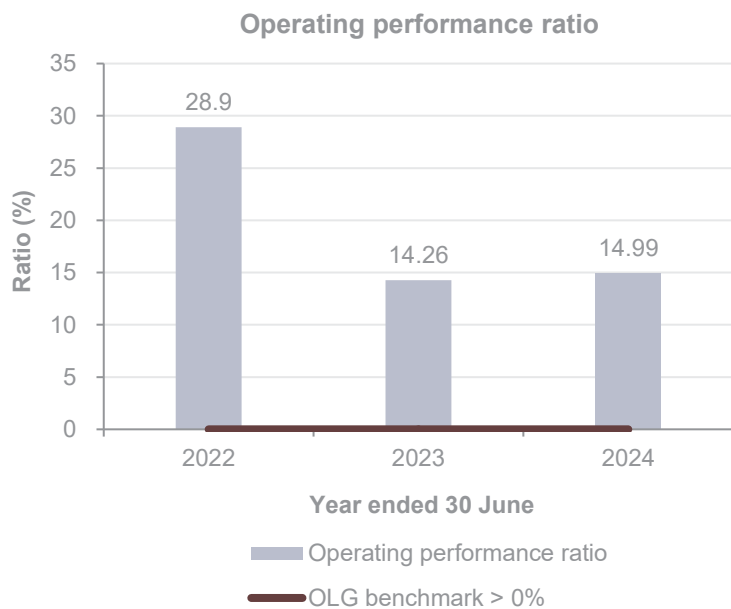
### Performance measures

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

The Council met the benchmark for the current reporting period on a consolidated basis.

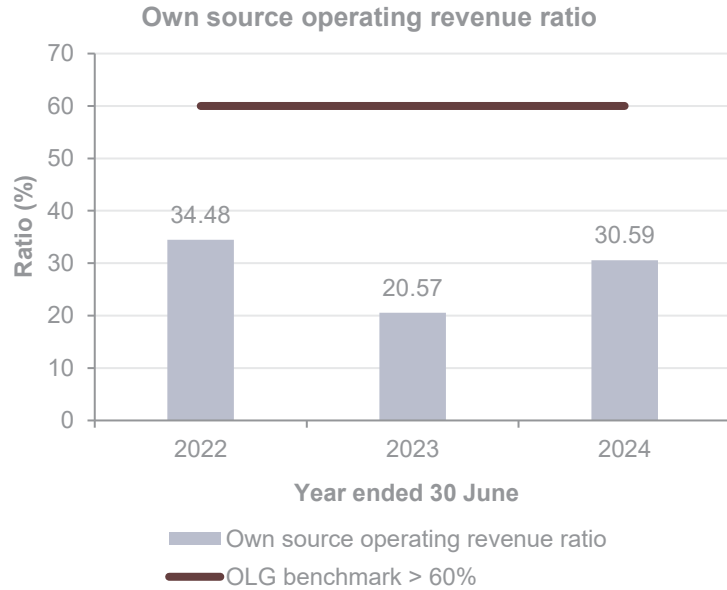
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



### Own source operating revenue ratio

The Council did not meet the benchmark for the current reporting period. This ratio has been negatively impacted in recent years due to higher levels of capital grants and contributions.

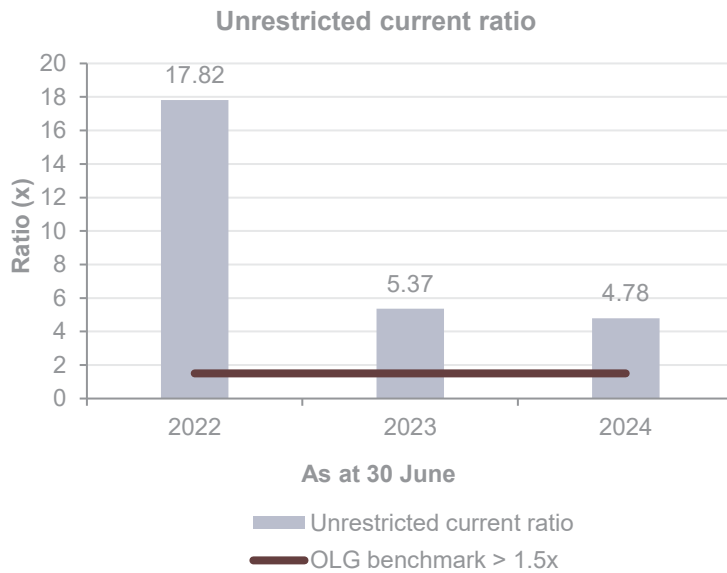
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



### Unrestricted current ratio

The Council met the benchmark for the current reporting period.

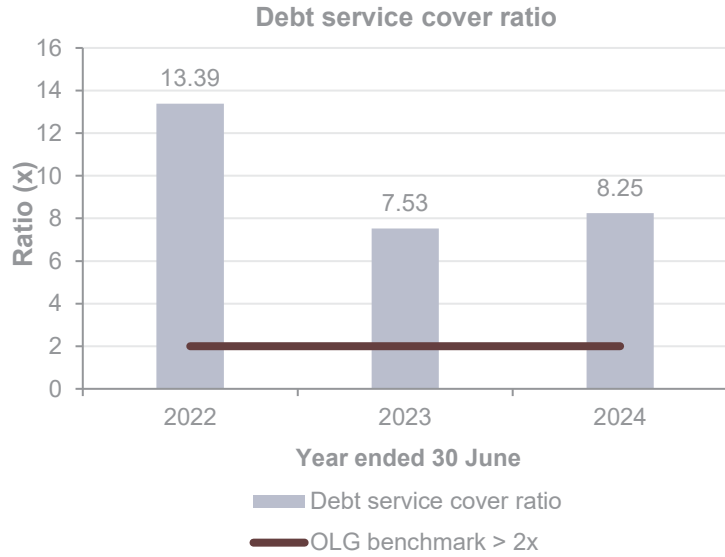
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Debt service cover ratio

The Council met the benchmark for the current reporting period.

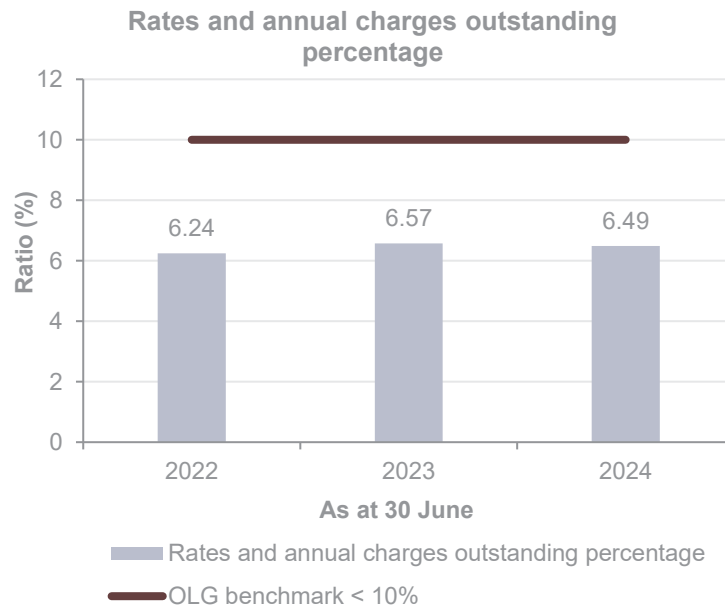
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



### Rates and annual charges outstanding percentage

The Council met the benchmark for the current reporting period.

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

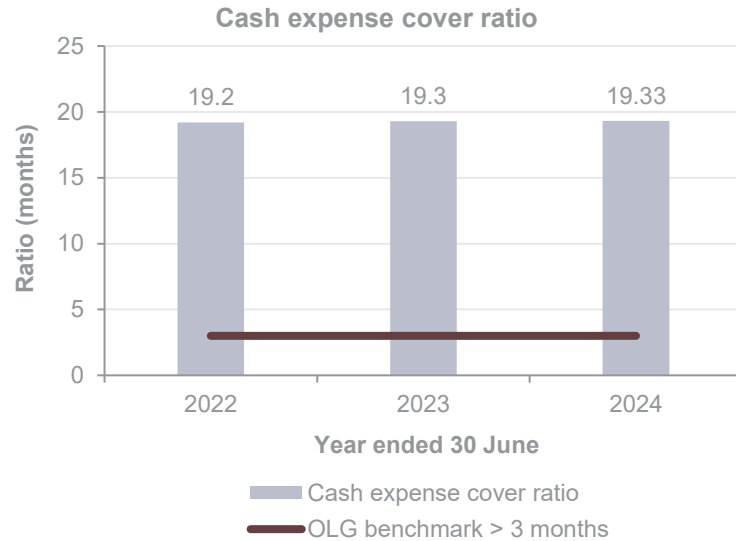




## Cash expense cover ratio

The Council met the benchmark for the current reporting period.

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



## Infrastructure, property, plant and equipment renewals

Council renewed \$77.6 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads, repairing assets damaged by natural disasters and replacement of bridges. A further \$2.9 million was spent on new assets.

The level of renewals has remained consistent with the 2022-23 year as Council continues to renew essential infrastructure damaged by natural disasters in 2022.

## 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.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.

Gearoid Fitzgerald  
Delegate of the Auditor-General for New South Wales

# Kyogle Council

## SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

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## Special Purpose Financial Statements

for the year ended 30 June 2024

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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).

## Kyogle Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

---

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,
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) Regulatory and assurance framework for local water utilities, July 2022.

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

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

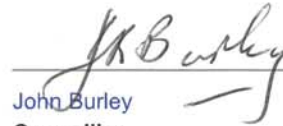
**We are not aware of any matter that would render these statements false or misleading in any way.**

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



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Danielle Mulholland  
**Mayor**  
28 October 2024



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John Burley  
**Councillor**  
28 October 2024



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Marcus Schintler  
**Acting General Manager**  
28 October 2024



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Glenn Rose  
**Responsible Accounting Officer**  
28 October 2024

## Kyogle Council

## Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
<b>Income from continuing operations</b>		
Access charges	1,119	1,072
User charges	860	853
Fees	14	3
Interest and investment income	2	2
Grants and contributions provided for operating purposes	16	22
Other income	11	–
<b>Total income from continuing operations</b>	<b>2,022</b>	<b>1,952</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	478	341
Borrowing costs	19	28
Materials and services	1,148	1,170
Depreciation, amortisation and impairment	380	352
Net loss from the disposal of assets	26	–
Other expenses	194	166
<b>Total expenses from continuing operations</b>	<b>2,245</b>	<b>2,057</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(223)</b>	<b>(105)</b>
Grants and contributions provided for capital purposes	152	238
<b>Surplus (deficit) from all operations before tax</b>	<b>(71)</b>	<b>133</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	–	–
<b>Surplus (deficit) after tax</b>	<b>(71)</b>	<b>133</b>
<b>Plus opening accumulated surplus</b>	<b>15,603</b>	<b>15,470</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	–	–
– Debt guarantee fees	–	–
– Corporate taxation equivalent	–	–
<b>Less:</b>		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
<b>Closing accumulated surplus</b>	<b>15,532</b>	<b>15,603</b>
<b>Return on capital %</b>	<b>(0.8)%</b>	<b>(0.3)%</b>
<b>Subsidy from Council</b>	<b>1,365</b>	<b>1,101</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	(71)	133
Less: capital grants and contributions (excluding developer contributions)	(152)	(238)
<b>Surplus for dividend calculation purposes</b>	<b>–</b>	<b>–</b>
<b>Potential dividend calculated from surplus</b>	<b>–</b>	<b>–</b>

## Kyogle Council

## Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
<b>Income from continuing operations</b>		
Access charges	1,548	1,474
User charges	301	272
Liquid trade waste charges	106	105
Interest and investment income	3	3
<b>Total income from continuing operations</b>	<b>1,958</b>	<b>1,854</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	388	256
Borrowing costs	53	56
Materials and services	906	698
Depreciation, amortisation and impairment	270	252
Net loss from the disposal of assets	10	31
Other expenses	77	74
<b>Total expenses from continuing operations</b>	<b>1,704</b>	<b>1,367</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>254</b>	<b>487</b>
Grants and contributions provided for capital purposes	298	975
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>552</b>	<b>1,462</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>552</b>	<b>1,462</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(64)	(122)
<b>Surplus (deficit) after tax</b>	<b>488</b>	<b>1,340</b>
<b>Plus opening accumulated surplus</b>	<b>11,922</b>	<b>10,460</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	64	122
<b>Closing accumulated surplus</b>	<b>12,474</b>	<b>11,922</b>
<b>Return on capital %</b>	<b>0.8%</b>	<b>1.6%</b>
<b>Subsidy from Council</b>	<b>1,259</b>	<b>844</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	489	1,340
Less: capital grants and contributions (excluding developer contributions)	(298)	(975)
<b>Surplus for dividend calculation purposes</b>	<b>191</b>	<b>365</b>
<b>Potential dividend calculated from surplus</b>	<b>95</b>	<b>183</b>

## Kyogle Council

## Income Statement of Domestic Waste

for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
<b>Income from continuing operations</b>		
Annual charges	1,458	1,148
Interest and investment income	2	3
<b>Total income from continuing operations</b>	<b>1,460</b>	<b>1,151</b>
<b>Expenses from continuing operations</b>		
Materials and services	1,350	1,169
<b>Total expenses from continuing operations</b>	<b>1,350</b>	<b>1,169</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>110</b>	<b>(18)</b>
Grants and contributions provided for capital purposes	–	–
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>110</b>	<b>(18)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>110</b>	<b>(18)</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(28)	–
<b>Surplus (deficit) after tax</b>	<b>82</b>	<b>(18)</b>
<b>Plus opening accumulated surplus</b>	<b>33</b>	<b>51</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	28	–
<b>Closing accumulated surplus</b>	<b>143</b>	<b>33</b>
Return on capital %	0.0%	0.0%
<b>Subsidy from Council</b>	<b>–</b>	<b>18</b>

# Kyogle Council

## Income Statement of Quarries

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 2
<b>Income from continuing operations</b>		
User charges	3,485	2,160
<b>Total income from continuing operations</b>	<b>3,485</b>	<b>2,160</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	384	311
Borrowing costs	16	10
Materials and services	2,710	483
Depreciation, amortisation and impairment	2	2
<b>Total expenses from continuing operations</b>	<b>3,112</b>	<b>806</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>373</b>	<b>1,354</b>
Grants and contributions provided for capital purposes	–	–
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>373</b>	<b>1,354</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>373</b>	<b>1,354</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(93)	(339)
<b>Surplus (deficit) after tax</b>	<b>280</b>	<b>1,015</b>
<b>Plus opening accumulated surplus</b>	<b>1,367</b>	<b>357</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	93	339
<b>Less:</b>		
– Dividend paid	(251)	(344)
<b>Closing accumulated surplus</b>	<b>1,489</b>	<b>1,367</b>
<b>Return on capital %</b>	<b>164.8%</b>	<b>729.4%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>



## Kyogle Council

## Income Statement of Transport

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
User charges	11,652	8,067
<b>Total income from continuing operations</b>	<b>11,652</b>	<b>8,067</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	368	412
Materials and services	10,802	7,923
<b>Total expenses from continuing operations</b>	<b>11,170</b>	<b>8,335</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>482</b>	<b>(268)</b>
Grants and contributions provided for capital purposes	–	–
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>482</b>	<b>(268)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>482</b>	<b>(268)</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(121)	–
<b>Surplus (deficit) after tax</b>	<b>361</b>	<b>(268)</b>
<b>Plus opening accumulated surplus</b>	<b>(778)</b>	<b>(173)</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	121	–
<b>Less:</b>		
– Dividend paid	–	(337)
<b>Closing accumulated surplus</b>	<b>(296)</b>	<b>(778)</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>268</b>

# Kyogle Council

## Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Contract assets and contract cost assets	47	–
Cash and cash equivalents	–	485
Receivables	353	406
<b>Total current assets</b>	<b>400</b>	<b>891</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	27,000	25,475
<b>Total non-current assets</b>	<b>27,000</b>	<b>25,475</b>
<b>Total assets</b>	<b>27,400</b>	<b>26,366</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	–	314
Bank overdraft	298	–
Payables	104	127
Borrowings	255	245
Employee benefit provisions	117	97
<b>Total current liabilities</b>	<b>774</b>	<b>783</b>
<b>Non-current liabilities</b>		
Borrowings	84	339
<b>Total non-current liabilities</b>	<b>84</b>	<b>339</b>
<b>Total liabilities</b>	<b>858</b>	<b>1,122</b>
<b>Net assets</b>	<b>26,542</b>	<b>25,244</b>
<b>EQUITY</b>		
Accumulated surplus	15,532	15,603
Revaluation reserves	11,010	9,641
<b>Total equity</b>	<b>26,542</b>	<b>25,244</b>

# Kyogle Council

## Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Contract assets and contract cost assets	423	59
Cash and cash equivalents	1,311	948
Receivables	227	647
<b>Total current assets</b>	<b>1,961</b>	<b>1,654</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	36,410	34,496
<b>Total non-current assets</b>	<b>36,410</b>	<b>34,496</b>
<b>Total assets</b>	<b>38,371</b>	<b>36,150</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	4	4
Borrowings	32	30
Employee benefit provisions	117	97
<b>Total current liabilities</b>	<b>153</b>	<b>131</b>
<b>Non-current liabilities</b>		
Borrowings	672	704
<b>Total non-current liabilities</b>	<b>672</b>	<b>704</b>
<b>Total liabilities</b>	<b>825</b>	<b>835</b>
<b>Net assets</b>	<b>37,546</b>	<b>35,315</b>
<b>EQUITY</b>		
Accumulated surplus	12,474	11,922
Revaluation reserves	25,072	23,393
<b>Total equity</b>	<b>37,546</b>	<b>35,315</b>

# Kyogle Council

## Statement of Financial Position of Domestic Waste

as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	11	–
Receivables	132	112
<b>Total current assets</b>	<b>143</b>	<b>112</b>
<b>Total assets</b>	<b>143</b>	<b>112</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	79
<b>Total current liabilities</b>	<b>–</b>	<b>79</b>
<b>Total liabilities</b>	<b>–</b>	<b>79</b>
<b>Net assets</b>	<b>143</b>	<b>33</b>
<b>EQUITY</b>		
Accumulated surplus	143	33
<b>Total equity</b>	<b>143</b>	<b>33</b>

## Kyogle Council

## Statement of Financial Position of Quarries

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 2
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,400	1,194
Inventories	544	652
<b>Total current assets</b>	<b>1,944</b>	<b>1,846</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	236	187
<b>Total non-current assets</b>	<b>236</b>	<b>187</b>
<b>Total assets</b>	<b>2,180</b>	<b>2,033</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provisions	281	265
<b>Total non-current liabilities</b>	<b>281</b>	<b>265</b>
<b>Total liabilities</b>	<b>281</b>	<b>265</b>
<b>Net assets</b>	<b>1,899</b>	<b>1,768</b>
<b>EQUITY</b>		
Accumulated surplus	1,489	1,367
Revaluation reserves	410	401
<b>Total equity</b>	<b>1,899</b>	<b>1,768</b>

# Kyogle Council

## Statement of Financial Position of Transport

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Receivables	2,933	3,401
<b>Total current assets</b>	<b>2,933</b>	<b>3,401</b>
<b>Total assets</b>	<b>2,933</b>	<b>3,401</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	3,229	4,179
<b>Total current liabilities</b>	<b>3,229</b>	<b>4,179</b>
<b>Total liabilities</b>	<b>3,229</b>	<b>4,179</b>
<b>Net assets</b>	<b>(296)</b>	<b>(778)</b>
<b>EQUITY</b>		
Accumulated surplus	(296)	(778)
<b>Total equity</b>	<b>(296)</b>	<b>(778)</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 2021 (Regulation)* and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1

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

##### a. Transport

Contract Road Construction and Maintenance

##### b. Quarries

Quarrying Operations

##### c. Water

Water Supply

#### Category 2

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

##### a. Sewer

Sewerage Services

##### b. Domestic Waste

Domestic Waste Management

### 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.

## Note – Material accounting policy information (continued)

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

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

### Notional rate applied (%)

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

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

Payroll tax – 5.45% (2022/23 : 5.45%) on the value of taxable salaries and wages in excess of \$1,200,000.

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

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

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

### Income tax

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

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

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

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

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

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

### Local government rates and charges

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

### Loan and debt guarantee fees

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

### (i) Subsidies

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



## Note – Material accounting policy information (continued)

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

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

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

The rate of return is calculated as follows:

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

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

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

### (iii) Dividends

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

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with DCCEEW's regulatory and assurance framework and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2023 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with DCCEEW's regulatory and assurance framework, Statement of Compliance and statement of dividend payment, dividend payment form and Unqualified Independent Financial Audit Report are required to be submitted to DCCEEW.



## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### Kyogle Council

To the Councillors of Kyogle Council

### Opinion

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

The Declared Business Activities of the Council are:

- Water supply business activity
- Sewerage business activity
- Domestic waste
- Quarries
- Transport.

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:

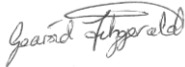
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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.



Gearoid Fitzgerald  
Delegate of the Auditor-General for New South Wales

29 October 2024  
SYDNEY

# Kyogle Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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Permissible income for general rates

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## Kyogle Council

## Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	7,940	8,313
Plus or minus adjustments <sup>2</sup>	b	44	(1)
<b>Notional general income</b>	c = a + b	<b>7,984</b>	<b>8,312</b>
<b>Permissible income calculation</b>			
Percentage increase	d	4.10%	4.70%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	327	391
<b>Sub-total</b>	g = (c + e + f)	<b>8,311</b>	<b>8,703</b>
Plus (or minus) last year's carry forward total	h	53	51
<b>Sub-total</b>	j = (h + i)	<b>53</b>	<b>51</b>
<b>Total permissible income</b>	k = g + j	<b>8,364</b>	<b>8,754</b>
Less notional general income yield	l	8,313	8,739
<b>Catch-up or (excess) result</b>	m = k - l	<b>51</b>	<b>15</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>51</b>	<b>15</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

#### Kyogle Council

To the Councillors of Kyogle Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Kyogle 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:

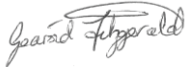
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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.



Gearoid Fitzgerald  
Delegate of the Auditor-General for New South Wales

29 October 2024  
SYDNEY

# Kyogle Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring to the standard		Estimated cost to bring to the agreed level of service set by Council		2023/24 Actual maintenance \$ '000	2023/24 Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	Required maintenance \$ '000	2023/24 Actual maintenance \$ '000				1	2	3	4	5
<b>Buildings</b>	Buildings	742	742	107	216	18,752	38,329	19.6%	48.4%	29.7%	2.3%	0.0%	
	<b>Sub-total</b>	<b>742</b>	<b>742</b>	<b>107</b>	<b>216</b>	<b>18,753</b>	<b>38,329</b>	<b>19.6%</b>	<b>48.4%</b>	<b>29.7%</b>	<b>2.3%</b>	<b>0.0%</b>	
<b>Other structures</b>	Other structures	269	269	199	253	8,729	18,607	28.3%	18.5%	51.7%	1.6%	0.0%	
	<b>Sub-total</b>	<b>269</b>	<b>269</b>	<b>199</b>	<b>253</b>	<b>8,729</b>	<b>18,607</b>	<b>28.3%</b>	<b>18.5%</b>	<b>51.7%</b>	<b>1.6%</b>	<b>0.0%</b>	
<b>Roads</b>	Sealed roads	19,426	19,426	1,906	2,282	165,944	237,759	57.2%	29.1%	9.6%	3.5%	0.6%	
	Unsealed roads	3,066	3,066	2,007	1,557	56,394	77,112	57.5%	31.3%	6.6%	3.7%	1.0%	
	Bridges	3,980	3,980	406	66	206,640	267,667	59.3%	19.2%	20.1%	1.5%	0.0%	
	Footpaths	206	206	101	64	5,510	7,262	57.5%	20.8%	18.1%	3.5%	0.1%	
	Bulk earthworks	—	—	—	—	18,641	18,641	100.0%	0.0%	0.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>26,678</b>	<b>26,678</b>	<b>4,420</b>	<b>3,969</b>	<b>455,022</b>	<b>608,441</b>	<b>59.4%</b>	<b>24.1%</b>	<b>13.6%</b>	<b>2.5%</b>	<b>0.4%</b>	
<b>Water supply network</b>	Water supply network	23	23	302	635	26,397	39,930	20.6%	51.1%	28.2%	0.1%	0.0%	
	<b>Sub-total</b>	<b>23</b>	<b>23</b>	<b>302</b>	<b>635</b>	<b>26,397</b>	<b>39,930</b>	<b>20.6%</b>	<b>51.1%</b>	<b>28.2%</b>	<b>0.1%</b>	<b>0.0%</b>	
<b>Sewerage network</b>	Sewerage network	1,261	1,261	232	422	34,816	45,283	51.0%	12.5%	32.6%	3.3%	0.6%	
	<b>Sub-total</b>	<b>1,261</b>	<b>1,261</b>	<b>232</b>	<b>422</b>	<b>34,815</b>	<b>45,283</b>	<b>51.0%</b>	<b>12.5%</b>	<b>32.6%</b>	<b>3.3%</b>	<b>0.6%</b>	
<b>Stormwater drainage</b>	Stormwater drainage	1,427	1,427	51	67	31,570	36,100	91.6%	0.8%	2.8%	0.8%	4.0%	
	<b>Sub-total</b>	<b>1,427</b>	<b>1,427</b>	<b>51</b>	<b>67</b>	<b>31,570</b>	<b>36,100</b>	<b>91.6%</b>	<b>0.8%</b>	<b>2.8%</b>	<b>0.8%</b>	<b>4.0%</b>	
<b>Total – all assets</b>		<b>30,400</b>	<b>30,400</b>	<b>5,311</b>	<b>5,562</b>	<b>575,286</b>	<b>786,690</b>	<b>55.8%</b>	<b>24.8%</b>	<b>16.6%</b>	<b>2.3%</b>	<b>0.5%</b>	

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

### Infrastructure asset condition assessment 'key'

- 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

## Kyogle Council

## Report on infrastructure assets as at 30 June 2024

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2024	Indicator 2024	2023	Indicators 2022	2021	Benchmark
<b>Buildings and infrastructure renewals ratio</b>						
Asset renewals <sup>1</sup>	<b>75,541</b>					
Depreciation, amortisation and impairment	<b>7,536</b>	<b>1,002.40%</b>	913.11%	119.26%	123.11%	> 100.00%
<b>Infrastructure backlog ratio</b>						
Estimated cost to bring assets to a satisfactory standard	<b>30,400</b>					
Net carrying amount of infrastructure assets	<b>604,814</b>	<b>5.03%</b>	6.73%	11.87%	8.89%	< 2.00%
<b>Asset maintenance ratio</b>						
Actual asset maintenance	<b>5,562</b>					
Required asset maintenance	<b>5,311</b>	<b>104.73%</b>	92.06%	101.79%	112.51%	> 100.00%
<b>Cost to bring assets to agreed service level</b>						
Estimated cost to bring assets to an agreed service level set by Council	<b>30,400</b>					
Gross replacement cost	<b>786,690</b>	<b>3.86%</b>	4.84%	7.92%	5.96%	

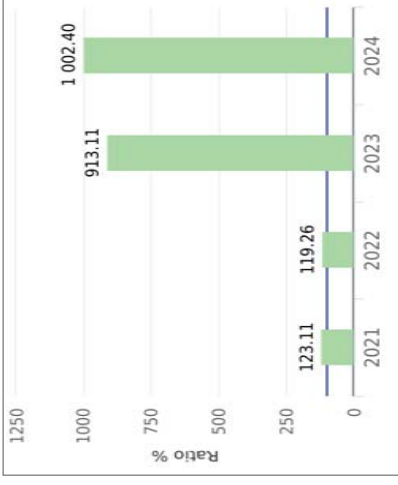
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

# Kyogle Council

## Report on infrastructure assets as at 30 June 2024

### Buildings and infrastructure renewals ratio



Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

**Buildings and infrastructure renewals ratio**

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

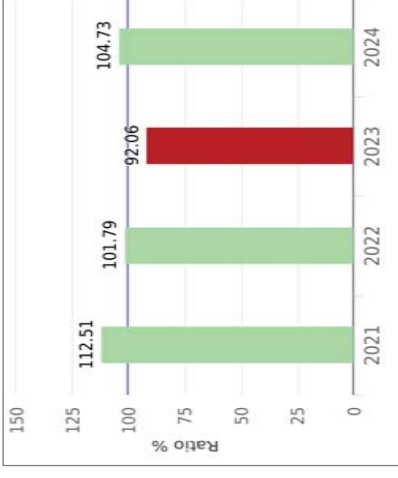
**Commentary on result**  
23/24 ratio 1,002.40%

This ratio continues to track above the required benchmark. Council has developed strategies & actions within its delivery & operational plan as well as the long term financial plan to improve the long term management of Council's infrastructure assets. Flood damage renewals have significantly impacted this ratio.

Ratio achieves benchmark

Ratio is outside benchmark

### Asset maintenance ratio



Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

**Asset maintenance ratio**

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

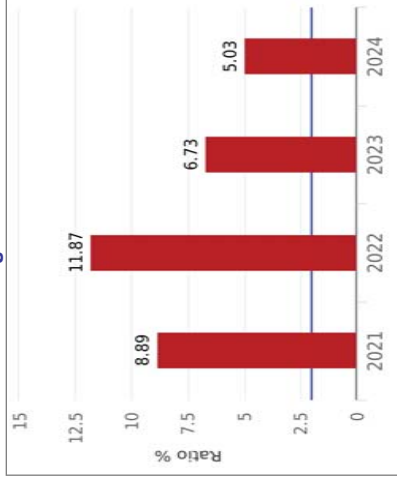
**Commentary on result**  
23/24 ratio 104.73%

This ratio meets the Tcorp required benchmark. Council has developed strategies & actions within its delivery & operational plan as well as the long term financial plan to improve the long term management of Council's infrastructure assets.

Ratio achieves benchmark

Ratio is outside benchmark

### Infrastructure backlog ratio



Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

**Infrastructure backlog ratio**

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

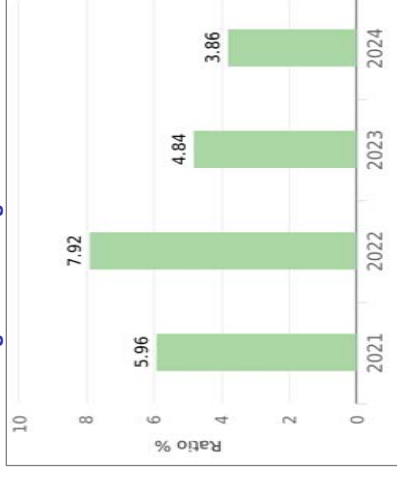
**Commentary on result**  
23/24 ratio 5.03%

Council acknowledges its infrastructure backlog ratio is outside Tcorp's benchmark. Council is continually focusing on asset renewal expenditure but like all other NSW council's faces a large impost associated with asset backlogs & maintenance. The 2022 floods have impacted this ratio.

Ratio achieves benchmark

Ratio is outside benchmark

### Cost to bring assets to agreed service level



**Cost to bring assets to agreed service level**

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

**Commentary on result**  
23/24 ratio 3.86%

Council is continually focusing on asset expenditure but like all other NSW council's faces a large impost associated with asset backlogs & maintenance. Council will continue to focus on this area of expenditure.

## Kyogle Council

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

#### Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>Buildings and infrastructure renewals ratio</b>							
Asset renewals <sup>1</sup>	<b>1,089.94%</b>	976.00%	<b>84.21%</b>	32.95%	<b>62.22%</b>	210.36%	> 100.00%
Depreciation, amortisation and impairment							
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard	<b>5.18%</b>	7.06%	<b>0.09%</b>	0.08%	<b>3.62%</b>	3.55%	< 2.00%
Net carrying amount of infrastructure assets							
<b>Asset maintenance ratio</b>							
Actual asset maintenance	<b>94.31%</b>	86.47%	<b>210.26%</b>	144.48%	<b>181.90%</b>	139.91%	> 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>4.15%</b>	5.28%	<b>0.06%</b>	0.06%	<b>2.78%</b>	2.75%	
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.