

Liverpool Plains Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024



Liverpool Plains Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Liverpool Plains Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Liverpool Plains Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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

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

- the *Local Government Act 1993* (NSW) 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:

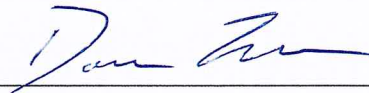
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

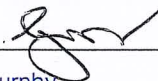
Signed in accordance with a resolution of Council made on 23rd October 2024.



Ken Cudmore
Mayor
23 October 2024



Donna Lawson
Councillor
23 October 2024



Gary Murphy
General Manager
23 October 2024



Christopher Powell
Responsible Accounting Officer
23 October 2024

Liverpool Plains Shire Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
14,688	Rates and annual charges	B2-1	14,449	14,034
5,705	User charges and fees	B2-2	4,705	5,300
13,681	Grants and contributions provided for operating purposes	B2-4	10,405	16,925
32,672	Grants and contributions provided for capital purposes	B2-4	10,535	19,087
479	Other revenues	B2-3	720	420
557	Interest and investment income	B2-5	2,252	773
–	Other income	B2-6	12	602
67,782	Total income from continuing operations		43,078	57,141
Expenses from continuing operations				
10,568	Employee benefits and on-costs	B3-1	9,807	9,731
13,227	Materials and services	B3-2	10,416	14,795
666	Borrowing costs	B3-3	417	444
13,159	Depreciation, amortisation and impairment of non-financial assets	B3-4	13,865	13,656
694	Other expenses	B3-5	629	378
–	Net loss from the disposal of assets	B4-1	435	932
38,314	Total expenses from continuing operations		35,569	39,936
29,468	Operating result from continuing operations		7,509	17,205
29,468	Net operating result for the year attributable to Council		7,509	17,205
(3,204)	Net operating result for the year before grants and contributions provided for capital purposes		(3,026)	(1,882)

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

Liverpool Plains 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		7,509	17,205
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	22,340	21,930
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	-	(430)
Total items which will not be reclassified subsequently to the operating result		22,340	21,500
Total other comprehensive income for the year		22,340	21,500
Total comprehensive income for the year attributable to Council		29,849	38,705

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

Liverpool Plains Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	8,216	10,802
Investments	C1-2	35,500	33,000
Receivables	C1-4	3,164	3,328
Inventories	C1-5	2,445	1,076
Contract assets and contract cost assets	C1-6	5,449	8,484
Other	C1-9	290	207
Total current assets		55,064	56,897
Non-current assets			
Receivables	C1-4	9	22
Infrastructure, property, plant and equipment (IPPE)	C1-7	593,559	566,950
Investment property	C1-8	1,190	1,190
Right of use assets	C2-1	179	202
Total non-current assets		594,937	568,364
Total assets		650,001	625,261
LIABILITIES			
Current liabilities			
Payables	C3-1	2,301	4,623
Contract liabilities	C3-2	7,785	8,705
Lease liabilities	C2-1	76	81
Borrowings	C3-3	386	370
Employee benefit provisions	C3-4	1,873	1,828
Provisions	C3-5	560	1,631
Total current liabilities		12,981	17,238
Non-current liabilities			
Lease liabilities	C2-1	17	121
Borrowings	C3-3	10,541	10,928
Employee benefit provisions	C3-4	139	108
Provisions	C3-5	6,831	7,223
Total non-current liabilities		17,528	18,380
Total liabilities		30,509	35,618
Net assets		619,492	589,643
EQUITY			
Accumulated surplus	C4-1	248,386	240,877
IPPE revaluation reserve	C4-1	371,106	348,766
Council equity interest		619,492	589,643
Total equity		619,492	589,643

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

Liverpool Plains 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		240,877	348,766	589,643	223,672	327,266	550,938
Opening balance		240,877	348,766	589,643	223,672	327,266	550,938
Net operating result for the year		7,509	–	7,509	17,205	–	17,205
Net operating result for the period		7,509	–	7,509	17,205	–	17,205
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	22,340	22,340	–	21,930	21,930
– Impairment (loss) reversal relating to IPP&E	C1-7	–	–	–	–	(430)	(430)
Other comprehensive income		–	22,340	22,340	–	21,500	21,500
Total comprehensive income		7,509	22,340	29,849	17,205	21,500	38,705
Closing balance at 30 June		248,386	371,106	619,492	240,877	348,766	589,643

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

Liverpool Plains Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 ¹	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
14,555	Rates and annual charges		14,493	13,993
6,005	User charges and fees		5,442	8,287
557	Interest received		1,800	753
46,353	Grants and contributions		22,934	37,518
–	Bonds, deposits and retentions received		11	7
5,252	Other		3,994	3,402
<i>Payments:</i>				
(10,568)	Payments to employees		(9,790)	(9,806)
(12,637)	Payments for materials and services		(17,483)	(16,502)
(666)	Borrowing costs		(199)	(209)
–	Bonds, deposits and retentions refunded		(6)	(90)
(743)	Other		(728)	56
48,108	Net cash flows from operating activities	G1-1	20,468	37,409
Cash flows from investing activities				
<i>Receipts:</i>				
–	Proceeds from sale of IPPE		–	211
–	Deferred debtors receipts		–	3
<i>Payments:</i>				
–	Purchase of term deposits		(2,500)	(9,800)
(53,178)	Payments for IPPE		(20,074)	(27,675)
(53,178)	Net cash flows from investing activities		(22,574)	(37,261)
Cash flows from financing activities				
<i>Receipts:</i>				
–	Proceeds from borrowings		–	8,000
<i>Payments:</i>				
(286)	Repayment of borrowings		(371)	(307)
–	Principal component of lease payments		(109)	(23)
(286)	Net cash flows from financing activities		(480)	7,670
(5,356)	Net change in cash and cash equivalents		(2,586)	7,818
10,802	Cash and cash equivalents at beginning of year		10,802	2,984
5,446	Cash and cash equivalents at end of year	C1-1	8,216	10,802
28,526	plus: Investments on hand at end of year	C1-2	35,500	33,000
33,972	Total cash, cash equivalents and investments		43,716	43,802

(1) Please refer Note B5-1 for more details regarding the original unaudited budget

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

Liverpool Plains 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 27 November 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)*, *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (ii) estimated landfill and quarry remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

A1-1 Basis of preparation (continued)

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, a separate and distinct Trust Fund is maintained to account for all money received by Council in trust. Trust monies subject to Council's control have been included in these reports.

Trust monies are provisioned for expenditure to unclaimed monies. Funds relate to the excess above recovered rates and charges for the Sale of Land for Unpaid Rates held in May 2024. Funds are to be returned to the original owner of the property or to unclaimed monies where no details for the owner is current.

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council makes use of volunteers for the community events and library services. Such volunteer services have not been recognised in the income statement for the year ended on 30 June 2024, the services would not be purchased if not donated and are not material.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

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

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

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

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

In particular, this standard provides guidance on:

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

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

New accounting standards adopted during the year

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

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

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

A1-1 Basis of preparation (continued)

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

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

B Financial Performance

B1 Functions or activities

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

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

\$ '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	2,976	3,614	4,805	7,601	(1,829)	(3,987)	1,974	787	65,895	60,185
Governance	13,955	15,175	4,661	6,765	9,294	8,410	3,388	4,637	14,746	32,616
Environment	25,478	38,205	24,916	25,226	562	12,979	15,425	30,588	568,305	530,456
Economic	669	147	1,187	344	(518)	(197)	153	–	1,055	2,004
Total functions and activities	43,078	57,141	35,569	39,936	7,509	17,205	20,940	36,012	650,001	625,261

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

A great rural lifestyle with access to quality services and facilities.

- We value beautiful landscapes, dynamic towns and villages and safe communities.
- Our community is embracing and inclusive of all cultures.
- Our health services meet our needs.
- Education services meets our needs and provide school, tertiary study and career pathways that support the community.
- Our transport and telecommunications expand to improve support for our business, lifestyle and remote working.
- Recreation facilities support our communities sporting, health and physical activity needs.
- We build on our strong community spirit, resilience, and sense of belonging.

Governance

Our governance has strong community, Council and business leadership.

- Our Council, community and business leaders work together effectively.
- Our leaders represent the diversity of our community.
- We encourage our youth to become involved in the community as the leaders of tomorrow.
- We partner with State and Federal Government, the private sector and community organisations in the provision of facilities and services.

Environment

A sustainable environment.

- Our infrastructure is well planned and maintained and will meet our growth needs now, and in the future.
- We have access to affordable, clean water supplies.
- We actively manage impacts on our natural environment.
- Our local farming is sustainable.
- We protect our environment and reduce our environmental footprint.

Economic

A thriving economy.

- Our agricultural economy is thriving, and we must pursue secondary industry to support all potential growth areas across the broader regional economy.
- We grow our population, diversity and employment opportunities.
- Our town centres are attractive and vibrant places.
- We foster new residential and business development built on our local strengths.
- Our planning reflects the diversity of our towns and villages and enables future development.
- We develop our business community to support small and medium-sized business and remote working.
- We develop our visitor economy.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	2,692	2,527
Farmland	5,402	5,196
Mining	376	513
Business	431	421
Less: pensioner rebates (mandatory)	(60)	(63)
Rates levied to ratepayers	8,841	8,594
Pensioner rate subsidies received	95	95
Total ordinary rates	8,936	8,689
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,583	1,487
Water supply services	2,409	2,427
Sewerage services	1,418	1,339
Waste management services (non-domestic)	132	127
Less: pensioner rebates (mandatory)	(105)	(110)
Annual charges levied	5,437	5,270
Pensioner annual charges subsidies received:		
– Water	34	34
– Sewerage	26	26
– Domestic waste management	16	15
Total annual charges	5,513	5,345
Total rates and annual charges	14,449	14,034

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

Council's Temporary Special Rates Variation resulted in an additional rates revenue of \$1,070 thousand. These additional funds were spent on renewal of Council's road asset network.

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	Timing	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)			
Water supply services	2	1,363	1,214
Sewerage services	2	107	127
Waste management services (non-domestic)	2	300	303
Total specific user charges		1,770	1,644
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Building regulation	2	133	179
Building services – other	2	9	9
Inspection services	2	36	32
Private works – section 67	2	38	55
Regulatory/ statutory fees	2	1	2
Section 10.7 certificates (EP&A Act)	2	30	43
Section 603 certificates	2	20	22
Total fees and charges – statutory/regulatory		267	342
(ii) Fees and charges – other (incl. general user charges (per s608))			
Aerodrome	2	10	14
Caravan park	2	126	100
Cemeteries	2	170	170
Child care	2	626	654
Leaseback fees – Council vehicles	2	8	17
Library	2	5	6
Transport for NSW works (state roads not controlled by Council)	2	1,194	1,817
Theatre	2	2	6
Swimming centres	2	58	91
Room/Facility Hire	2	243	225
Water connection fees	2	18	17
Other	2	5	2
Sporting and recreation	2	203	195
Total fees and charges – other		2,668	3,314
Total other user charges and fees		2,935	3,656
Total user charges and fees		4,705	5,300
Timing of revenue recognition for user charges and fees			
User charges and fees recognised at a point in time (2)		4,705	5,300
Total user charges and fees		4,705	5,300

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 for deposits in advance.

Where an upfront fee is charged such as annual membership to the Plains Fitness Centre the fee is recognised on receipt. There is no material obligation for Council in relation to refunds or returns for upfront fees.

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

B2-3 Other revenues

\$ '000	Timing	2024	2023
Legal fees recovery – rates and charges (extra charges)	2	85	130
Sale of Council Developed Land	2	201	–
Commissions and agency fees	2	141	138
Insurance claims recoveries	2	107	–
Insurance discounts	2	29	30
Sales – general	2	27	27
Other	2	130	95
Total other revenue		720	420
Timing of revenue recognition for other revenue			
Other revenue recognised at a point in time (2)		720	420
Total other revenue		720	420

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	184	824	–	–
Financial assistance – local roads component	2	99	441	–	–
Payment in advance - future year allocation ¹					
Financial assistance – general component	2	2,887	3,159	–	–
Financial assistance – local roads component	2	1,554	1,725	–	–
Amount recognised as income during current year		4,724	6,149	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Water supplies	1	18	168	4,087	13,522
Airport	1	–	–	–	43
Bushfire and emergency services	2	237	233	–	–
Child care	2	98	–	–	–
Community care	2	32	–	–	–
Waste Management Strategy	1	–	–	105	1,061
Library	2	124	87	–	–
Noxious weeds	2	82	72	–	–
Recreation and culture	2	–	28	1,607	263
Storm/flood damage	2	(314)	3,890	–	–
Planning portal	2	5	3	80	–
Transport for NSW contributions (regional roads, block grant)	2	–	1,801	–	–
Drought Funding	1	–	–	–	276
Transport (other roads and bridges funding)	1	5,255	4,464	2,574	1,284
Local Road and Community Infrastructure	1	–	–	571	921
Transport (roads to recovery)	2	–	–	815	919
Other specific grants	1	144	30	–	15
Total special purpose grants and non-developer contributions – cash		5,681	10,776	9,839	18,304
Non-cash contributions					
RFS Red Fleet	2	–	–	–	265
Dedications	2	–	–	–	83
Assets recognised for the first time (1)	2	–	–	153	301
Total other contributions – non-cash		–	–	153	649
Total special purpose grants and non-developer contributions (tied)		5,681	10,776	9,992	18,953
Total grants and non-developer contributions		10,405	16,925	9,992	18,953
Comprising:					
– Commonwealth funding		4,741	6,164	3,712	10,191
– State funding		5,663	10,760	6,049	8,113
– Other funding		1	1	231	649
		10,405	16,925	9,992	18,953

(1) \$4.4m of the 2024-2025 Financial Assistance Grant from Commonwealth Government was received by Council in June 2024 and hence is reported as 2023-2024 income although it relates to 2024-2025 financial year.

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services	2	–	–	409	37
S 7.12 – fixed development consent levies	2	–	–	134	92
S 64 – water supply contributions	2	–	–	–	5
Total developer contributions – cash		–	–	543	134
Total developer contributions		–	–	543	134
Total contributions		–	–	543	134
Total grants and contributions		10,405	16,925	10,535	19,087
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time (1)		199	4,450	6,677	9,258
Grants and contributions recognised at a point in time (2)		10,206	12,475	3,858	9,829
Total grants and contributions		10,405	16,925	10,535	19,087

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	3,652	3,429	8,195	2,593
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	3,433	2,966	–	–
Add: Funds received and not recognised as revenue in the current year	177	343	1,810	7,617
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(2,382)	(3,086)	(3,044)	(228)
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	–	(1,787)
Unspent funds at 30 June	4,880	3,652	6,961	8,195

B2-4 Grants and contributions (continued)

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 evidence of the event taking place or satisfactory achievement of 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.

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 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)	109	70
– Cash and investments	2,143	703
Total interest and investment income (losses)	2,252	773
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	109	70
General Council cash and investments	1,089	252
Restricted investments/funds – external:		
Developer contributions		
– Section 7.11 & 7.12	108	31
– Section 64	37	15
Water fund operations	421	180
Sewerage fund operations	488	225
Total interest and investment income	2,252	773

Material accounting policy information

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

B2-6 Other income

\$ '000	Notes	2024	2023
Fair value increment on investment properties			
Fair value increment on investment properties		–	590
Total fair value increment on investment properties	C1-8	–	590
Rental income			
Investment properties			
Land rental		12	12
Total Investment properties	C2-2	12	12
Total rental income		12	12
Total other income		12	602

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	8,016	7,861
Travel expenses	5	3
Employee leave entitlements (ELE)	1,126	999
Superannuation	939	824
Superannuation – defined contribution plans	36	41
Workers' compensation insurance	230	223
Fringe benefit tax (FBT)	6	6
Training costs	139	147
Protective clothing	48	41
Recruitment/Relocation	40	93
Other	25	25
Total employee costs	10,610	10,263
Less: capitalised costs	(803)	(532)
Total employee costs expended	9,807	9,731
Number of 'full-time equivalent' employees (FTE) at year end	108	107

Material accounting policy information

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

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

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

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		168	3,320
Contractor costs		7,672	9,154
Audit Fees	F2-1	97	90
Councillor and Mayoral fees and associated expenses	F1-2	132	128
Advertising		24	23
Bank charges		55	55
Electricity and heating		696	423
Insurance		836	793
Postage		27	28
Printing and stationery		67	93
Street lighting		98	82
Subscriptions and publications		130	141
Telephone and communications		77	71
Travel expenses		16	23
Library (Central Northern Regional Library)		142	143
Other expenses		40	38
Legal expenses:			
- Legal expenses: other		139	190
Total materials and services		10,416	14,795

Material accounting policy information

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

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on leases		7	6
Interest on loans		671	547
Total interest bearing liability costs		678	553
Less: capitalised costs		(479)	(344)
Total interest bearing liability costs expensed		199	209
(ii) Other borrowing costs			
Fair value adjustments on recognition of advances and deferred debtors			
– Remediation liabilities	C3-5	218	235
Total other borrowing costs		218	235
Total borrowing costs expensed		417	444

Material accounting policy information

Borrowing costs incurred for the construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use, for e.g. Quipolly Water Security Project. Other borrowing costs are expensed as incurred.

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		1,158	1,714
Office equipment		66	60
Furniture and fittings		25	48
Infrastructure:	C1-7		
– Buildings		847	770
– Other structures		821	850
– Roads		6,464	6,215
– Bridges		1,066	1,005
– Footpaths		76	72
– Stormwater drainage		564	531
– Water supply network		1,427	1,177
– Sewerage network		828	575
Right of use assets	C2-1	23	23
Other assets:			
– Other		122	96
Reinstatement, rehabilitation and restoration assets:			
– Landfill assets	C3-5,C1-7	321	455
– Quarry assets	C3-5,C1-7	57	65
Total depreciation and amortisation costs		13,865	13,656
Total depreciation, amortisation and impairment for non-financial assets		13,865	13,656

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.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of receivables			
Other		(16)	(47)
Total impairment of receivables	C1-4	(16)	(47)
Other			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies) ¹		627	409
Donations, contributions and assistance to other organisations (Section 356)		18	16
Total other expenses		629	378

Material accounting policy information

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

(1) The State Government subsidy in relation to the Emergency Service Levy was discontinued in the current financial year.

B4 Gains or losses

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of land and building			
	C1-7		
Proceeds from disposal - land and building		-	-
Less: carrying amount of land and building assets sold/written off		-	(491)
Gain (or loss) on disposal		-	(491)
Gain (or loss) on disposal of infrastructure			
	C1-7		
Proceeds from disposal – infrastructure		-	-
Less: carrying amount of infrastructure assets sold/written off		(435)	(491)
Gain (or loss) on disposal		(435)	(491)
Gain (or loss) on disposal of Plant and Equipment			
Proceeds from disposal – Plant and Equipment		-	211
Less: carrying amount of Plant and Equipment assets sold/written off		-	(161)
Gain (or loss) on disposal		-	50
Net gain (or loss) from disposal of assets		(435)	(932)

Material accounting policy information

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

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 28 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	5,705	4,705	(1,000)	(18)% U
Budget included an internal charge for gravel of \$1,521,000 which is accounted for by reducing the Material costs of roads. This will result in a corresponding reduction in Material expenses by \$1,521,000. Increases in user charges and fees included \$294,000 for water usage due to the drier weather and \$193,000 for works completed on State Roads.				
Other revenues	479	720	241	50% F
Revenue includes \$107,000 from insurance recoveries and \$186,000 from sale of Council's previously developed land.				
Operating grants and contributions	13,681	10,405	(3,276)	(24)% U
Financial Assistance Grant budget expected 100% of the 2025 Financial Year contribution in advance to be received, however, 85% was received resulting in a reduction of \$456,000. Other new operating roads grant funded projects expected was lower by \$2,171,000.				
Capital grants and contributions	32,672	10,535	(22,137)	(68)% U
Slower progress than expected on grant funded capital works projects. \$12.0 million for the Werris Creek Industrial Precinct Southern Access; \$4.1 million for the Quirindi Aquatic Centre, \$4.8 million for the Quirindi Sewer Treatment Plant and \$1.1 million for the Willow Tree Landfill.				
Interest and investment revenue	557	2,252	1,695	304% F
Interest rate rises exceeded expectations, along with slower than expected spending on Capital projects, resulting in higher interest received.				
Other income	-	12	12	∞ F
Employee benefits and on-costs	10,568	9,807	761	7% F
Materials and services	13,227	10,416	2,811	21% F
The internal charge for gravel of \$1,521,000 was budgeted as revenue, however, accounted for by reducing the Material costs of roads. This resulted in a reduction in Material expenses by \$1,288,000. Roads grant expected not received, thus roads expenditure lower by \$1,744,000.				
Depreciation, amortisation and impairment of non-financial assets	13,159	13,865	(706)	(5)% U
Other expenses	694	629	65	9% F
Net losses from disposal of assets	-	435	(435)	∞ U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	8,216	10,802
Total cash and cash equivalents	8,216	10,802

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	8,216	10,802
Balance as per the Statement of Cash Flows	8,216	10,802

Material accounting policy information

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to any insignificant risk of changes in value.

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost				
Term deposits	35,500	-	33,000	-
Total	35,500	-	33,000	-
Total financial investments	35,500	-	33,000	-
Total cash assets, cash equivalents and investments	43,716	-	43,802	-

Material accounting policy information

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

On initial recognition, all financial instruments are measured at fair value, Council at June 30, only held funds in term deposits.

Classification

Given the nature of Council's investments, all financial assets are classified as Financial assets measured at Amortised Cost and are not reclassified subsequent to their initial recognition.

Amortised cost

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	43,716	43,802
Less: Externally restricted cash, cash equivalents and investments	(35,120)	(34,774)
Cash, cash equivalents and investments not subject to external restrictions	8,596	9,028
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	11,565	11,113
External restrictions – included in liabilities	11,565	11,113
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	2,008	1,408
Developer contributions – water fund	653	619
Developer contributions – sewer fund	45	42
Specific purpose unexpended grants (recognised as revenue) – water fund	266	724
Specific purpose unexpended grants (recognised as revenue) – sewer fund	10	10
Water fund	8,575	9,589
Sewer fund	10,271	9,502
Remediation - Waste	1,700	1,700
Deposits, Retentions & Bonds	27	67
External restrictions – other	23,555	23,661
Total external restrictions	35,120	34,774

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	8,596	9,028
Less: Internally restricted cash, cash equivalents and investments	(8,528)	(8,961)
Unrestricted and unallocated cash, cash equivalents and investments	68	67
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Employees leave entitlement	805	774
Carryover capital works	327	375
Assets management replacement reserve	1,374	1,154
Remediation - Quarry	100	100
Financial Assistance Grant Operational - Received in Advance	2,887	3,158
Financial Assistance Grant Road - Received in Advance	1,554	1,725
Information Technology	250	512
Plant and vehicle replacement reserve	1,231	1,163
Total internal allocations	8,528	8,961

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

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

C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	1,195	9	1,030	22
Interest and extra charges	239	–	241	–
User charges and fees	406	–	941	–
Accrued revenues				
– Interest on investments	577	–	123	–
Deferred debtors	11	–	11	–
Net GST receivable	144	–	307	–
Other levels of government	942	–	1,043	–
Total	3,514	9	3,696	22
Less: provision for impairment				
Rates and annual charges	(136)	–	(148)	–
User charges and fees	(214)	–	(220)	–
Total provision for impairment – receivables	(350)	–	(368)	–
Total net receivables	3,164	9	3,328	22
Externally restricted receivables				
Water supply				
– Specific purpose grants	–	–	460	–
– Rates and availability charges	308	–	214	–
– User Fees & Charges	194	–	525	–
Sewerage services				
– Rates and availability charges	152	–	123	–
Total external restrictions	654	–	1,322	–
Unrestricted receivables	2,510	9	2,006	22
Total net receivables	3,164	9	3,328	22

\$ '000	2024	2023
Movement in provision for impairment of receivables		
Balance at the beginning of the year	368	415
+ new provisions recognised during the year	(3)	61
– amounts already provided for and written off this year	(15)	(108)
Balance at the end of the year	350	368

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.

C1-4 Receivables (continued)

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. For non-rates debtors, Council uses the presumption that an asset which is more than 90 days past due has seen a significant increase in credit risk.

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

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

Credit losses are measured 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.

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
(i) Inventories at cost				
Stores and materials	2,445	–	1,076	–
Total inventories at cost	2,445	–	1,076	–
Total inventories	2,445	–	1,076	–

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	5,449	-	8,484	-
Total contract assets and contract cost assets	5,449	-	8,484	-

Contract assets

David Taylor Freedom Camping Ground and amenities	-	-	65	-
LRCI - Warrah Ridge Road	99	-	-	-
LRCI - Lowes Creek Road	102	-	102	-
LRCI - Willmotts Road	68	-	68	-
LRCI - Cattle Creek Road	238	-	238	-
LRCI - Silo Art Project	119	-	-	-
FCB - Bridge Road Bridge	62	-	-	-
FCB - Gurton Street Bridge	227	-	106	-
FLR Moreduval Road	-	-	26	-
TfNSW Regional Roads REPAIR	-	-	314	-
Roads to Recovery	-	-	688	-
SCCF3 Currabubula Hall Kitchen & Stage	-	-	2	-
SCCF5 Longfield Ovals Lighting	9	-	-	-
SCCF5 Wallabadah Lighting	7	-	-	-
SCCF4 Plains Fitness - Modernisation	-	-	54	-
Quipolly Water Project	2,623	-	2,990	-
Resources For Regions - Waste Strategy	957	-	854	-
CPTGIS - Bus Shelter	-	-	12	-
NDRA Quirindi Pedestrian Bridge	101	-	59	-
Flood Emergency Funding	837	-	2,906	-
Total contract assets	5,449	-	8,484	-

Significant changes in contract assets

Council has initiated or completed some grant funded capital projects and is awaiting the payment from the funding bodies.

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Externally restricted assets				
Water	2,623	-	2,990	-
Waste	850	-	-	-
Total externally restricted assets	3,473	-	2,990	-
Total restricted assets	3,473	-	2,990	-
Total unrestricted assets	1,976	-	5,494	-
Total contract assets and contract cost asset	5,449	-	8,484	-

Material accounting policy information

Contract assets

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

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts

C1-6 Contract assets and Contract cost assets (continued)

billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

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

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period								At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	36,104	–	36,104	3,569	8,090	–	–	(2,372)	–	–	–	45,391	–	45,391
Plant and equipment	17,954	(12,931)	5,023	–	–	–	(1,158)	–	–	–	–	17,954	(14,089)	3,865
Office equipment	323	(157)	166	22	–	–	(66)	–	–	–	–	345	(223)	122
Furniture and fittings	355	(179)	176	–	–	–	(25)	–	–	–	–	355	(204)	151
Land:														
– Operational land	9,067	–	9,067	–	154	–	–	–	–	–	1,537	10,758	–	10,758
– Community land	5,248	–	5,248	–	–	–	–	–	–	–	111	5,359	–	5,359
Infrastructure:														
– Buildings	67,753	(32,766)	34,987	130	188	–	(847)	520	–	(1,728)	–	70,331	(37,081)	33,250
– Other structures	26,373	(13,456)	12,917	886	27	(17)	(821)	67	–	–	502	28,444	(14,883)	13,561
– Roads	272,796	(58,102)	214,694	4,712	67	–	(6,464)	303	–	–	10,669	291,607	(67,626)	223,981
– Bridges	92,789	(30,157)	62,632	1,210	–	(97)	(1,066)	368	–	–	3,302	98,751	(32,402)	66,349
– Footpaths	7,339	(2,216)	5,123	–	–	–	(76)	–	–	–	271	7,734	(2,416)	5,318
– Bulk earthworks (non-depreciable)	71,293	–	71,293	–	62	–	–	–	–	–	3,824	75,179	–	75,179
– Stormwater drainage	42,558	(16,448)	26,110	74	–	(34)	(564)	–	–	–	1,370	44,849	(17,893)	26,956
– Water supply network	108,474	(51,515)	56,959	454	16	(287)	(1,427)	535	–	(32)	1,571	111,901	(54,112)	57,789
– Sewerage network	36,570	(18,268)	18,302	565	–	–	(828)	443	–	–	887	39,433	(20,064)	19,369
Other assets:														
– Other	4,233	(3,089)	1,144	–	–	–	(122)	136	–	–	56	4,452	(3,238)	1,214
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Landfill assets	7,075	(1,133)	5,942	–	–	–	(321)	–	(1,337)	–	–	5,738	(1,454)	4,284
– Quarry assets	1,587	(524)	1,063	–	–	–	(57)	–	(343)	–	–	1,244	(581)	663
Total infrastructure, property, plant and equipment	807,891	(240,941)	566,950	11,622	8,604	(435)	(13,842)	–	(1,680)	(1,760)	24,100	859,825	(266,266)	593,559

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period									At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	19,009	–	19,009	2,392	18,420	(151)	–	–	(3,566)	–	–	–	36,104	–	36,104
Plant and equipment	18,041	(11,700)	6,341	465	92	(161)	(1,714)	–	–	–	–	–	17,954	(12,931)	5,023
Office equipment	278	(97)	181	45	–	–	(60)	–	–	–	–	–	323	(157)	166
Furniture and fittings	288	(131)	157	–	67	–	(48)	–	–	–	–	–	355	(179)	176
Land:															
– Operational land	8,407	–	8,407	–	–	–	–	–	–	–	–	660	9,067	–	9,067
– Community land	5,030	–	5,030	–	–	–	–	–	–	–	–	218	5,248	–	5,248
Infrastructure:															
– Buildings	62,665	(30,854)	31,811	96	–	(340)	(770)	–	1,778	–	–	2,412	67,753	(32,766)	34,987
– Other structures	22,335	(11,181)	11,154	37	313	(43)	(850)	–	1,284	200	–	822	26,373	(13,456)	12,917
– Roads	253,196	(48,784)	204,412	5,194	–	(334)	(6,215)	(174)	385	–	–	11,426	272,796	(58,102)	214,694
– Bridges	87,632	(27,234)	60,398	–	–	–	(1,005)	(256)	–	–	–	3,495	92,789	(30,157)	62,632
– Footpaths	6,898	(2,012)	4,886	–	24	–	(72)	–	–	–	–	285	7,339	(2,216)	5,123
– Bulk earthworks (non-depreciable)	67,315	–	67,315	–	–	–	–	–	–	–	–	3,978	71,293	–	71,293
– Stormwater drainage	40,003	(14,953)	25,050	26	–	–	(531)	–	119	–	–	1,446	42,558	(16,448)	26,110
– Water supply network	81,798	(29,378)	52,420	126	230	(99)	(1,177)	–	–	(41)	–	5,500	108,474	(51,515)	56,959
– Sewerage network	35,310	(8,183)	27,127	–	70	(14)	(575)	–	–	–	(8,306)	–	36,570	(18,268)	18,302
Other assets:															
– Other	5,110	(3,705)	1,405	–	–	–	(96)	–	–	(159)	–	(6)	4,233	(3,089)	1,144
Reinstatement, rehabilitation and restoration assets (refer Note 12):															
– Tip assets	10,845	(1,175)	9,670	–	–	–	(455)	–	–	(3,273)	–	–	7,075	(1,133)	5,942
– Quarry assets	3,302	(459)	2,843	–	–	–	(65)	–	–	(1,715)	–	–	1,587	(524)	1,063
Total infrastructure, property, plant and equipment	727,462	(189,846)	537,616	8,381	19,216	(1,142)	(13,633)	(430)	–	(4,988)	(8,306)	30,236	807,891	(240,941)	566,950

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

Material accounting policy information

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

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

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

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

Useful lives of IPPE

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 15	Playground equipment	5 to 15
Office furniture	5 to 20	Benches, seats etc.	15 to 50
Computer equipment	5		
Vehicles	5 to 15	Buildings	
Heavy plant/road making equipment	5 to 15	Buildings	14 to 100
Other plant and equipment	5 to 20		
Water and sewer assets		Stormwater assets	
Dams and reservoirs	20 to 150	Drains	70 to 80
Bores	20 to 50	Culverts	40 to 100
Reticulation pipes: PVC	100		
Reticulation pipes: other	55 to 100		
Pumps and telemetry	15 to 25		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	12 to 100	Bulk earthworks	N/A
Sealed roads: structure	12 to 100	Swimming pools	50
Bridges	40 to 100	Other open space/recreational assets	5 to 100
Kerb, gutter and footpaths	50 to 100	Other infrastructure	5 to 100

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

Revaluation model

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

Building and Operating Land assets were externally revalued, resulting in a decrease in Buildings value of \$1,727 thousand. and Operating Land assets increased in value by \$1,649 thousand.

With the escalation of costs, Council has indexed all other Infrastructure. Water and Sewer assets by the NSW Water Supply & Sewerage Construction cost indices at 5.07%. Other Structure by the Building Construction producer price index for NSW at 5.47% and Bridges, Footpaths, Stormwater, Roads and Other Assets by the Road and Bridge Construction producer price index for NSW at 5.37%.

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

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

Land under roads

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

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

Crown reserves

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

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

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".

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

C1-8 Investment properties

\$ '000	2024	2023
Owned investment property		
Investment property on hand at fair value	1,190	1,190
Total owned investment property	1,190	1,190
Owned investment property		
At fair value		
Opening balance at 1 July	1,190	600
Net gain/(loss) from fair value adjustments	-	590
Closing balance at 30 June	1,190	1,190

Material accounting policy information

Council owns one investment property being grazing land, it is held for long-term rental yield and is not occupied by Council. The fair value measurement of the property is the NSW Valuer General value at the last valuation date being 1 July 2022.

Changes in fair values are recorded in the Income Statement as part of other income.

C1-9 Other

Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	290	-	207	-
Total other assets	290	-	207	-

C2 Leasing activities

C2-1 Council as a lessee

(i) Council as a lessee

Council has leases over a range of assets including vehicles and office equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Vehicles

Council lease motor vehicles with lease terms varying from 2 to 3 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT Equipment

Leases for office and IT equipment are generally for low value assets. Council has reviewed existing arrangements associated with the leasing of these assets and it has been determined that Council does not require to report under AASB16 for this financial year, as most of the current leases are for a period of 12 or less months and/or the value of the total lease contracts collectively is not material.

(a) Right of use assets

\$ '000	Plant & Equipment	Ready to use	Total
2024			
Opening balance at 1 July	202	–	202
Depreciation charge	(23)	–	(23)
Balance at 30 June	179	–	179
2023			
Opening balance at 1 July	58	–	58
Additions to right-of-use assets	167	–	167
Depreciation charge	(23)	–	(23)
Balance at 30 June	202	–	202

(b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	76	17	81	121
Total lease liabilities	76	17	81	121

C2-1 Council as a lessee (continued)

(c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2024					
Cash flows	76	17	–	93	93
2023					
Cash flows	81	121	–	202	202

(ii) Lease liabilities relating to restricted assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Total lease liabilities relating to unrestricted assets	76	17	81	121
Total lease liabilities	76	17	81	121

(d) Income Statement

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

\$ '000	2024	2023
Interest on lease liabilities	7	6
Depreciation of right of use assets	23	23
Other	–	8
	30	37

(e) Statement of Cash Flows

Total cash outflow for leases	17	14
	17	14

Material accounting policy information

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

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

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

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

C2-1 Council as a lessee (continued)

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties for staff housing, health services, emergency services and community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-8) and/or IPP&E (refer note C1-7).

\$ '000	2024	2023
(i) Assets held as investment property		
Investment property operating leases relates to one investment property being grazing land, it is held for long-term rental yields and is owned by Council.		
The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below		
Lease income (excluding variable lease payments not dependent on an index or rate)	12	12
Total income relating to operating leases for investment property assets	12	12
Investment property expenses		
Repairs and maintenance: investment property	10	6
Total expenses relating to investment property	10	6

(ii) Assets held as property, plant and equipment

Council provides operating leases on Council properties for the purpose of staff housing, health services, emergency services and community groups.

Material accounting policy information

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

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

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

C2-2 Council as a lessor (continued)

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

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Goods and services – operating expenditure	1,360	–	3,878	–
Accrued expenses:				
– Salaries and wages	294	–	311	–
Security bonds, deposits and retentions	72	–	67	–
Prepaid rates	575	–	367	–
Total payables	2,301	–	4,623	–

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Externally restricted assets				
Water	38	–	–	–
Payables relating to externally restricted assets	38	–	–	–
Total payables relating to restricted assets	38	–	–	–
Total payables relating to unrestricted assets	2,263	–	4,623	–
Total payables	2,301	–	4,623	–

Material accounting policy information

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

Payables 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)	7,314	–	8,321	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	471	–	384	–
Total grants received in advance		7,785	–	8,705	–
Total contract liabilities		7,785	–	8,705	–

C3-2 Contract Liabilities (continued)

Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, aquatic centre 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)	–	1,794
Total revenue recognised that was included in the contract liability balance at the beginning of the period	–	1,794

Significant changes in contract liabilities

Council spent large component of grants previously held as liabilities. There is a significant transfer to the liability as at 30 June due to the number of state and commonwealth funded programs currently being undertaken.

Material accounting policy information

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

C3-3 Borrowings

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured ¹	386	10,541	370	10,928
Total borrowings	386	10,541	370	10,928

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

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

Borrowings relating to restricted assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Externally restricted assets				
Water	324	10,223	308	10,547
Borrowings relating to externally restricted assets	324	10,223	308	10,547
Total borrowings relating to restricted assets	324	10,223	308	10,547
Total borrowings relating to unrestricted assets	62	318	62	381
Total borrowings	386	10,541	370	10,928

C3-3 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

	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
\$ '000							
Loans – secured	11,298	(371)	–	–	–	–	10,927
Lease liability (Note C2-1b)	202	(109)	–	–	–	–	93
Total liabilities from financing activities	11,500	(480)	–	–	–	–	11,020

	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
\$ '000							
Loans – secured	3,605	(307)	8,000	–	–	–	11,298
Lease liability (Note C2-1b)	58	144	–	–	–	–	202
Total liabilities from financing activities	3,663	(163)	8,000	–	–	–	11,500

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Credit cards/purchase cards	60	30
Total financing arrangements	60	30
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Credit cards/purchase cards	39	8
Total undrawn financing arrangements	39	8

Total facilities

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

Credit cards/purchase cards

Total financing arrangements

Drawn facilities

Financing facilities drawn down at the reporting date are:

Undrawn facilities

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

– Credit cards/purchase cards

Total undrawn financing arrangements

Additional financing arrangements information

Breaches and defaults

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

Security over loans

Loans are secured over the general rating income of Council.

Material accounting policy information

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

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

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

C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	799	–	735	–
Sick leave	33	–	30	–
Long service leave	769	131	757	102
Other Leave	137	–	193	–
ELE on-costs	135	8	113	6
Total employee benefit provisions	1,873	139	1,828	108

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	632	626
	632	626

Description of and movements in provisions

\$ '000	ELE provisions					Total
	Annual leave	Sick leave	Long service leave	Other leave	ELE on-costs	
2024						
At beginning of year	735	30	859	193	119	1,936
Additional provisions	600	2	257	52	24	935
Amounts used (payments)	(571)	–	(186)	(114)	–	(871)
Remeasurement effects	35	1	(30)	6	–	12
Total ELE provisions at end of year	799	33	900	137	143	2,012
2023						
At beginning of year	707	28	969	–	144	1,848
Additional provisions	452	1	31	185	–	669
Amounts used (payments)	(455)	–	(160)	–	–	(615)
Remeasurement effects	31	1	19	8	(25)	34
Total ELE provisions at end of year	735	30	859	193	119	1,936

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

C3-4 Employee benefit provisions (continued)

On-costs

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

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

C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	560	6,831	1,631	7,223
Sub-total – asset remediation/restoration	560	6,831	1,631	7,223
Total provisions	560	6,831	1,631	7,223
Provisions relating to restricted assets				
Total provisions relating to restricted assets	–	–	–	–
Total provisions relating to unrestricted assets	560	6,831	1,631	7,223
Total provisions	560	6,831	1,631	7,223

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	8,854	8,854
Unwinding of discount	218	218
Revised costs	(1,681)	(1,681)
Total other provisions at end of year	7,391	7,391
2023		
At beginning of year	13,608	13,608
Unwinding of discount	235	235
Amounts used (payments)	(250)	(250)
Revised costs	(4,739)	(4,739)
Total other provisions at end of year	8,854	8,854

Nature and purpose of provisions

Asset remediation

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

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.

C3-5 Provisions (continued)

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 – landfill 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.

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

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, 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	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	10,689	2,371	1,389
User charges and fees	2,965	1,556	184
Interest and investment revenue	1,306	455	491
Other revenues	717	3	–
Grants and contributions provided for operating purposes	10,387	18	–
Grants and contributions provided for capital purposes	6,546	3,989	–
Other income	12	–	–
Total income from continuing operations	32,622	8,392	2,064
Expenses from continuing operations			
Employee benefits and on-costs	8,836	718	253
Materials and services	8,402	1,596	418
Borrowing costs	254	163	–
Depreciation, amortisation and impairment of non-financial assets	11,611	1,427	827
Other expenses	629	–	–
Net losses from the disposal of assets	148	287	–
Total expenses from continuing operations	29,880	4,191	1,498
Operating result from continuing operations	2,742	4,201	566
Net operating result for the year	2,742	4,201	566
Net operating result attributable to each council fund	2,742	4,201	566
Net operating result for the year before grants and contributions provided for capital purposes	(3,804)	212	566

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	8,216	–	–
Investments	15,680	9,494	10,326
Receivables	2,510	502	152
Inventories	2,384	61	–
Contract assets and contract cost assets	2,826	2,623	–
Other	290	–	–
Total current assets	31,906	12,680	10,478
Non-current assets			
Receivables	9	–	–
Infrastructure, property, plant and equipment	477,545	95,535	20,479
Investment property	1,190	–	–
Right of use assets	179	–	–
Total non-current assets	478,923	95,535	20,479
Total assets	510,829	108,215	30,957
LIABILITIES			
Current liabilities			
Payables	2,263	38	–
Contract liabilities	7,764	11	10
Lease liabilities	76	–	–
Borrowings	62	324	–
Employee benefit provision	1,873	–	–
Provisions	560	–	–
Total current liabilities	12,598	373	10
Non-current liabilities			
Lease liabilities	17	–	–
Borrowings	318	10,223	–
Employee benefit provision	139	–	–
Provisions	6,831	–	–
Total non-current liabilities	7,305	10,223	–
Total liabilities	19,903	10,596	10
Net assets	490,926	97,619	30,947
EQUITY			
Accumulated surplus	177,490	56,577	14,319
Revaluation reserves	313,436	41,042	16,628
Council equity interest	490,926	97,619	30,947
Total equity	490,926	97,619	30,947

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. Council has an investment policy which complies with section 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 and 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 Council.

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.

(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	355	380

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

(b) Credit risk

Council's major receivables comprise rates and annual charges and 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.

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	Not yet overdue	< 5 years	≥ 5 years	
2024				
Gross carrying amount	827	286	91	1,204
2023				
Gross carrying amount	–	984	68	1,052

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	7,256	4	3	5	500	7,768
Expected loss rate (%)	0.00%	0.00%	0.50%	0.85%	84.60%	5.45%
ECL provision	–	–	–	–	423	423
2023						
Gross carrying amount	10,861	25	2	2	260	11,150
Expected loss rate (%)	0.00%	0.00%	0.50%	0.85%	84.60%	1.97%
ECL provision	–	–	–	–	220	220

(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.

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

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.

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 for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	72	2,216	–	–	2,288	2,301
Borrowings	5.90%	–	386	1,770	8,771	10,927	10,927
Total financial liabilities		72	2,602	1,770	8,771	13,215	13,228
2023							
Payables	0.00%	67	4,557	–	–	4,624	4,623
Borrowings	0.00%	–	370	2,016	8,912	11,298	11,298
Total financial liabilities		67	4,927	2,016	8,912	15,922	15,921

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets and liabilities

Fair value hierarchy

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

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

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

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

Fair value measurement for Plant and Equipment, Office Equipment and Furniture and Fittings are measured at depreciated historical cost which for these assets approximate fair value and are not actually subject to a comprehensive fair market valuation.

The table below shows the assigned level for each asset and liability held at fair value by Council:

		Fair value measurement hierarchy							
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements									
Investment property									
	C1-8								
Investment properties		30/6/2023	30/06/2023	1,190	1,190	–	–	1,190	1,190
Total investment property				1,190	1,190	–	–	1,190	1,190
Infrastructure, property, plant and equipment									
	C1-7								
Plant and equipment				–	–	3,865	5,023	3,865	5,023
Office equipment				–	–	122	166	122	166
Furniture and fittings				–	–	151	176	151	176
Operational land		30/6/24	30/06/18	10,758	9,067	–	–	10,758	9,067
Community land		30/6/23	30/06/23	–	–	5,359	5,248	5,359	5,248
Buildings		30/6/24	30/06/18	–	–	33,250	34,987	33,250	34,987
Other structures		30/6/22	30/06/22	–	–	13,561	12,917	13,561	12,917
Roads		30/6/21	30/06/21	–	–	223,981	214,694	223,981	214,694
Bridges		30/6/21	30/06/21	–	–	66,349	62,632	66,349	62,632
Footpaths		30/6/21	30/06/21	–	–	5,318	5,123	5,318	5,123
Bulk earthworks (non-depreciable)		30/6/21	30/06/21	–	–	75,179	71,293	75,179	71,293
Stormwater drainage		30/6/21	30/06/21	–	–	26,956	26,110	26,956	26,110
Water supply network		30/6/23	30/06/23	–	–	57,789	56,959	57,789	56,959
Sewerage network		30/6/23	30/06/23	–	–	19,369	18,302	19,369	18,302
Other assets		30/6/10	30/06/10	–	–	1,214	1,144	1,214	1,144
Total infrastructure, property, plant and equipment				10,758	9,067	532,463	514,774	543,221	523,841

Non-recurring fair value measurements

Valuation techniques

E2-1 Fair value measurement (continued)

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:

Investment property

The Investment property was last valued using Level 2 inputs as at 30 June 2023. The value was derived from the NSW Valuer General values published as at 1 July 2022. The Valuer General is an independent statutory officer appointed by the Governor of NSW to oversee the valuation system. The Valuer General is responsible for providing fair and consistent land values in NSW, in line with the Valuation of Land Act 1916. Valuation contractors prepare land values for Valuation NSW. Valuation NSW staff then check the quality and consistency of these values before they are issued by the Valuer General. Land value is the market value of the land only, as if it was sold on 1 July in the valuing year.

The prior year valuation was at 30 June 2018 by Scott Fullarton registered valuer NSW No 67557, where observable inputs used in determining the valuation included net rentals in order to provide a rate per m² this value was then used in conjunction with sales of comparable properties. Unobservable inputs include a limited number of sales evidence on the open market.

As the investment property is land only, the higher value is market value of the land for sale, not the net present value of the cash flow from investment activity.

Infrastructure, property, plant and equipment (IPPE)

Community Land

Community Land was last valued using Level 3 inputs as at 30 June 2023. The values were derived from the NSW Valuer General values published as at 1 July 2022. The Valuer General is an independent statutory officer appointed by the Governor of NSW to oversee the valuation system. The Valuer General is responsible for providing fair and consistent land values in NSW, in line with the Valuation of Land Act 1916. Valuation contractors prepare land values for Valuation NSW. Valuation NSW staff then check the quality and consistency of these values before they are issued by the Valuer General. Land value is the market value of the land only, as if it was sold on 1 July in the valuing year. The fair value of Land not valued by the Valuer General was valued using the average per measurement valuation of land within this category.

Operational Land

Council's operational land includes all of Council's land and managed Crown Land, that has been classified as operational by the Department of Lands. Council's operational land is valued on an annual basis with a valuation completed in 2024. Council's operational land was valued using the market approach. This asset class is categorised as level 2 as some inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Buildings, Infrastructure and Other Assets

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

\$ '000	Fair value (30/6/24) 2024	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Community Land	5,359	Land values obtained from the NSW Valuer General	Land values obtained from the NSW Valuer General
Buildings	33,250	External valuation	Using depreciable replacement cost given limited comparable sales information
Roads, bridges, Footpaths, stormwater	397,783	Internal valuation using cost approach	Derived using asset condition and remaining useful life
Sewer Infrastructure	19,369	Internal valuation using cost approach	Derived using asset condition and remaining useful life
Water infrastructure	57,789	Internal valuation using cost approach	Derived using asset condition and remaining useful life
Other Structures	13,561	Internal valuation using cost approach	Derived using asset condition and remaining useful life
Remaining Classes	5,352	At cost but disclosed at fair value	No observable or unobservable inputs were used

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

\$ '000	Level 3 asset class	
	2024	2023
Opening balance	514,774	497,687
Recognised in other comprehensive income – revaluation gain(loss)	20,803	20,840
Purchases (GBV)	10,785	10,352
Disposals (WDV)	(435)	(992)
Depreciation and impairment	(13,464)	(13,113)
Closing balance	532,463	514,774

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 (Active Super) (The Fund) 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 formula 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% 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 per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding past service 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 Fund and recognised as an expense for the year ending 30 June 2024 was \$47 thousand. The last formal valuation of the Scheme was undertaken by Fund Actuary, Richard Boyfield, FIAA as at 30 June 2023.

The amount of past service contributions included in the total employer contribution advised above is \$18 thousand. Council's expected contribution to the plan for the next annual reporting period is \$29 thousand.

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is 0.18%

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

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

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

* Plus promotional increases

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

E3-1 Contingencies (continued)

(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 June 2008.

(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.

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	809	807
Post-employment benefits	71	42
Other long-term benefits	8	54
Total	888	903

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool) will not be disclosed.

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	21	24
Councillors' fees	97	91
Other Councillors' expenses (including Mayor)	14	13
Total	132	128

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	97	90
Remuneration for audit and other assurance services	97	90
Total Auditor-General remuneration	97	90
Non NSW Auditor-General audit firms		
Total audit fees	97	90

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	Notes	2024	2023
Net operating result from Income Statement		7,509	17,205
Add / (less) non-cash items:			
Depreciation and amortisation		13,865	13,656
(Gain) / loss on disposal of assets		435	932
Non-cash capital grants and contributions		(153)	(649)
Remediation Re-measurement		1,681	5,714
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investment property		–	(590)
Unwinding of discount rates on reinstatement provisions		218	235
Movements in operating assets and liabilities and other cash items:			
(Increase) / decrease of receivables		195	1,869
Increase / (decrease) in provision for impairment of receivables		(18)	(47)
(Increase) / decrease of inventories		(1,369)	25
(Increase) / decrease of other current assets		(83)	(207)
(Increase) / decrease of contract asset		3,035	(4,124)
Increase / (decrease) in payables		(2,518)	2,225
Increase / (decrease) in other accrued expenses payable		(17)	(113)
Increase / (decrease) in other liabilities		213	(88)
Increase / (decrease) in contract liabilities		(920)	6,267
Increase / (decrease) in employee benefit provision		76	88
Increase / (decrease) in other provisions		(1,681)	(4,989)
Net cash flows from operating activities		20,468	37,409

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

Water Infrastructure	7	91
Sewer Infrastructure	–	1,262
Road Infrastructure	600	1,300
Council Buildings	70	244
Water Security Project	–	5,563
Recreational Assets	131	1,094
Total commitments	808	9,554

These expenditures are payable as follows:

Within the next year	808	9,554
Total payable	808	9,554

Sources for funding of capital commitments:

Future grants and contributions	571	5,126
Unexpended grants	230	1,369
Externally restricted reserves	7	2,733
Internally restricted reserves	–	326
Total sources of funding	808	9,554

Details of capital commitments

Council has accepted funding under the Commonwealth and State Grant Program and is working on improving recreational assets within the community. Roadworks are continuing across the Council area and work is also being conducted on Council's water assets.

G3-1 Events occurring after the reporting date

No other matters have arisen subsequent to balance date that would require these financial statements to be amended.

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					
Liverpool Plains Section 7.12 Contribution Plan	923	134	–	–	59	(50)	–	1,066	–
Liverpool Plains Section 7.11 Contribution Plan	483	409	–	–	49	–	–	941	–
Liverpool Plains Section 64 - Contribution Plan - Water	620	–	–	–	34	–	–	654	–
Liverpool Plains Section 64 - Contribution Plan - Sewer	43	–	–	–	2	–	–	45	–
Total contributions	2,069	543	–	–	144	(50)	–	2,706	–

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. 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.

Council resolved in September 2023 to (1) formally confirm the repeal of all contribution plans except for (a) Liverpool Plains Section 7.12 Contributions Plan 2022 and (b) Heavy Haulage Contribution Plan 2023, and (2) Reallocate all funds held in the Quirindi, Werris Creek and Willow Tree Section 94 plan account to the account of the Liverpool Plains Section 7.12 Contribution Plan 2022 and for these funds to be used towards the proposed works under this Plan.

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicator 2023	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(2,607)	(8.01)%	(4.24)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	32,543			
2. Own source operating revenue ratio				
Total continuing operating revenue excluding all grants and contributions ¹	22,138	51.39%	36.32%	> 60.00%
Total continuing operating revenue ¹	43,078			
3. Unrestricted current ratio				
Current assets less all external restrictions	15,756	37.34x	3.42x	> 1.50x
Current liabilities less specific purpose liabilities	422			
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	11,675	13.02x	16.17x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	897			
5. Rates and annual charges outstanding percentage				
Rates and annual charges outstanding	1,307	8.28%	7.44%	< 10.00%
Rates and annual charges collectable	15,788			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	43,716	18.29 months	19.55 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	2,390			

(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, 4}		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2}	(12.98)%	(8.25)%	4.81%	13.85%	27.42%	28.00%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	48.09%	40.23%	52.25%	22.26%	100.00%	96.05%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	37.34x	3.42x	33.99x	19.24x	1,047.80 x	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	11.55x	15.97x	11.06x	10.82x	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	10.87%	9.79%	0.00%	0.00%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	18.29 months	15.07 months	∞	∞	∞	∞	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

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

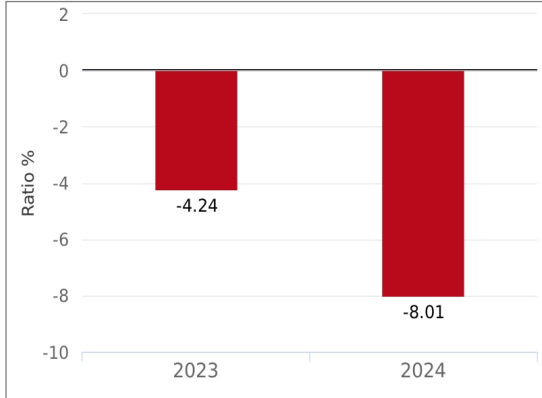
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2023/24 result

2023/24 ratio (8.01)%

Council has a low Rates revenue base and manages a large infrastructure network, resulting in a high depreciation. These two factors result in Council not achieving benchmark in this ratio.

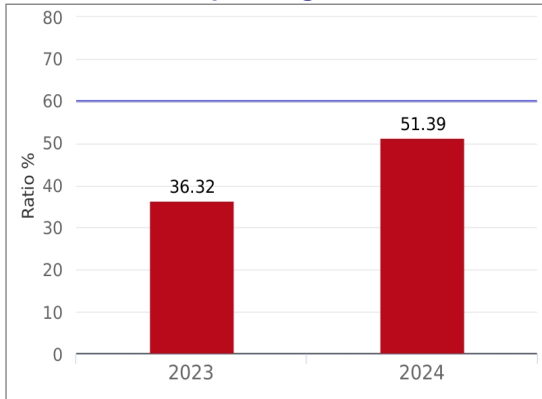
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2023/24 result

2023/24 ratio 51.39%

Own source revenue has been impacted by additional operational grant funds received under the Regional Emergency Road Repair Fund.

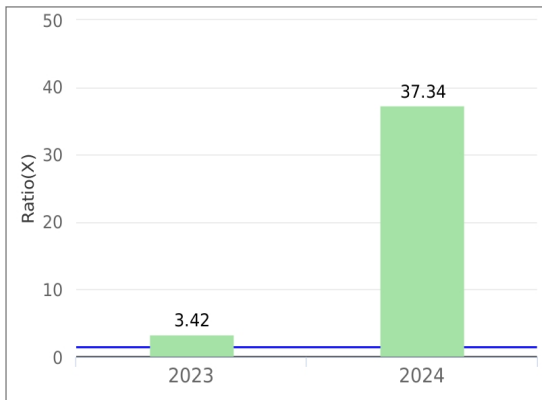
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2023/24 result

2023/24 ratio 37.34x

Council's large reduction in short term payables at year end has resulting in this ratio's disproportionate increase. Council has exceeded benchmark for many years.

Benchmark: — > 1.50x

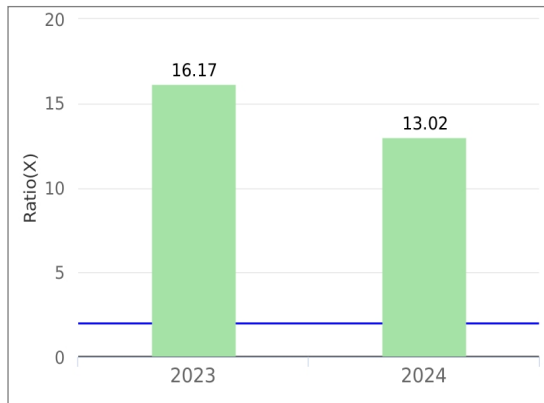
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 13.02x

The reduction in ratio was due to Council's utilisation of borrowed funds to complete the construction of the Quipolly Water Security Project.

Council has adequate cover to meet its debt obligations as they fall due.

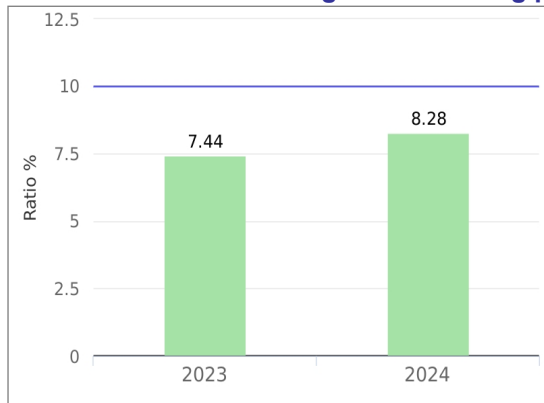
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2023/24 result

2023/24 ratio 8.28%

Council exceeded benchmark by continuing to manage the debt recovery activity in the current economic climate.

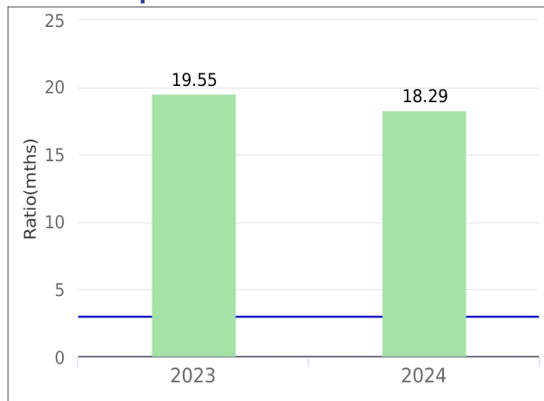
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 18.29 months

Council has adequate cash to meet on-going expenses.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Liverpool Plains Shire Council

To the Councillors of Liverpool Plains Shire Council

Opinion

I have audited the accompanying financial statements of Liverpool Plains 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.



Jan-Michael Perez
Delegate of the Auditor-General for New South Wales

29 November 2024
SYDNEY



Cr Kenneth Cudmore
 Mayor
 Liverpool Plains Shire Council
 PO Box 152
 QUIRINDI NSW 2343

Contact: Jan-Michael Perez
 Phone no: 02 9275 7115
 Our ref: R008-2124742775-9847

29 November 2024

Dear Mayor Cudmore

**Report on the Conduct of the Audit
 for the year ended 30 June 2024
 Liverpool Plains Shire Council**

I have audited the general purpose financial statements (GPFS) of the Liverpool Plains 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	14.4	14.0	2.9
Grants and contributions revenue	20.9	36.0	(41.9)
Operating result from continuing operations	7.5	17.2	(56.4)
Net operating result before capital grants and contributions	(3.0)	(1.9)	(57.9)

Rates and annual charges revenue (\$14.4 million) increased by \$400,000 (2.9 per cent) in 2023–24 mainly due to a rate increase of 3.7 per cent.

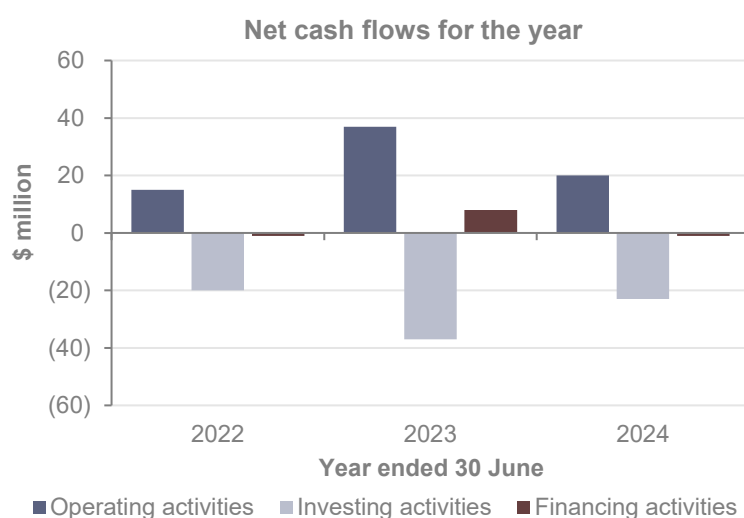
Grants and contributions revenue (\$20.9 million) decreased by \$15.1 million (41.9 per cent) in 2023–24 mainly on account of lower operational and capital grants (particularly water supply and storm damage funding and contributions from Transport for NSW) recognised during the year.

The Council's operating result from continuing operations (\$7.5 million including depreciation, amortisation and impairment expense of \$13.9 million) was \$9.7 million lower than the 2022–23 result. The reduction in grants and contributions revenue was largely offset by increases in rates and annual charges revenue, as well as interest and investment income.

STATEMENT OF CASH FLOWS

Net cashflows from operating activities were largely impacted by lower inflows from grants and contributions and user charges and fees resulting in a decrease of \$16.9 million in net operating cash flows for the year then ended 30 June 2024.

Net cash outflows from investing activities decreased by \$14.7 million due to lower acquisition of infrastructure, property, plant and equipment and term deposits.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	43.7	43.8	Externally restricted balances comprise mainly of specific purpose unexpended grants, water, sewer, and waste funds.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	35.1	34.8	At 30 June 2024 the Council holds \$68,000 in unrestricted and unallocated cash, cash equivalents and investments.
• Internal allocations	8.5	9.0	

Debt

At 30 June 2024, the Council had:

- \$10.9 million in secured loans (\$11.3 million in 2022-23)
- \$60,000 in credit card facility with \$21,000 used.

PERFORMANCE

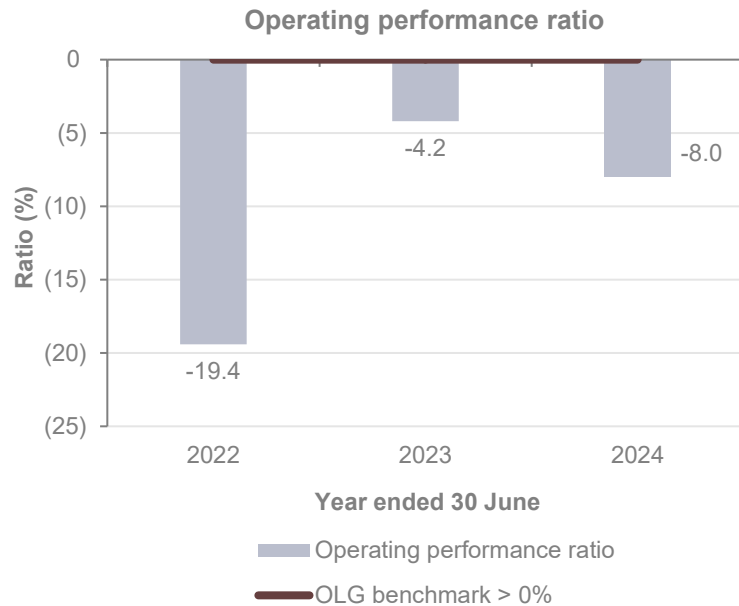
Performance measures

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

Operating performance ratio

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

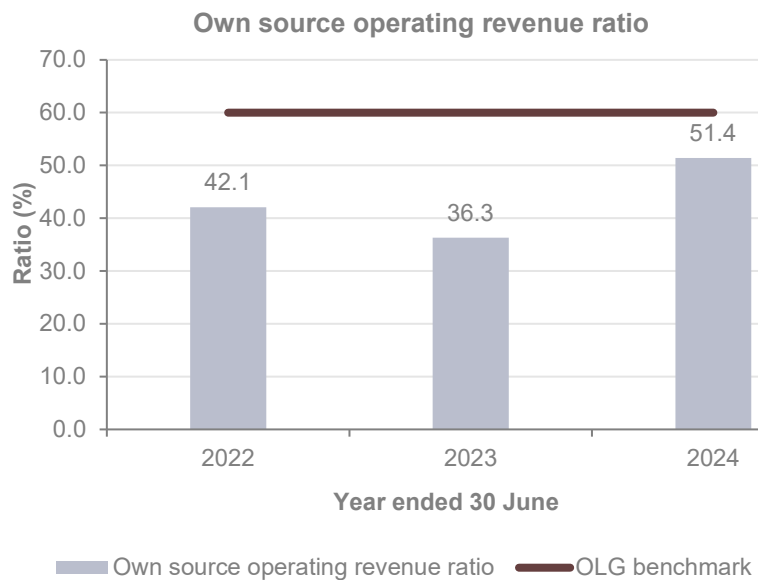
The Council did not meet the OLG benchmark this year.



Own source operating revenue ratio

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

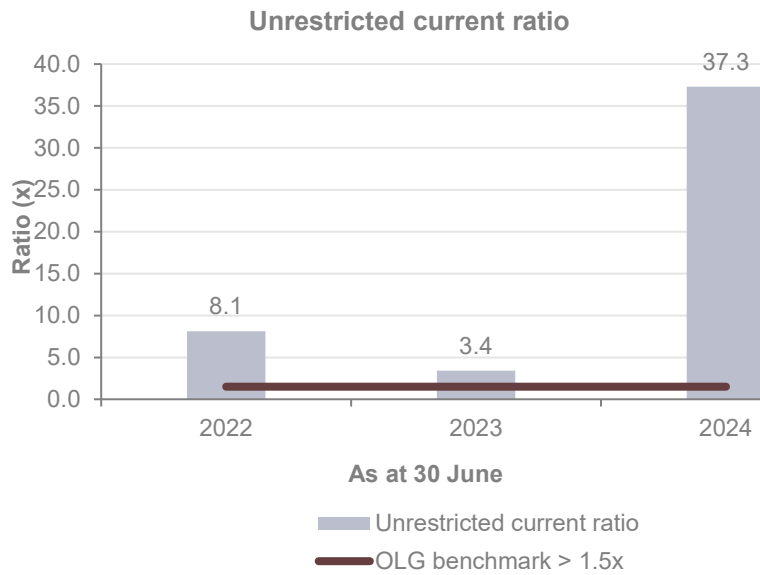
The Council did not meet the benchmark for the current or previous reporting periods.



Unrestricted current ratio

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

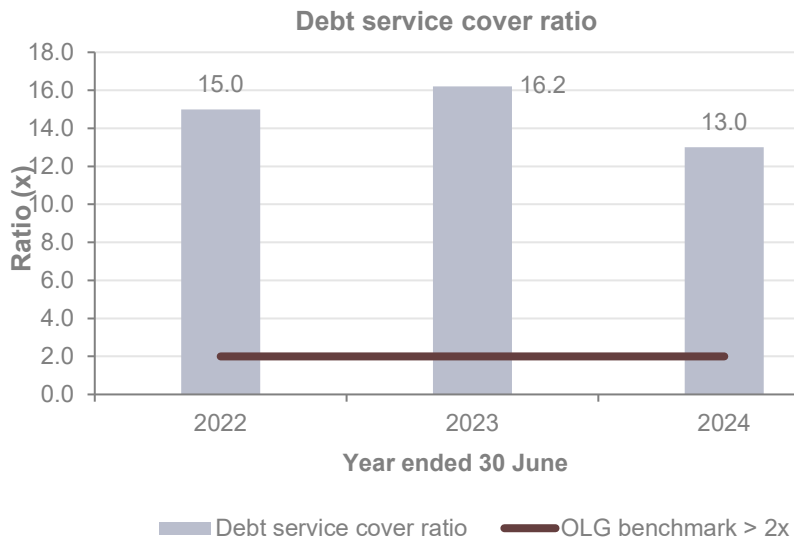
The Council met the benchmark for the current reporting period. The reduction in total current liabilities at 30 June 2024 has resulted in the significant increase of the current year ratio.



Debt service cover ratio

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

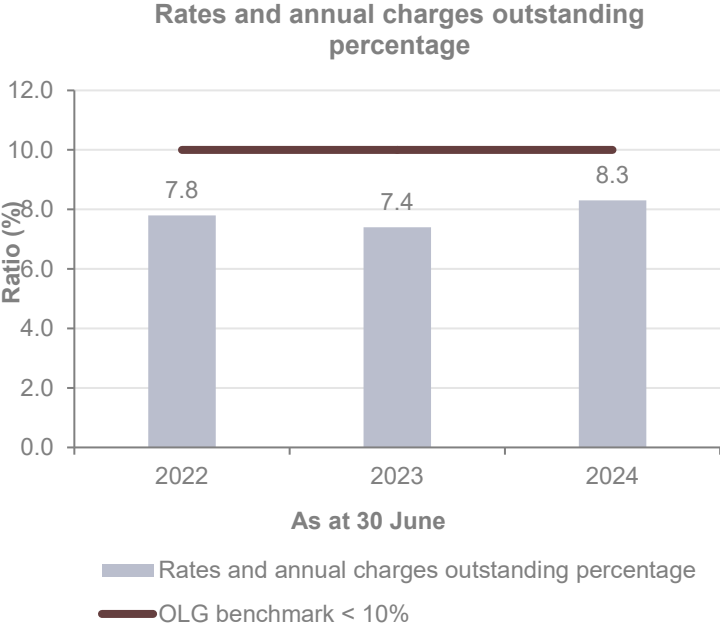
The Council met the benchmark for the current reporting period.



Rates and annual charges outstanding percentage

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

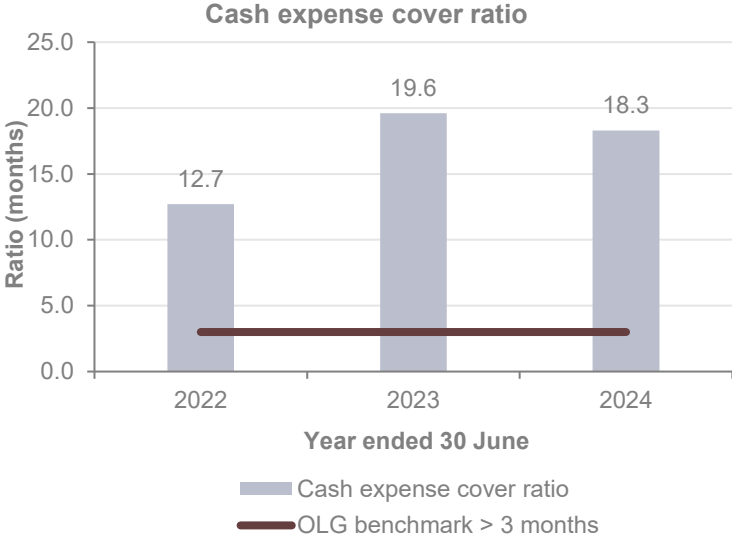
The Council met the benchmark for the current reporting period.



Cash expense cover ratio

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

The Council met the benchmark for the current reporting period.



Infrastructure, property, plant and equipment renewals

The Council renewed \$11.6 million of infrastructure, property, plant and equipment during the 2023–24 financial year (2022–23: \$8.4 million). A further \$8.6 million was spent on new assets across variety of asset classes during the current year.

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.



Jan-Michael Perez
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Liverpool Plains Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Liverpool Plains Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
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Income Statement of sewerage business activity	5
Statement of Financial Position of water supply business activity	6
Statement of Financial Position of sewerage business activity	7
Note – Material accounting policy information	8
Auditor's Report on Special Purpose Financial Statements	11

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).

Liverpool Plains Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

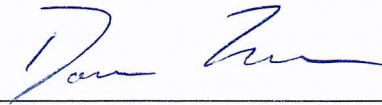
- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

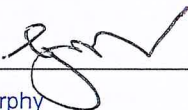
Signed in accordance with a resolution of Council made on 23rd October 2024.



Ken Cudmore
Mayor
23 October 2024



Donna Lawson
Councillor
23 October 2024



Gary Murphy
General Manager
23 October 2024



Christopher Powell
Responsible Accounting Officer
23 October 2024

Liverpool Plains Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	2,371	2,386
User charges	1,536	1,370
Fees	20	19
Interest and investment income	455	200
Grants and contributions provided for operating purposes	18	–
Other income	3	4
Total income from continuing operations	4,403	3,979
Expenses from continuing operations		
Employee benefits and on-costs	718	610
Borrowing costs	163	176
Materials and services	1,596	1,365
Depreciation, amortisation and impairment	1,427	1,177
Net loss from the disposal of assets	287	100
Total expenses from continuing operations	4,191	3,428
Surplus (deficit) from continuing operations before capital amounts	212	551
Grants and contributions provided for capital purposes	3,989	13,897
Surplus (deficit) from continuing operations after capital amounts	4,201	14,448
Surplus (deficit) from all operations before tax	4,201	14,448
Less: corporate taxation equivalent (25%) [based on result before capital]	(53)	(138)
Surplus (deficit) after tax	4,148	14,310
Plus accumulated surplus	52,376	37,928
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	53	138
Closing accumulated surplus	56,577	52,376
Return on capital %	0.4%	0.8%
Subsidy from Council	3,733	2,812
Calculation of dividend payable:		
Surplus (deficit) after tax	4,148	14,310
Less: capital grants and contributions (excluding developer contributions)	(3,989)	(13,666)
Surplus for dividend calculation purposes	159	644
Potential dividend calculated from surplus	80	322

Liverpool Plains Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	1,389	1,308
Liquid trade waste charges	183	190
Fees	1	1
Interest and investment income	491	226
Total income from continuing operations	2,064	1,725
Expenses from continuing operations		
Employee benefits and on-costs	253	297
Materials and services	418	356
Depreciation, amortisation and impairment	827	575
Net loss from the disposal of assets	–	14
Total expenses from continuing operations	1,498	1,242
Surplus (deficit) from continuing operations before capital amounts	566	483
Grants and contributions provided for capital purposes	–	71
Surplus (deficit) from continuing operations after capital amounts	566	554
Surplus (deficit) from all operations before tax	566	554
Less: corporate taxation equivalent (25%) [based on result before capital]	(142)	(121)
Surplus (deficit) after tax	424	433
Plus accumulated surplus	13,753	13,199
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	142	121
Closing accumulated surplus	14,319	13,753
Return on capital %	2.8%	2.4%
Subsidy from Council	315	314
Calculation of dividend payable:		
Surplus (deficit) after tax	425	433
Less: capital grants and contributions (excluding developer contributions)	–	(1)
Surplus for dividend calculation purposes	425	432
Potential dividend calculated from surplus	212	216

Liverpool Plains Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	–	3,263
Investments	9,494	7,669
Receivables	502	1,199
Contract assets and contract cost assets	2,623	2,990
Inventories	61	58
Total current assets	12,680	15,179
Non-current assets		
Infrastructure, property, plant and equipment	95,535	88,036
Total non-current assets	95,535	88,036
Total assets	108,215	103,215
LIABILITIES		
Current liabilities		
Contract liabilities	11	481
Payables	38	–
Borrowings	324	308
Total current liabilities	373	789
Non-current liabilities		
Borrowings	10,223	10,547
Total non-current liabilities	10,223	10,547
Total liabilities	10,596	11,336
Net assets	97,619	91,879
EQUITY		
Accumulated surplus	56,577	52,376
Revaluation reserves	41,042	39,503
Total equity	97,619	91,879

Liverpool Plains 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	–	6,789
Investments	10,326	2,765
Receivables	152	123
Total current assets	10,478	9,677
Non-current assets		
Infrastructure, property, plant and equipment	20,479	19,817
Total non-current assets	20,479	19,817
Total assets	30,957	29,494
LIABILITIES		
Current liabilities		
Contract liabilities	10	–
Total current liabilities	10	–
Total liabilities	10	–
Net assets	30,947	29,494
EQUITY		
Accumulated surplus	14,319	13,753
Revaluation reserves	16,628	15,741
Total equity	30,947	29,494

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Water Supply Network

Is comprised of water supply operations and net assets system servicing the towns of Quirindi, Werris Creek, Wallabadah, Willow Tree, Spring Ridge, Wahallow, Blackville, Caroonna and Premer.

Category 2

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

b. Sewerage Service

Is comprised of sewerage reticulation and treatment operations and net asset system servicing the towns of Quirindi and Werris Creek

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):

Note – Material accounting policy information (continued)

Notional rate applied (%)

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

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

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

In accordance with the Department of Planning, Industry & Environment (DPIE) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a ‘dividend for taxation equivalent’, may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DPIE – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

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

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

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

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

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

Note – Material accounting policy information (continued)

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.

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

Each dividend must be calculated and approved in accordance with the DPIE – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Liverpool Plains Shire Council

To the Councillors of Liverpool Plains Shire Council

Opinion

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

The Declared Business Activities of the Council are:

- Water supply
- Sewerage.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, consisting of the letters 'JMP' in a stylized, cursive font.

Jan-Michael Perez
Delegate of the Auditor-General for New South Wales

29 November 2024
SYDNEY

Liverpool Plains Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Liverpool Plains Shire Council

Special Schedules

for the year ended 30 June 2024

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Liverpool Plains 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	9,025	9,390
Plus or minus adjustments ²	b	61	(169)
Notional general income	c = a + b	9,086	9,221
Permissible income calculation			
Percentage increase	d	18.10%	4.80%
Less expiring special variation amount	e	(1,072)	-
Plus percentage increase amount ³	f = d x (c + e)	1,451	443
Sub-total	g = (c + e + f)	9,465	9,664
Plus (or minus) last year's carry forward total	h	(2)	73
Sub-total	j = (h + i)	(2)	73
Total permissible income	o = k + n	9,463	9,737
Less notional general income yield	l	9,390	9,914
Catch-up or (excess) result	m = k - l	73	(178)
Carry forward to next year ⁶	p = m + n + o	73	(178)
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

Liverpool Plains Shire Council

To the Councillors of Liverpool Plains Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'JMP', is positioned above the typed name.

Jan-Michael Perez
Delegate of the Auditor-General for New South Wales

29 November 2024
SYDNEY

Liverpool Plains Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5	
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000						
Buildings	Other	14,558	14,558	200	277	33,250	70,330	19.0%	18.0%	0.0%	43.0%	20.0%	
	Sub-total	14,558	14,558	200	277	33,250	70,330	19.0%	18.0%	0.0%	43.0%	20.0%	
Other structures	Other structures	3,934	3,934	587	676	13,561	28,445	48.0%	12.0%	10.0%	4.0%	26.0%	
	Sub-total	3,934	3,934	587	676	13,561	28,445	48.0%	12.0%	10.0%	4.0%	26.0%	
Roads	Sealed roads	3,140	3,140	2,074	2,097	141,906	180,655	70.0%	11.0%	12.0%	5.0%	2.0%	
	Unsealed roads	4,281	4,281	680	1,713	81,583	110,462	69.0%	6.0%	11.0%	12.0%	2.0%	
	Bridges	348	348	5	1	66,348	98,751	2.0%	97.0%	0.0%	0.0%	1.0%	
	Footpaths	–	–	20	1	5,319	7,734	6.0%	94.0%	0.0%	0.0%	0.0%	
	Bulk earthworks	–	–	–	–	75,670	75,670	100.0%	0.0%	0.0%	0.0%	0.0%	
	Sub-total	7,769	7,769	2,779	3,812	370,827	473,272	59.3%	27.4%	7.1%	4.7%	1.5%	
Water supply network	Water supply network	16,095	16,095	649	1,022	57,789	111,901	22.0%	9.0%	31.0%	18.0%	20.0%	
	Sub-total	16,095	16,095	649	1,022	57,789	111,901	22.0%	9.0%	31.0%	18.0%	20.0%	
Sewerage network	Sewerage network	5,877	5,877	143	291	19,369	39,433	12.0%	6.0%	45.0%	15.0%	22.0%	
	Sub-total	5,877	5,877	143	291	19,369	39,433	12.0%	6.0%	45.0%	15.0%	22.0%	
Stormwater drainage	Stormwater drainage	–	–	75	58	26,956	44,849	3.0%	53.0%	44.0%	0.0%	0.0%	
	Sub-total	–	–	75	58	26,956	44,849	3.0%	53.0%	44.0%	0.0%	0.0%	
Total – all assets		48,233	48,233	4,433	6,136	521,752	768,230	44.1%	23.7%	14.2%	10.4%	7.6%	

(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

Liverpool Plains Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicator 2023	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals ¹	11,622	96.11%	84.86%	> 100.00%
Depreciation, amortisation and impairment	12,093			
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	48,233	8.50%	8.42%	< 2.00%
Net carrying amount of infrastructure assets	567,143			
Asset maintenance ratio				
Actual asset maintenance	6,136	138.42%	94.03%	> 100.00%
Required asset maintenance	4,433			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	48,233	6.28%	6.25%	
Gross replacement cost	768,230			

(*) 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.