

Weddin Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024



Weddin Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Weddin Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

Corner Camp & Weddin Streets
Grenfell NSW 2810

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.weddin.nsw.gov.au.

Weddin Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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:

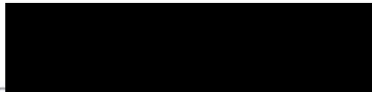
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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 08 October 2024.



Paul Best
Mayor
08 October 2024



Colleen Gorman
Councillor
08 October 2024



Noreen Vu
General Manager
08 October 2024



John Thompson
Responsible Accounting Officer
08 October 2024

Weddin Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		1,072	14,343
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	13,659	17,317
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-6	1,014	(5,073)
Other comprehensive income – joint ventures and associates		1,589	2,476
Total items which will not be reclassified subsequently to the operating result		16,262	14,720
Total other comprehensive income for the year		16,262	14,720
Total comprehensive income for the year attributable to Council		17,334	29,063

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

Weddin Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	18,089	6,146
Receivables	C1-3	1,005	1,350
Inventories	C1-4	221	225
Contract assets and contract cost assets	C1-5	2,269	11,258
Total current assets		21,584	18,979
Non-current assets			
Receivables	C1-3	26	79
Inventories	C1-4	83	83
Infrastructure, property, plant and equipment (IPPE)	C1-6	265,935	254,614
Investments accounted for using the equity method	D2-1	40,055	37,574
Total non-current assets		306,099	292,350
Total assets		327,683	311,329
LIABILITIES			
Current liabilities			
Payables	C3-1	3,514	3,222
Contract liabilities	C3-2	3,067	4,120
Borrowings	C3-3	419	407
Employee benefit provisions	C3-4	1,079	1,086
Total current liabilities		8,079	8,835
Non-current liabilities			
Payables	C3-1	6	4
Borrowings	C3-3	3,256	3,675
Employee benefit provisions	C3-4	144	85
Provisions	C3-5	695	561
Total non-current liabilities		4,101	4,325
Total liabilities		12,180	13,160
Net assets		315,503	298,169
EQUITY			
Accumulated surplus		193,750	191,089
IPPE revaluation reserve	C4-1	121,753	107,080
Council equity interest		315,503	298,169
Total equity		315,503	298,169

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

Weddin Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		191,089	107,080	298,169	174,270	94,836	269,106
Restated opening balance		191,089	107,080	298,169	174,270	94,836	269,106
Net operating result for the year		1,072	–	1,072	14,343	–	14,343
Restated net operating result for the period		1,072	–	1,072	14,343	–	14,343
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	13,659	13,659	–	17,317	17,317
Impairment (loss) reversal relating to IPP&E	C1-6	–	1,014	1,014	–	(5,073)	(5,073)
Joint ventures and associates	D2-1	1,589	–	1,589	2,476	–	2,476
Restated other comprehensive income		1,589	14,673	16,262	2,476	12,244	14,720
Total comprehensive income		2,661	14,673	17,334	16,819	12,244	29,063
Closing balance at 30 June		193,750	121,753	315,503	191,089	107,080	298,169

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

Weddin Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
4,476	Rates and annual charges		4,262	4,110
2,998	User charges and fees		5,668	3,654
270	Interest received		309	280
5,226	Grants and contributions		24,899	7,991
–	Bonds, deposits and retentions received		111	–
434	Other		2,082	6,035
<i>Payments:</i>				
(4,198)	Payments to employees		(6,943)	(5,346)
(3,370)	Payments for materials and services		(13,734)	(10,120)
(169)	Borrowing costs		(149)	(142)
–	Bonds, deposits and retentions refunded		–	(17)
(1,267)	Other		(1,889)	(394)
4,400	Net cash flows from operating activities	G1-1	14,616	6,051
Cash flows from investing activities				
<i>Receipts:</i>				
–	Redemption of term deposits		–	1,000
–	Proceeds from sale of IPPE		473	42
–	Deferred debtors receipts		48	81
<i>Payments:</i>				
(3,435)	Payments for IPPE		(2,787)	(13,471)
(3,435)	Net cash flows from investing activities		(2,266)	(12,348)
Cash flows from financing activities				
<i>Payments:</i>				
(408)	Repayment of borrowings		(407)	(398)
–	Principal component of lease payments		–	(9)
(408)	Net cash flows from financing activities		(407)	(407)
557	Net change in cash and cash equivalents		11,943	(6,704)
6,146	Cash and cash equivalents at beginning of year		6,146	12,850
6,703	Cash and cash equivalents at end of year	C1-1	18,089	6,146

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

Weddin Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 08 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these 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 – refer Note C1-3.
- (ii) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- (iii) Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.
- (iv) Estimated fair values of infrastructure, property, plant and equipment.

Council has made significant judgements in calculating the fair value of its infrastructure, property, plant and equipment - refer Note C1-6.

- (v) Estimated tip remediation liabilities

Council has made significant judgements in calculating the timing and value of its tip remediation liabilities - refer Note C3-5.

- (vi) Employee benefit provisions

Council has made significant judgements concerning the timing of its Employee benefit provisions - refer Note C3-4.

A1-1 Basis of preparation (continued)

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Sewerage service

The Trust Fund

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

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

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

Volunteer services

Council does not make use of volunteer services.

New accounting standards and interpretations issued but not yet effective

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

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

New accounting standards adopted during the year

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

Those newly adopted standards had no impact on Council's reported financial position, financial performance and/or associated financial statement.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Community and Culture	281	269	527	866	(246)	(597)	265	190	15,268	14,729
Local Economy	276	298	605	563	(329)	(265)	148	179	–	–
Environmental	2,931	4,005	2,153	2,480	778	1,525	61	40	17,509	15,989
Infrastructure	19,869	28,377	19,096	15,215	773	13,162	12,670	19,209	208,707	198,853
Government and Representation	3,285	3,651	3,462	3,069	(177)	582	3,793	3,046	24,436	22,673
Share of Central Tablelands Water	892	376	–	–	892	376	–	–	40,055	37,754
Sewer Services	768	694	1,387	1,134	(619)	(440)	26	44	21,708	21,331
Total functions and activities	28,302	37,670	27,230	23,327	1,072	14,343	16,963	22,708	327,683	311,329

B1-2 Components of functions or activities

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

Community and Culture

- Art Gallery
- Community Technology Centre
- Emergency Services
- Library
- Taxi

Local Economy

- Caravan Park
- Economic Development
- Tourism

Environmental

- Animal Control
- Council Buildings & Property
- Heritage
- Planning & Building
- Swimmings Pools
- Waste
- Weeds

Infrastructure

- Cemeteries
- Depot
- Engineering
- Parks & Gardens
- Plant
- Private Works
- Public Conveniences
- Transport for NSW
- Roads & Transportation
- Stormwater

Government and Representation

- Corporate
- General Revenue
- Governance

Sewer Fund

- Sewer

Central Tablelands Water

- Councils share of Central Tablelands Water

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	1,031	1,028
Farmland	1,834	1,808
Mining	7	7
Business	137	138
Less: pensioner rebates (mandatory)	(108)	(110)
Rates levied to ratepayers	2,901	2,871
Pensioner rate subsidies received	60	60
Total ordinary rates	2,961	2,931
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	533	497
Sewerage services	688	619
Waste management services (non-domestic)	178	159
Less: pensioner rebates (mandatory)	(26)	(27)
Annual charges levied	1,373	1,248
Pensioner annual charges subsidies received:		
– Sewerage	14	15
Total annual charges	1,387	1,263
Total rates and annual charges	4,348	4,194
Timing of revenue recognition for rates and annual charges		
Rates and annual charges recognised at a point in time	4,348	4,194
Total rates and annual charges	4,348	4,194

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)		
Sewerage services	35	23
Other	2	–
Total specific user charges	37	23
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Building regulation	52	41
Private works – section 67	5	23
Town planning	44	50
Total fees and charges – statutory/regulatory	101	114
(ii) Fees and charges – other (incl. general user charges (per s608))		
Caravan park	61	107
Cemeteries	94	76
Leaseback fees – Council vehicles	29	26
Transport for NSW works (state roads not controlled by Council)	4,805	9,083
Swimming centres	51	46
Waste disposal tipping fees	14	10
Community technology centre	7	63
Other	150	78
Total fees and charges – other	5,211	9,489
Total other user charges and fees	5,312	9,603
Total user charges and fees	5,349	9,626
Timing of revenue recognition for user charges and fees		
User charges and fees recognised at a point in time	5,349	9,626
Total user charges and fees	5,349	9,626

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.

B2-3 Other revenues

\$ '000	2024	2023
Legal fees recovery – rates and charges (extra charges)	2	8
Commissions and agency fees	66	62
Diesel rebate	36	29
Insurance claims recoveries	11	–
Recycling income (non-domestic)	19	61
Insurance rebates	–	46
Other	47	141
Total other revenue	181	347
Timing of revenue recognition for other revenue		
Other revenue recognised at a point in time	181	347
Total other revenue	181	347

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 or the payment is received, whichever occurs first.

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

B2-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	194	653	–	–
Financial assistance – local roads component	51	326	–	–
Payment in advance - future year allocation				
Financial assistance – general component	2,246	2,379	–	–
Financial assistance – local roads component	1,129	1,271	–	–
Amount recognised as income during current year	3,620	4,629	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Bushfire and emergency services	84	119	–	–
Employment and training programs	–	25	–	–
Environmental programs	–	–	–	7
Heritage and cultural	13	11	–	10
Library – per capita	76	71	–	–
Noxious weeds	61	42	–	–
Storm/flood damage	8,656	5,265	–	–
Stronger Country Communities	–	–	366	644
Street lighting	35	35	–	–
Drought Communities	–	–	149	59
Transport (roads to recovery)	698	763	–	–
Transport (other roads and bridges funding)	–	–	314	1,376
Planning portal	–	84	–	–
Fixing local roads	–	370	902	7,048
Local roads and community infrastructure	–	–	707	930
Recreation and culture	148	189	–	–
Other specific grants	265	161	–	–
Transport for NSW contributions (regional roads, block grant)	843	826	–	–
Total special purpose grants and non-developer contributions – cash	10,879	7,961	2,438	10,074
Total special purpose grants and non-developer contributions (tied)	10,879	7,961	2,438	10,074
Total grants and non-developer contributions	14,499	12,590	2,438	10,074
Comprising:				
– Commonwealth funding	717	5,392	882	1,239
– State funding	13,782	7,198	1,556	8,835
	14,499	12,590	2,438	10,074

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 64 – sewerage service contributions	G4	–	–	26	44
Total developer contributions – cash		–	–	26	44
Total developer contributions		–	–	26	44
Total contributions		–	–	26	44
Total grants and contributions		14,499	12,590	2,464	10,118
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		–	370	902	7,590
Grants and contributions recognised at a point in time		14,499	12,220	1,562	2,528
Total grants and contributions		14,499	12,590	2,464	10,118

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and contributions				
Unspent funds at 1 July	2,308	28	4,120	7,579
Add: Funds received and not recognised as revenue in the current year	–	–	395	1,848
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions				
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	4,046	2,308	–	–
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(256)	(28)	–	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(1,448)	(5,307)
Unspent Grants at 30 June	6,098	2,308	3,067	4,120

Unspent capital grants for the construction of assets and unspent operating grants for provision of goods and services.

Contributions

Unspent funds at 1 July	–	–	102	58
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	26	44
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
Unspent contributions at 30 June	–	–	128	102

Unspent Section 64 contributions.

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

B2-4 Grants and contributions (continued)

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	39	21
– Cash and investments	270	259
Total interest and investment income (losses)	309	280

B2-6 Other income

\$ '000	Notes	2024	2023
Rental income			
Other lease income			
Residential rental		74	15
Commercial rental		73	82
Total other lease income		147	97
Total rental income	C2-2	147	97
Net share of interests in joint ventures and associates using the equity method			
Associates		892	376
Total net share of interests in joint ventures and associates using the equity method	D2-1	892	376
Total other income		1,039	473

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	6,048	4,561
Superannuation	675	602
Workers' compensation insurance	281	254
Fringe benefit tax (FBT)	(3)	45
Total employee costs	7,001	5,462
Total employee costs expensed	7,001	5,462

Material accounting policy information

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		2,544	2,599
Contractor costs		10,036	8,462
Audit Fees	F2-1	67	45
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	166	156
Advertising		44	27
Electricity and heating		148	164
Insurance		548	375
Postage		12	12
Street lighting		107	97
Telephone and communications		36	41
Travel expenses		26	21
Training costs (other than salaries and wages)		108	65
Legal expenses:			
– Legal expenses: other		37	12
Expenses from leases of low value assets		10	16
Total materials and services		13,889	12,092
Total materials and services		13,889	12,092

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on loans		148	163
Total interest bearing liability costs		148	163
Total interest bearing liability costs expensed		148	163
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	24	23
Total other borrowing costs		24	23
Total borrowing costs expensed		172	186

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		508	533
Office equipment		47	48
Furniture and fittings		8	8
Infrastructure:			
	C1-6		
– Buildings – non-specialised		496	511
– Buildings – specialised		281	186
– Other structures		130	115
– Roads		3,220	2,796
– Bridges		433	409
– Footpaths		23	22
– Stormwater drainage		123	103
– Sewerage network		283	258
– Swimming pools		181	165
Right of use assets	C2-1	–	8
Other assets:			
– Library books		29	28
– Other		1	1
Reinstatement, rehabilitation and restoration assets:			
– Asset reinstatement costs	C3-5,C1-6	16	20
Total gross depreciation and amortisation costs		5,779	5,211
Total depreciation and amortisation costs		5,779	5,211
Total depreciation, amortisation and impairment for non-financial assets		5,779	5,211

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

B3-5 Other expenses

\$ '000	2024	2023
Other		
Contributions/levies to other levels of government		
– Emergency services levy	17	10
– NSW fire brigade levy	38	32
– NSW rural fire service levy	318	318
Donations, contributions and assistance to other organisations (Section 356)	16	16
Total other expenses	389	376

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

\$ '000	2024	2023
Gain (or loss) on disposal of property (excl. investment property)		
Proceeds from disposal – property	473	42
Less: carrying amount of property assets sold/written off	(360)	–
Gain (or loss) on disposal	113	42
Net gain (or loss) from disposal of assets	113	42

B5 Performance against budget

B5-1 Material budget variations

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

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
User charges and fees	2,998	5,349	2,351	78% F
Transport for NSW works were significantly higher than budget due to flood damage on State Highways.				
Other revenues	225	181	(44)	(20)% U
Council received more other revenue than budgeted, due to the budget being conservative.				
Operating grants and contributions	5,095	14,499	9,404	185% F
Operating grants and contributions were significantly higher than budget due to the storm and flood damage grants of \$8.6 million and receiving 85% allocation of the 2024/25 financial assistance grant this year.				
Capital grants and contributions	130	2,464	2,334	1,795% F
Capital grants and contributions were significantly higher than budget due to funding under the Fixing Local Roads program of \$907,000 and LRCI program of \$707,000.				
Interest and investment revenue	270	309	39	14% F
Interest revenue was significantly higher than budget due to higher interest rates on investments during the year.				
Net gains from disposal of assets	25	113	88	352% F
Council disposed of a property during the year which created a gain on disposal greater than the budgeted amount.				
Other income	184	1,039	855	465% F
Other income was significantly higher than budget due to Council's share of the Central Tablelands joint venture.				
Expenses				
Employee benefits and on-costs	4,198	7,001	(2,803)	(67)% U
Employee expenses were significantly higher than budget due to the filling of key positions and an increase in staff to meet Council's road work commitments.				
Materials and services	3,370	13,889	(10,519)	(312)% U
Materials and services were significantly higher than budget due to increased contractor costs and raw materials used in the repairing of road assets after flood damage.				
Depreciation, amortisation and impairment of non-financial assets	3,700	5,779	(2,079)	(56)% U
Depreciation was significantly higher than budget due to increased depreciation on infrastructure assets from revaluation and indexation.				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Other expenses	1,267	389	878	69% F
Other expenses were significantly lower than budget due to misallocations within the budget for items that should have been disclosed within materials and services.				

Statement of cash flows

Cash flows from operating activities	4,400	14,616	10,216	232% F
Cash flows from operating activities were significantly higher than budget due to increased user charges and fess, increased grant income and increased payments to employees and materials and services due to the repairing of flood damaged roads.				
Cash flows from investing activities	(3,435)	(2,266)	1,169	(34)% F
Cash out flows from investing activities were significantly lower than budget due to less capitalisation of IPPE than anticipated.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	11,089	3,646
Cash equivalent assets		
– Short-term deposits	7,000	2,500
Total cash and cash equivalents	18,089	6,146
 Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	18,089	6,146
Balance as per the Statement of Cash Flows	18,089	6,146

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	18,089	6,146
Cash, cash equivalents and investments not subject to external restrictions	8,443	(1,108)
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	3,067	4,120
External restrictions – included in liabilities	3,067	4,120
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – sewer fund	128	102
Specific purpose unexpended grants - general fund	6,098	2,308
Sewer fund	353	724
External restrictions – other	6,579	3,134
Total external restrictions	9,646	7,254

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

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	8,443	(1,108)
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	325	–
Employees leave entitlement	1,223	–
Domestic Waste Management	250	–
Development projects	81	–
Gravel pits	36	–
Office equipment	40	–
Town and shire works	2,432	–
Financial Assistance Grant advance payment	3,375	–
Total internal allocations	7,762	–

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	2024	2023	2023
	Current	Non-current	Current	Non-current
Rates and annual charges	592	–	485	–
User charges and fees	43	–	362	–
Private works	1	–	1	–
Accrued revenues				
– Other income accruals	27	–	8	–
Deferred debtors	65	26	60	79
Net GST receivable	291	–	448	–
Total	1,019	26	1,364	79
Less: provision for impairment				
User charges and fees	(14)	–	(14)	–
Total provision for impairment – receivables	(14)	–	(14)	–
Total net receivables	1,005	26	1,350	79

Material accounting policy information

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

Impairment

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

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

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

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

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

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

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

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

C1-4 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Real estate for resale	–	83	–	83
Stores and materials	221	–	225	–
Total inventories at cost	221	83	225	83
Total inventories	221	83	225	83

(i) Other disclosures

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(a) Details for real estate development				
Industrial/commercial	–	83	–	83
Total real estate for resale	–	83	–	83

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

Land held for resale

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

C1-5 Contract assets and Contract cost assets

\$ '000	2024 Current	2023 Current
Contract assets	<u>2,269</u>	11,258
Total contract assets	<u>2,269</u>	<u>11,258</u>

Contract assets

Infrastructure grants	2,144	5,746
RMCC works	<u>125</u>	<u>5,512</u>
Total contract assets	<u>2,269</u>	<u>11,258</u>

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	5,245	–	5,245	2,012	–	–	–	–	–	–	7,257	–	7,257
Plant and equipment	7,738	(5,016)	2,722	–	437	(38)	(508)	–	–	–	8,134	(5,521)	2,613
Office equipment	1,382	(1,088)	294	–	–	–	(47)	–	–	–	1,382	(1,135)	247
Furniture and fittings	186	(150)	36	–	–	(3)	(8)	–	–	–	176	(151)	25
Land:													
– Operational land	1,868	–	1,868	–	–	(100)	–	–	–	67	1,835	–	1,835
– Community land	1,636	–	1,636	–	–	–	–	–	–	62	1,698	–	1,698
Infrastructure:													
– Buildings – non-specialised	17,392	(8,843)	8,549	–	–	(210)	(496)	–	–	422	17,752	(9,487)	8,265
– Buildings – specialised	9,502	(3,053)	6,449	–	–	–	(281)	–	–	428	10,162	(3,566)	6,596
– Other structures	4,016	(912)	3,104	–	–	(9)	(130)	–	–	206	4,285	(1,114)	3,171
– Roads	146,628	(71,502)	75,126	–	–	–	(3,220)	1,014	–	4,134	154,502	(77,448)	77,054
– Bridges	51,991	(16,642)	35,349	–	–	–	(433)	–	–	1,874	54,783	(17,993)	36,790
– Footpaths	2,347	(806)	1,541	–	–	–	(23)	–	–	81	2,473	(874)	1,599
– Bulk earthworks (non-depreciable)	76,010	–	76,010	–	–	–	–	–	–	4,082	80,092	–	80,092
– Stormwater drainage	14,691	(5,377)	9,314	–	–	–	(123)	–	–	466	15,436	(5,779)	9,657
– Sewerage network	27,670	(7,353)	20,317	–	–	–	(283)	–	–	1,016	29,073	(8,023)	21,050
– Swimming pools	8,452	(1,816)	6,636	–	229	–	(181)	–	–	449	9,269	(2,136)	7,133
Other assets:													
– Library books	668	(518)	150	–	–	–	(29)	–	–	–	668	(547)	121
– Other	84	(44)	40	–	–	–	(1)	–	–	2	90	(49)	41
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	580	(352)	228	–	–	–	(16)	–	109	370	691	–	691
Total infrastructure, property, plant and equipment	378,086	(123,472)	254,614	2,012	666	(360)	(5,779)	1,014	109	13,659	399,758	(133,823)	265,935

(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 ¹	Additions new assets	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	4,292	–	4,292	2,385	–	–	–	(1,432)	–	5,245	–	5,245
Plant and equipment	7,412	(4,483)	2,929	–	326	(533)	–	–	–	7,738	(5,016)	2,722
Office equipment	1,352	(1,040)	312	–	30	(48)	–	–	–	1,382	(1,088)	294
Furniture and fittings	186	(142)	44	–	–	(8)	–	–	–	186	(150)	36
Land:												
– Operational land	1,573	–	1,573	–	–	–	–	–	295	1,868	–	1,868
– Community land	1,558	–	1,558	–	–	–	–	–	78	1,636	–	1,636
Infrastructure:												
– Buildings – non-specialised	15,772	(9,137)	6,635	–	1,485	(511)	–	–	940	17,392	(8,843)	8,549
– Buildings – specialised	6,561	(3,008)	3,553	–	–	(186)	–	–	3,082	9,502	(3,053)	6,449
– Other structures	3,585	(737)	2,848	175	–	(115)	–	–	195	4,016	(912)	3,104
– Roads	131,606	(59,926)	71,680	5,813	–	(2,796)	(5,073)	1,432	4,070	146,628	(71,502)	75,126
– Bridges	49,090	(15,305)	33,785	–	–	(409)	–	–	1,973	51,991	(16,642)	35,349
– Footpaths	2,216	(739)	1,477	–	–	(22)	–	–	86	2,347	(806)	1,541
– Bulk earthworks (non-depreciable)	70,317	–	70,317	1,537	–	–	–	–	4,156	76,010	–	76,010
– Stormwater drainage	12,367	(4,889)	7,478	1,371	–	(103)	–	–	568	14,691	(5,377)	9,314
– Sewerage network	25,399	(6,569)	18,830	–	313	(258)	–	–	1,432	27,670	(7,353)	20,317
– Swimming pools	7,832	(1,530)	6,302	60	–	(165)	–	–	439	8,452	(1,816)	6,636
Other assets:												
– Library books	646	(489)	157	–	21	(28)	–	–	–	668	(518)	150
– Other	79	(40)	39	–	–	(1)	–	–	3	84	(44)	40
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Tip assets	625	(332)	293	–	–	(20)	–	(45)	–	580	(352)	228
Total infrastructure, property, plant and equipment	342,468	(108,366)	234,102	11,341	2,175	(5,203)	(5,073)	(45)	17,317	378,086	(123,472)	254,614

(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

Useful lives of IPPE

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

	Useful lives
Plant, office equipment, furniture and fittings	10
Infrastructure:	
– Buildings and other structures	20 to 40
– Roads, bridges and footpaths	19 to 160
– Bulk earthworks	infinite
– Stormwater drainage	109 to 120
– Sewerage network	15 to 85
– Open space / recreational assets	10 to 80
– Swimming pools	15 to 50
Library Books	10
Playground equipment, benches	5 to 20
Tip assets	25

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

Revaluation model

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

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

Land under roads

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

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

Crown reserves

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

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

Rural Fire Service assets

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

Council have made the position that legislated ownership is not an Accounting Standard for the recognition of Property, Plant, and Equipment assets. Council will not be recognising Rural Fire Service Assets.

C2 Leasing activities

C2-1 Council as a lessee

Council has no leases in 2024 but had a plant lease in 2023. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Plant

Council leases an item of plant with lease terms of 5 years; the lease payments are fixed during the lease term and there is no renewal option.

(a) Right of use assets

\$ '000	Plant & Equipment	Total
2024		
Depreciation charge	-	-
Balance at 30 June	-	-
2023		
Opening balance at 1 July	8	8
Depreciation charge	(8)	(8)
Balance at 30 June	-	-

C2-1 Council as a lessee (continued)

(b) Income Statement

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

\$ '000	2024	2023
Depreciation of right of use assets	–	8
Expenses relating to leases of low-value assets	10	16
	10	24

(c) Statement of Cash Flows

Total cash outflow for leases	–	9
	–	9

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

Council has leases at significantly below market for a buildings which are used for:

- community arts centre
- railway station, used for recreation

The leases are generally varying terms and require payments of a maximum amount of \$500 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

Material accounting policy information

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

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

C2-2 Council as a lessor

Operating leases

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

– property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer note C1-6).

\$ '000	2024	2023
(ii) Assets held as property, plant and equipment		
Council provides operating leases on Council buildings for the purpose of medical services and community groups,		
Lease income (excluding variable lease payments not dependent on an index or rate)	147	97
Total income relating to operating leases for Council assets	147	97

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Goods and services – operating expenditure	2,796	–	2,645	–
Accrued expenses:				
– Borrowings	18	–	19	–
– Salaries and wages	201	6	197	4
– Other expenditure accruals	52	–	46	–
Security bonds, deposits and retentions	329	–	218	–
Prepaid rates	118	–	97	–
Total payables	3,514	6	3,222	4

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	3,067	-	4,106	-
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	-	-	14	-
Total grants received in advance		3,067	-	4,120	-
Total contract liabilities		3,067	-	4,120	-

Notes

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

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

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

\$ '000	2024	2023
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	1,434	5,189
Operating grants (received prior to performance obligation being satisfied)	14	339
Total revenue recognised that was included in the contract liability balance at the beginning of the period	1,448	5,528

C3-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured ¹	419	3,256	407	3,675
Total borrowings	419	3,256	407	3,675

(1) Loans for infrastructure are secured over the general rating income of Council, loans for plant purchases are secured against the plant item.

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	4,082	(407)	-	-	-	-	3,675
Lease liability (Note C2-1b)	-	-	-	-	-	-	-
Total liabilities from financing activities	4,082	(407)	-	-	-	-	3,675

\$ '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	4,480	(398)	-	-	-	-	4,082
Lease liability (Note C2-1b)	9	(9)	-	-	-	-	-
Total liabilities from financing activities	4,489	(407)	-	-	-	-	4,082

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	1,000	250
Credit cards/purchase cards	50	50
Total financing arrangements	1,050	300
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	15	12
Total drawn financing arrangements	15	12
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	1,000	250
– Credit cards/purchase cards	35	38
Total undrawn financing arrangements	1,035	288

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

C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	538	–	466	–
Long service leave	541	144	620	85
Total employee benefit provisions	1,079	144	1,086	85

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	799	885
	799	885

Material accounting policy information

Other long-term employee benefit obligations

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

C3-5 Provisions

\$ '000	2024		2023	
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	695	–	561
Total provisions	–	695	–	561

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	561	561
Unwinding of discount	24	24
Additional provisions	161	161
Remeasurement effects	(51)	(51)
Total other provisions at end of year	695	695
2023		
At beginning of year	581	581
Unwinding of discount	23	23
Remeasurement effects	(43)	(43)
Total other provisions at end of year	561	561

Nature and purpose of provisions

Asset remediation

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

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Sewer 2024
Income from continuing operations		
Rates and annual charges	3,654	694
User charges and fees	5,308	41
Interest and investment income	302	7
Other revenues	181	–
Grants and contributions provided for operating purposes	14,499	–
Grants and contributions provided for capital purposes	2,438	26
Net gains from disposal of assets	113	–
Other income	1,039	–
Total income from continuing operations	27,534	768
Expenses from continuing operations		
Employee benefits and on-costs	6,479	522
Materials and services	13,307	582
Borrowing costs	172	–
Depreciation, amortisation and impairment of non-financial assets	5,496	283
Other expenses	389	–
Total expenses from continuing operations	25,843	1,387
Operating result from continuing operations	1,691	(619)
Net operating result for the year	1,691	(619)
Net operating result attributable to each council fund	1,691	(619)
Net operating result for the year before grants and contributions provided for capital purposes	(747)	(645)

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Sewer 2024
ASSETS		
Current assets		
Cash and cash equivalents	17,608	481
Receivables	904	101
Inventories	221	–
Contract assets and contract cost assets	2,269	–
Total current assets	21,002	582
Non-current assets		
Receivables	26	–
Inventories	83	–
Infrastructure, property, plant and equipment	244,774	21,161
Investments accounted for using the equity method	40,055	–
Total non-current assets	284,938	21,161
Total assets	305,940	21,743
LIABILITIES		
Current liabilities		
Payables	3,514	–
Contract liabilities	3,067	–
Borrowings	419	–
Employee benefit provision	1,044	35
Total current liabilities	8,044	35
Non-current liabilities		
Payables	6	–
Borrowings	3,256	–
Employee benefit provision	144	–
Provisions	695	–
Total non-current liabilities	4,101	–
Total liabilities	12,145	35
Net assets	293,795	21,708
EQUITY		
Accumulated surplus	179,601	14,149
Revaluation reserves	114,194	7,559
Council equity interest	293,795	21,708
Total equity	293,795	21,708

D2 Interests in other entities

\$ '000	Council's share of net assets	
	2024	2023
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Associates	40,055	37,574
Total net share of interests in joint ventures and associates using the equity method – assets	40,055	37,574
Total Council's share of net assets	40,055	37,574

Interests in associates

Net carrying amounts – Council's share

\$ '000	Place of business	Nature of relationship	Interest in ownership			
			2024	2023	2024	2023
Central Tablelands Water County Council	Blayney	Associate	33%	33%	40,055	37,574
Total carrying amounts – material associates					40,055	37,574

Central Tablelands Water County Council

Central Tablelands Water County Council is a water authority supplying water to the shires of Blayney, Weddin and Cabonne.

Council has incorporated the following associates into its consolidated financial statements. Note this information is based upon financial statements for the year ended 30 June 2024 being the most recent financial statements available.

Details

	Principal activity	Measurement method
Central Tablelands Water County Council	Maintains and administers water supply schemes	Equity method

Relevant interests and fair values

	Interest in outputs		Proportion of voting power	
	2024	2023	2024	2023
Central Tablelands Water County Council	33%	33%	33%	33%

D2-1 Interests in associates (continued)

Summarised financial information for associates

\$ '000	Central Tablelands Water County Council	
	2024	2023
Statement of financial position		
Current assets		
Cash and cash equivalents	1,658	2,268
Other current assets	10,867	8,958
Non-current assets	109,780	103,097
Current liabilities		
Other current liabilities	2,101	1,569
Non-current liabilities		
Non-current financial liabilities (excluding trade and other payables and provisions)	27	21
Net assets	120,177	112,733
Statement of comprehensive income		
Income	10,373	8,639
Interest income	546	289
Depreciation and amortisation	(3,014)	(2,727)
Other expenses	(5,228)	(5,073)
Profit/(loss) from continuing operations	2,677	1,128
Profit/(loss) for period	2,677	1,128
Other comprehensive income	4,767	7,430
Total comprehensive income	7,444	8,558
Share of income – Council (%)	33%	33%
Profit/(loss) – Council (\$)	892	376
Total comprehensive income – Council (\$)	2,481	2,852
Reconciliation of the carrying amount		
Opening net assets (1 July)	112,733	104,175
Profit/(loss) for the period	2,677	1,128
Other comprehensive income – revaluations	4,767	7,430
Closing net assets	120,177	112,733
Council's share of net assets (%)	33%	33%
Council's share of net assets (\$)	40,055	37,574

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

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

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
<p>The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	82	57

(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.

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.

Council makes suitable provision for doubtful receivables as required.

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	Not yet overdue	< 5 years	≥ 5 years	
2024				
Gross carrying amount	–	458	134	592
2023				
Gross carrying amount	–	364	121	485

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	<30 days overdue	30 - 60 days overdue	60 - 90 days overdue	> 90 days overdue	Total
2024						
Gross carrying amount	2,584	91	5	11	31	2,722
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	45.00%	0.51%
ECL provision	–	–	–	–	14	14
2023						
Gross carrying amount	12,097	82	3	7	27	12,216
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	53.00%	0.12%
ECL provision	–	–	–	–	14	14

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2024							
Payables	0.00%	329	3,191	–	–	3,520	3,520
Borrowings	3.83%	–	552	2,253	1,920	4,725	3,675
Total financial liabilities		329	3,743	2,253	1,920	8,245	7,195
2023							
Payables	0.00%	218	3,008	–	–	3,226	3,226
Borrowings	3.83%	–	556	2,554	2,045	5,155	4,082
Total financial liabilities		218	3,564	2,554	2,045	8,381	7,308

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
- Financial assets

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					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Infrastructure, property, plant and equipment							
	C1-6						
Plant and equipment		–	–	2,613	2,722	2,613	2,722
Office equipment		–	–	247	294	247	294
Furniture and fittings		–	–	25	36	25	36
Operational land		–	–	1,835	1,868	1,835	1,868
Community land		–	–	1,698	1,636	1,698	1,636
Buildings – non specialised		–	–	8,265	8,549	8,265	8,549
Buildings – specialised		–	–	6,596	6,449	6,596	6,449
Other structures		–	–	3,171	3,104	3,171	3,104
Roads		–	–	77,054	75,126	77,054	75,126
Bridges		–	–	36,790	35,349	36,790	35,349
Footpaths		–	–	1,599	1,541	1,599	1,541
Bulk earthworks		–	–	80,092	76,010	80,092	76,010
Stormwater drainage		–	–	9,657	9,314	9,657	9,314
Sewerage network		–	–	21,050	20,317	21,050	20,317
Swimming pools		–	–	7,133	6,636	7,133	6,636
Library books		–	–	121	150	121	150
Other assets		–	–	41	40	41	40
Reinstatement tip assets		–	–	691	228	691	228
Work in Progress		–	–	7,257	5,245	7,257	5,245
Total infrastructure, property, plant and equipment		–	–	265,935	254,614	265,935	254,614

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

E2-1 Fair value measurement (continued)

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

Examples of assets within these classes are as follows:

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

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

Operational & Community Land

The valuation of Council's operational land was undertaken at 30 June 2023 by Shepherd Asset Management Services with the direct comparison method.

Community land values are based on the Land Value provided by the Valuer-General as these are considered representative of the actual market values in the Weddin Shire LGA. The valuations have been updated as at 30 June 2024.

Since extensive professional judgements were required to determine the inputs these assets were classified as having been valued using Level 3 valuation inputs.

Buildings Non Specialised & Specialised

The valuation of Council's Buildings – Non-Specialised & Specialised was undertaken at 30 June 2023 by Shepherd Asset Management Services using the cost approach to determine Depreciated Replacement Cost.

Since extensive professional judgements were required to determine the inputs these assets were classified as having been valued using Level 3 valuation inputs.

In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying approximates the fair value.

Other Structures

Other Structures were valued by Shepherd Asset Management Services Pty Ltd as at 30 June 2021. Examples of assets within this class are fencing, lighting, playground equipment etc. Since extensive professional judgements were required to determine the inputs these assets were classified as having been valued using Level 3 valuation inputs.

In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying approximates the fair value.

Roads

Roads comprise road carriageway, roadside shoulders & kerb & gutter. The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken by Shepherd Asset Management Services as at 30 June 2020 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.

In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying approximates the fair value.

Bridges

The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken by Shepherd Asset Management Services as at 30 June 2020 based on actual costs and assumptions from Council's Engineering Department. While all bridges were physically inspected and unit rates based on square metres were other inputs (such as estimates of residual value and pattern of consumption) require extensive professional judgement that impacts significantly on the final determination of fair value. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying approximates the fair value.

Footpaths

E2-1 Fair value measurement (continued)

The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken by Shepherd Asset Management Services as at 30 June 2020 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.

In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying approximates the fair value.

Bulk Earthworks

The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken by Shepherd Asset Management Services as at 30 June 2020 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.

In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying approximates the fair value.

Storm Water Drainage

Assets within this class comprise pits and pipes.

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, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

These assets were valued by Shepherd Asset Management Services as at 30 June 2020.

In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying approximates the fair value.

Sewerage Network

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

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, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally, due to limitations in the historical records of very long-lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

The Sewerage Network was valued by Shepherd Asset Management Services Pty Ltd as at 30 June 2022.

These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Department of Primary Industries Water.

Swimming Pools

Other Structures including Swimming Pools were internally accessed as at 30 June 2021.

Since extensive professional judgements were required to determine the inputs these assets were classified as having been valued using Level 3 valuation inputs.

In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying approximates the fair value.

Library Books

Library Books were valued using the cost approach. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. No market based evidence (Level 2) could be supported as such these assets were all 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)

Other Assets

This asset class relates to the town clock which was valued by Shepherd Asset Management Services Pty Ltd as at 30 June 2021.

Since extensive professional judgements were required to determine the inputs these assets were classified as having been valued using Level 3 valuation inputs.

In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying approximates the fair value.

Reinstatement Tip Assets

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications.

It has been recognised that there will be significant costs associated with the closure and post closure management of tip/landfill sites. Closure of the landfill sites will involve a wide range of activities including final capping of the landfill waste and site re-vegetation, monitoring of landfill gas, revision of the surface water management system and leachate management infrastructure to suit post-closure operation.

Valuations are based on actual timing of costs and future management requirements.

Fair value measurements using significant unobservable inputs (level 3)

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

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

\$ '000	Fair value (30/6/24) 2024	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant, equipment, furniture, fittings and office equipment	2,885	Refer to Note E2-1	Current replacement cost of modern equivalent, asset condition, useful life, increase/decrease in cost of unit or useful life
Operational land	1,835	Refer to Note E2-1	Land value, land area, price per square metre
Community land	1,698	Refer to Note E2-1	Land value, land area, restrictions
Buildings	14,861	Refer to Note E2-1	Current replacement cost of modern equivalent using componentisation, asset condition, remaining useful lives
Roads, Bridges, Footpaths, Earthworks	195,535	Refer to Note E2-1	Asset condition, remaining useful lives using componentisation, increase/decrease in cost of unit
Other Structures, Pools, Library Assets, Town Clock, Work in Progress	17,723	Refer to Note E2-1	Asset condition, remaining useful lives using componentisation, increase/decrease in cost of unit
Drainage Network	9,657	Refer to Note E2-1	Asset condition, remaining lives, increase/decrease in cost of unit
Sewerage Network	21,050	Refer to Note E2-1	Asset condition, remaining useful lives using componentisation, increase/decrease in cost of unit
Reinstatement Tip Assets	691	Refer to Note E2-1	Environmental legislation, timing of expected cash outflows, asset condition, increase/decrease in cost of unit

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	Total IPP&E	
	2024	2023
Opening balance	254,614	234,102
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	14,673	17,317
Other movements		
Purchases (GBV)	2,678	13,516
Disposals (WDV)	(360)	–
Depreciation and impairment	(5,779)	(10,276)
Other movement - Adjustments & Transfers	109	(45)
Closing balance	265,935	254,614

Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

No transfers were made in or out of the Level 3 Fair value Hierarchy

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 8.0% of salaries for the year ending 30 June 2023 (increasing to 8.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

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

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

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

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

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

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

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2023 was \$39,756.33. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2022.

Council's expected contribution to the plan for the next annual reporting period is \$27,361.80.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,290.9	
Past Service Liabilities	2,236.1	102.4%
Vested Benefits	2,253.6	101.7%

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

The share of any funding surplus or deficit that can be attributed to Council is 0.11%

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	6.0% for FY 22/23 2.5% per annum thereafter

* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2023.

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

E3-1 Contingencies (continued)

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

(ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

ASSETS NOT RECOGNISED

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

(iii) Rural Fire Service Assets

Throughout the shire there are numerous rural fire appliances and associated rural fire fighting equipment.

These assets are under the control of the Rural Fire Services to enable that Department to provide bushfire protection defences set out in their Service Level Agreement with Council. As Council does not have control over these assets Council does not recognise these as assets in our financial statements.

In accordance with normal Rural Fire Service funding arrangements, Council continues to contribute to the costs of maintenance of this equipment.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	862	851
Post-employment benefits	73	–
Other long-term benefits	11	70
Termination benefits	–	65
Total	946	986

Other transactions with KMP and their related parties

With the exception of the purchase of water from Central Tablelands Water 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. Further information in relation to transactions with Central Tablelands Water is disclosed below.

Council has significant influence over Central Tablelands Water as it retains 33.33% of its voting power. During the financial year transactions totalling \$93,774 (2023 - \$156,593) were undertaken with Central Tablelands Water for the purchase of water. These transactions were undertaken on the same terms and conditions as those offered to the General Public.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	28	27
Councillors' fees	117	115
Other Councillors' expenses (including Mayor)	21	14
Total	166	156

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
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	67	45
Total Auditor-General remuneration	67	45
Total audit fees	67	45

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	1,072	14,343
Add / (less) non-cash items:		
Depreciation and amortisation	5,779	5,211
(Gain) / loss on disposal of assets	(113)	(42)
Unwinding of discount rates on reinstatement provisions	24	23
Share of net (profits)/losses of associates/joint ventures using the equity method	(892)	(376)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	350	(473)
(Increase) / decrease of inventories	4	101
(Increase) / decrease of contract asset	8,989	(11,258)
Increase / (decrease) in payables	151	1,871
Increase / (decrease) in accrued interest payable	(1)	21
Increase / (decrease) in other accrued expenses payable	12	69
Increase / (decrease) in other liabilities	132	(9)
Increase / (decrease) in contract liabilities	(1,053)	(3,459)
Increase / (decrease) in employee benefit provision	52	72
Increase / (decrease) in other provisions	110	(43)
Net cash flows from operating activities	14,616	6,051

(b) Non-cash investing and financing activities

Non Cash Movement in Garbage Tip Asset	109	(43)
Total non-cash investing and financing activities	109	(43)

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:		
Property, plant and equipment		
Road infrastructure	7,164	33,922
Total commitments	7,164	33,922
These expenditures are payable as follows:		
Within the next year	6,868	16,961
Later than one year and not later than 5 years	296	16,961
Total payable	7,164	33,922
Sources for funding of capital commitments:		
Externally restricted reserves	-	6,429
Future grants and contributions	7,164	27,493
Total sources of funding	7,164	33,922

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					
S64 contributions	102	26	-	-	-	-	128	-	
Total contributions	102	26	-	-	-	-	128	-	

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.

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(2,397)	(9.65)%	14.03%	(14.09)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	24,833				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	10,334	37.86%	39.04%	38.27%	> 60.00%
Total continuing operating revenue ¹	27,297				
3. Unrestricted current ratio					
Current assets less all external restrictions	11,837	2.83x	3.06x	3.37x	> 1.50x
Current liabilities less specific purpose liabilities	4,178				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	3,554	6.14x	15.52x	4.71x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	579				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	592	12.15%	10.51%	9.02%	< 10.00%
Rates and annual charges collectable	4,874				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	18,089	9.39 months	4.49 months	13.46 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	1,927				

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

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

G5-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Sewer Indicators		Benchmark
	2024	2023	2024	2023	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}					
Total continuing operating revenue excluding capital grants and contributions ¹	(7.27)%	16.20%	(86.93)%	(74.42)%	> 0.00%
2. Own source operating revenue ratio					
Total continuing operating revenue excluding capital grants and contributions ¹					
Total continuing operating revenue ¹	36.16%	38.01%	96.61%	93.65%	> 60.00%
3. Unrestricted current ratio					
Current assets less all external restrictions					
Current liabilities less specific purpose liabilities	2.83x	3.06x	16.63x	47.58x	> 1.50x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹					
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	6.76x	15.90x	∞	∞	> 2.00x
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding					
Rates and annual charges collectable	11.99%	12.14%	12.97%	0.00%	< 10.00%
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits					
Monthly payments from cash flow of operating and financing activities	9.60 months	4.10 months	5.23 months	11.34 months	> 3.00 months

(1) - (2) Refer to Notes at Note G4-1 above.

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

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business:

Corner of Camp & Weddin Streets
Grenfell NSW 2810

Contact details

Mailing Address:

PO Box 125
GRENFELL NSW 2810

Telephone: 02 6343 1212

Opening hours:

8.30 am - 4.00 pm Monday - Friday
Grenfell Waste Depot:
Tue, Thurs, Sat, Sun: 10.00 am - 4.00 pm

Internet: www.weddin.nsw.gov.au

Email: mail@weddin.nsw.gov.au

Officers

General Manager

Noreen Vu

Responsible Accounting Officer

John Thompson

Public Officer

John Thompson

Auditors

Audit Office of NSW
GPO Box 12
Sydney NSW 2001

Elected members

Mayor

Paul Best

Councillors

Cr Colleen Gorman
Cr John Niven
Cr Jeanne Montgomery
Cr Simon Rolls
Cr Michael Neill
Cr Wezley Markin
Cr Chad White
Cr Paul Best
Cr Jan Parlett

Other information

ABN: 73 819 323 291



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Weddin Shire Council

To the Councillors of Weddin Shire Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

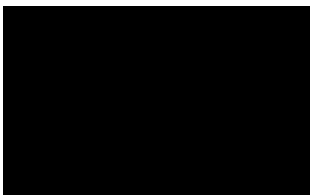
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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



Min Cui
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY

Paul Best
Mayor
Weddin Shire Council
PO Box 125
GRENFELL NSW 2810

Contact: Min Cui
Phone no: 02 9275 7419
Our ref: R008-2124742775-334

31 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024	2023*	Variance
	\$m	\$m	%
Rates and annual charges revenue	4.3	4.2	2.4
Grants and contributions revenue	16.9	22.7	25.2
Operating result from continuing operations	1.1	14.3	92.3
Net operating result before capital grants and contributions	(1.4)	4.2	133.3

Rates and annual charges revenue (\$4.3 million) increased by \$0.1 million (2.4 per cent) in 2023–24 due to rate peg increase of 3.7 per cent together with associated changes in total rateable properties.

Grants and contributions revenue (\$16.9 million) decreased by \$5.8 million (25.2 per cent) in 2023–24 due to:

- increase of \$3.4 million of flood damage grants recognised during the reporting period

- decrease of \$6.1 million of grants recognised received for fixing local roads grants which were not received in 2024.
- receiving 85 per cent of the financial assistance grants for 2024-25 in advance (100 per cent in 2022-23)

Council's operating result from continuing operations (\$1.1 million including depreciation, amortisation and impairment expense of \$5.8 million) was \$13.2 million lower than the 2022–23 result. This correlates to the decline in grants and contributions revenue covered above, as well as reduced user fees and charges revenue linked to the Transport for NSW Road Maintenance Council Contracts (RMCC) contributions, which declined by \$4.3 million in the reporting period.

The net operating result before capital grants and contributions (loss of \$1.4 million) was \$5.6 million lower than the 2022–23 result. This correlates to the reduction in grants and contributions revenue as capital grants received were the primary cause for this reduction.

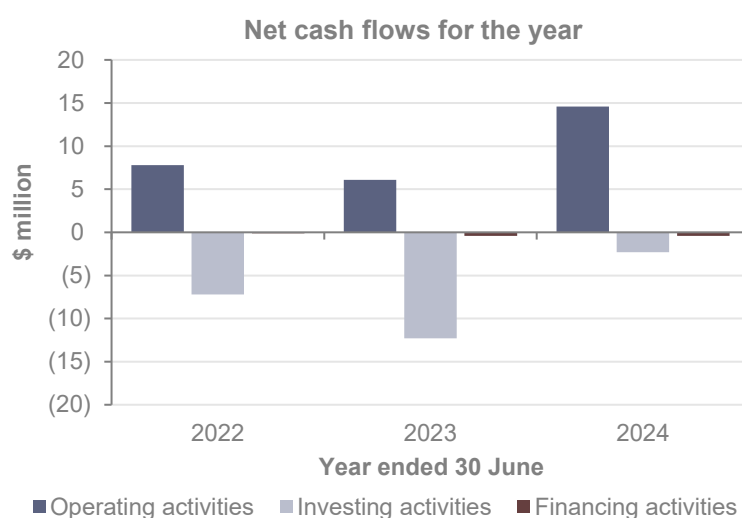
STATEMENT OF CASH FLOWS

Council's cash and cash equivalents was \$18.1 million (\$6.1 million for the year ended 30 June 2023). There was a net increase in cash and cash equivalents of \$12.0 million during the 2023-24 financial year.

Net cash provided by operating activities has increased by \$8.5 million which is due to invoicing and receipt of funding for amounts held as contract assets in the 2022-23 year.

Net cash used in investing activities has decreased by \$10.0 million due to a decline in payments for IPPE. Council prioritised maintenance and repair works in the 2023-24 year as these were linked to performance obligations in grants received.

Net cash flows used in financing activities remained relatively stable at \$0.4 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	18.1	6.1	Externally restricted balances comprise mainly of 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. There was no internal allocations in the 2022-23 year as unrestricted cash was not available to allocate.
• External restrictions	9.6	7.3	
• Internal allocations	7.8	-	

Debt

At 30 June 2024, Council had:

- \$3.7 million in secured loans (\$4.1 million in 2022-23)
- \$1.0 million in approved overdraft facility with \$nil drawn down.
- \$0.05 million in credit card facility with \$0.015 million used.

PERFORMANCE

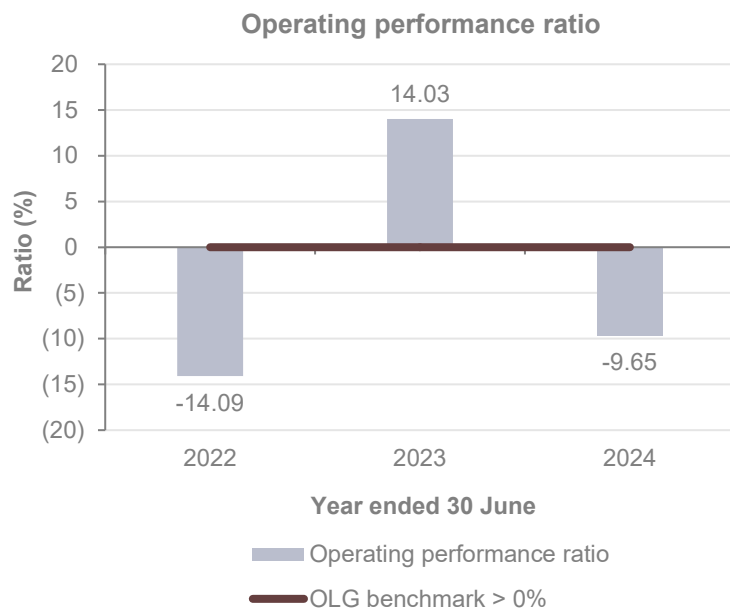
Performance measures

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

Operating performance ratio

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

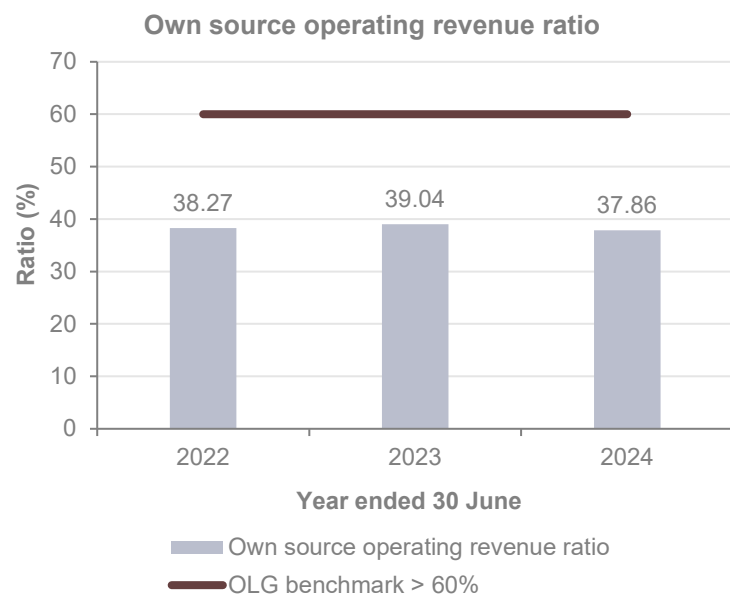
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

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

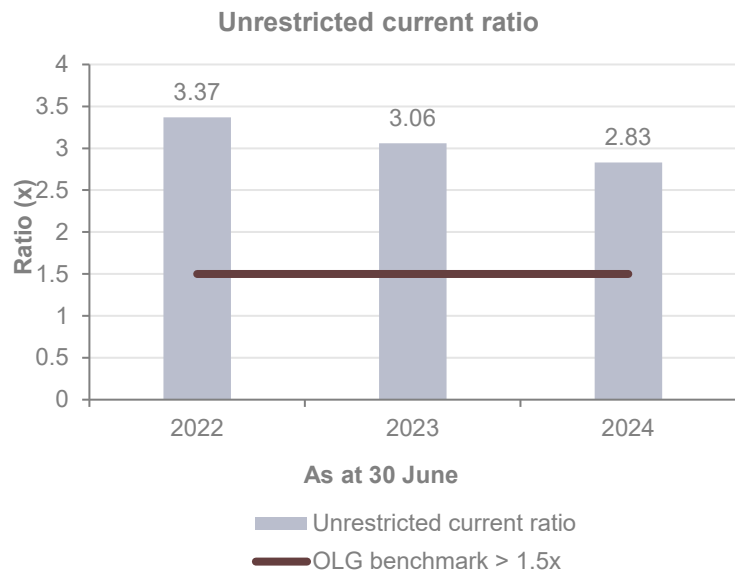
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

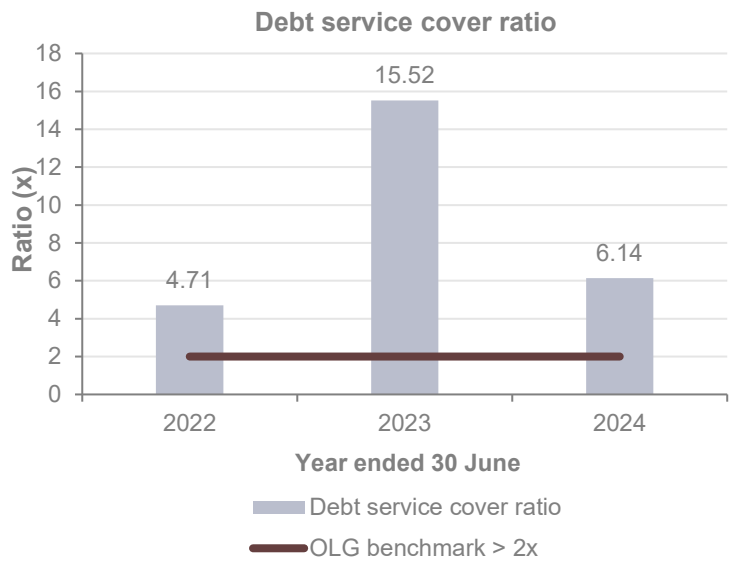
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

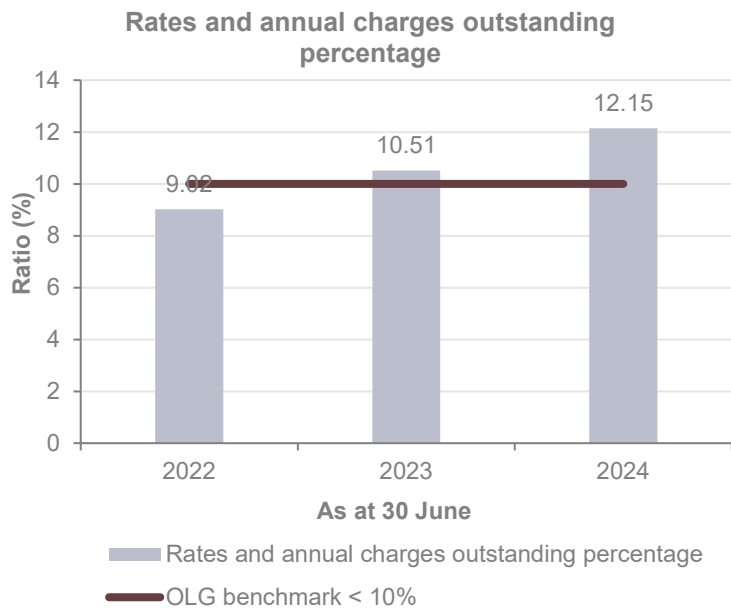
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

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

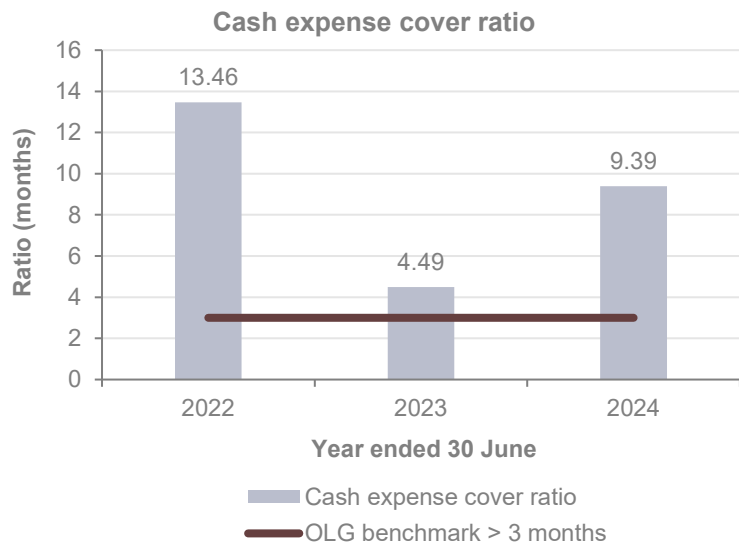
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$2.0 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. A further \$0.7 million was spent on new assets.

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.



Min Cui
Associate Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Weddin Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Weddin Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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Income Statement of	n/a
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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).

Weddin Shire 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:

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

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

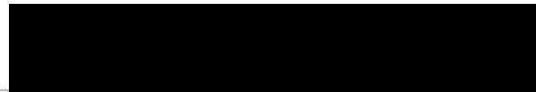
- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

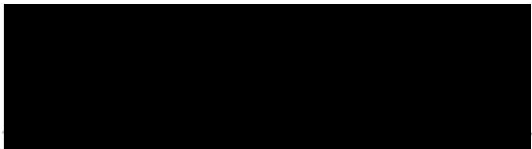
Signed in accordance with a resolution of Council made on 08 October 2024.



Paul Best
Mayor
08 October 2024



Colleen Gorman
Councillor
08 October 2024



Noreen Vu
General Manager
08 October 2024



John Thompson
Responsible Accounting Officer
08 October 2024

Weddin Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	694	621
User charges	41	25
Interest and investment income	7	3
Total income from continuing operations	742	649
Expenses from continuing operations		
Employee benefits and on-costs	522	362
Materials and services	582	512
Depreciation, amortisation and impairment	283	258
Total expenses from continuing operations	1,387	1,132
Surplus (deficit) from continuing operations before capital amounts	(645)	(483)
Grants and contributions provided for capital purposes	26	44
Surplus (deficit) from continuing operations after capital amounts	(619)	(439)
Surplus (deficit) from all operations before tax	(619)	(439)
Surplus (deficit) after tax	(619)	(439)
Plus accumulated surplus	14,768	15,207
Plus adjustments for amounts unpaid:		
Closing accumulated surplus	14,149	14,768
Return on capital %	(3.0)%	(2.4)%
Subsidy from Council	1,555	1,304
Calculation of dividend payable:		
Surplus (deficit) after tax	(619)	(439)
Less: capital grants and contributions (excluding developer contributions)	(26)	(44)
Surplus for dividend calculation purposes	-	-
Potential dividend calculated from surplus	-	-

Weddin Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	481	826
Receivables	101	78
Total current assets	582	904
Non-current assets		
Infrastructure, property, plant and equipment	21,161	20,427
Total non-current assets	21,161	20,427
Total assets	21,743	21,331
LIABILITIES		
Current liabilities		
Employee benefit provisions	35	19
Total current liabilities	35	19
Total liabilities	35	19
Net assets	21,708	21,312
EQUITY		
Accumulated surplus	14,149	14,769
Revaluation reserves	7,559	6,543
Total equity	21,708	21,312

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)

Nil

Category 2

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

a. Grenfell Sewerage Service

Comprising the whole of the operations & net assets of the sewerage reticulation & treatment system servicing the town of Grenfell.

Taxation equivalent charges

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

Notional rate applied (%)

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

Note – Material accounting policy information (continued)

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

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

Income tax

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

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

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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.

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

Note – Material accounting policy information (continued)

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



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Weddin Shire Council

To the Councillors of Weddin Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

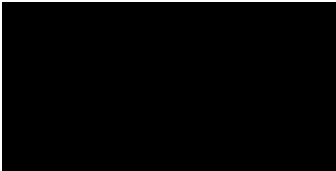
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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



Min Cui
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY

Weddin Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Weddin Shire Council

Special Schedules

for the year ended 30 June 2024

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Weddin Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	3,043	3,070
Plus or minus adjustments ²	b	(1)	1
Notional general income	c = a + b	3,042	3,071
Permissible income calculation			
Percentage increase	d	3.70%	4.70%
Plus percentage increase amount ³	f = d x (c + e)	113	144
Sub-total	g = (c + e + f)	3,155	3,215
Plus (or minus) last year's carry forward total	h	1	86
Sub-total	j = (h + i)	1	86
Total permissible income	k = g + j	3,156	3,301
Less notional general income yield	l	3,070	3,310
Catch-up or (excess) result	m = k - l	86	(9)
Carry forward to next year ⁶	p = m + n + o	86	(9)

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

Weddin Shire Council

To the Councillors of Weddin Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

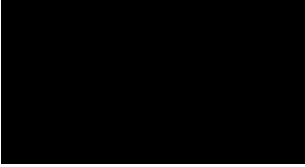
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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



Min Cui
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY

Weddin Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Buildings	82	82	82	63	14,861	27,914	41.0%	13.1%	45.9%	0.0%	0.0%
	Sub-total	82	82	82	63	14,861	27,914	41.0%	13.1%	45.9%	0.0%	0.0%
Other structures	Other structures	31	31	31	36	3,171	4,285	27.5%	32.6%	39.5%	0.2%	0.2%
	Sub-total	31	31	31	36	3,171	4,285	27.5%	32.6%	39.5%	0.2%	0.2%
Roads	Transport Assets	1,246	1,246	1,246	1,581	195,535	291,850	38.8%	39.6%	13.2%	8.4%	0.0%
	Sub-total	1,246	1,246	1,246	1,581	195,535	291,850	38.8%	39.6%	13.2%	8.4%	0.0%
Sewerage network	Sewerage network	35	35	35	41	21,050	29,073	45.0%	21.2%	33.8%	0.0%	0.0%
	Sub-total	35	35	35	41	21,050	29,073	45.0%	21.2%	33.8%	0.0%	0.0%
Stormwater drainage	Stormwater	28	28	28	16	9,657	9,657	0.0%	0.0%	72.4%	27.6%	0.0%
	Sub-total	28	28	28	16	9,657	9,657	0.0%	0.0%	72.4%	27.6%	0.0%
Open space / recreational assets	Swimming pools	21	21	21	19	7,133	9,269	87.8%	0.0%	12.2%	0.0%	0.0%
	Sub-total	21	21	21	19	7,133	9,269	87.8%	0.0%	12.2%	0.0%	0.0%
Total – all assets		1,443	1,443	1,443	1,756	251,407	372,048	39.5%	34.1%	19.1%	7.3%	0.0%

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

Infrastructure asset condition assessment 'key'

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

Weddin Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	—	0.00%	248.43%	0.00%	> 100.00%
Depreciation, amortisation and impairment	5,170				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	1,443	0.56%	0.51%	0.58%	< 2.00%
Net carrying amount of infrastructure assets	258,664				
Asset maintenance ratio					
Actual asset maintenance	1,756	121.69%	136.42%	123.01%	> 100.00%
Required asset maintenance	1,443				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	1,443	0.39%	0.36%	0.41%	
Gross replacement cost	372,048				

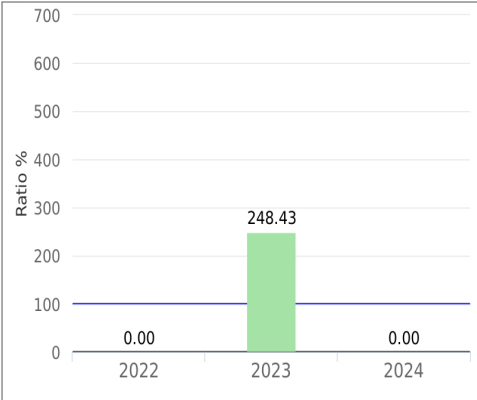
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Weddin Shire Council

Report on infrastructure assets as at 30 June 2024

Buildings and infrastructure renewals ratio



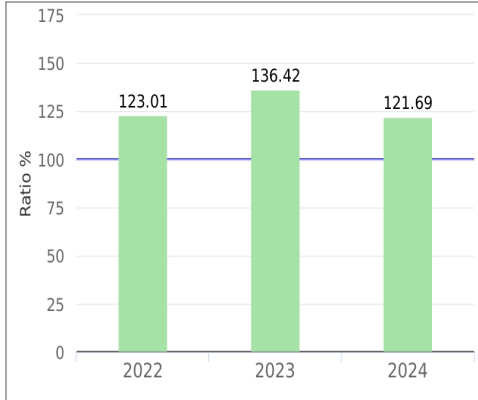
Buildings and infrastructure renewals ratio

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

Commentary on result	
23/24 ratio	0.00%

Benchmark: — > 100.00% ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting ■ Ratio is outside benchmark

Asset maintenance ratio



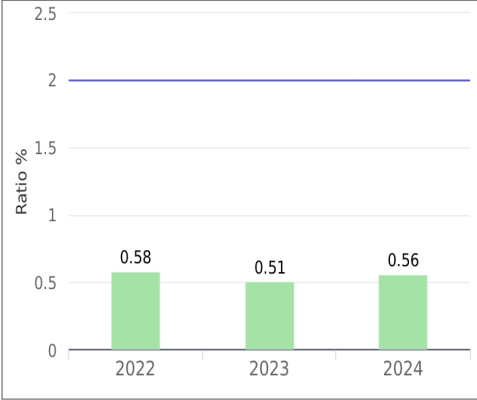
Asset maintenance ratio

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

Commentary on result	
23/24 ratio	121.69%

Benchmark: — > 100.00% ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting ■ Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result	
23/24 ratio	0.56%

Benchmark: — < 2.00% ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting ■ Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result	
23/24 ratio	0.39%

Weddin Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Sewer fund		Benchmark
	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio					
Asset renewals ¹					
Depreciation, amortisation and impairment	0.00%	263.32%	0.00%	0.00%	> 100.00%
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard					
Net carrying amount of infrastructure assets	0.59%	0.54%	0.17%	0.19%	< 2.00%
Asset maintenance ratio					
Actual asset maintenance					
Required asset maintenance	121.80%	137.00%	117.14%	117.95%	> 100.00%
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council					
Gross replacement cost	0.41%	0.37%	0.12%	0.14%	

(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.