

Coonamble Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2024



Coonamble Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Coonamble Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
1. Understanding Council's Financial Statements	3
2. Statement by Councillors and Management	4
3. Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
4. Contents for the notes to the Financial Statements	10
5. Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	88
On the Financial Statements (Sect 417 [3])	91

Coonamble Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2024.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

About the Councillor/Management Statement

The financial statements must be certified by senior staff as 'presenting fairly' the Council's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by the NSW Audit Office.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

Coonamble Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 11 September 2024.



Tim Horan
Mayor
11 September 2024



Bill Fisher
Councillor
11 September 2024



Paul Gallagher
General Manager
11 September 2024



Bruce Quarmby
Responsible Accounting Officer
11 September 2024

Coonamble Shire Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
	Income from continuing operations			
7,709	Rates and annual charges	B2-1	7,518	7,076
9,452	User charges and fees	B2-2	7,319	8,082
975	Other revenues	B2-3	1,097	998
13,888	Grants and contributions provided for operating purposes	B2-4	13,459	13,740
5,121	Grants and contributions provided for capital purposes	B2-4	8,904	3,242
1,329	Interest and investment income	B2-5	1,795	1,166
67	Other income	B2-6	82	83
–	Net gain from the disposal of assets	B4-1	835	133
38,541	Total income from continuing operations		41,009	34,520
	Expenses from continuing operations			
10,053	Employee benefits and on-costs	B3-1	9,528	8,144
14,248	Materials and services	B3-2	11,669	10,866
24	Borrowing costs	B3-3	25	28
6,937	Depreciation, amortisation and impairment of non-financial assets	B3-4	7,669	6,760
1,081	Other expenses	B3-5	1,029	1,038
32,343	Total expenses from continuing operations		29,920	26,836
6,198	Operating result from continuing operations		11,089	7,684
6,198	Net operating result for the year attributable to Council		11,089	7,684
1,077	Net operating result for the year before grants and contributions provided for capital purposes		2,185	4,442

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

Coonamble Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
Net operating result for the year – from Income Statement		11,089	7,684
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	63,957	23,940
Total items which will not be reclassified subsequently to the operating result		63,957	23,940
Total other comprehensive income for the year		63,957	23,940
Total comprehensive income for the year attributable to Council		75,046	31,624

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

Coonamble Shire Council

Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	9,713	6,538
Investments	C1-2	19,750	31,250
Receivables	C1-4	14,458	11,477
Inventories	C1-5	1,809	1,529
Other		361	227
Total current assets		46,091	51,021
Non-current assets			
Receivables	C1-4	501	465
Infrastructure, property, plant and equipment (IPPE)	C1-6	424,308	342,707
Right of use assets	C2-1	27	64
Investments accounted for using the equity method	D2-2	102	88
Total non-current assets		424,938	343,324
Total assets		471,029	394,345
LIABILITIES			
Current liabilities			
Payables	C3-1	3,568	2,787
Income received in advance	C3-1	359	397
Contract liabilities	C3-2	8,404	8,081
Lease liabilities	C2-1	29	37
Borrowings	C3-3	49	46
Employee benefit provisions	C3-4	1,911	1,514
Total current liabilities		14,320	12,862
Non-current liabilities			
Lease liabilities	C2-1	–	29
Borrowings	C3-3	354	403
Employee benefit provisions	C3-4	105	77
Provisions	C3-5	779	549
Total non-current liabilities		1,238	1,058
Total liabilities		15,558	13,920
Net assets		455,471	380,425
EQUITY			
Accumulated surplus		207,927	196,838
IPPE revaluation reserve	C4-1	247,544	183,587
Council equity interest		455,471	380,425
Total equity		455,471	380,425

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

Coonamble Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		196,838	183,587	380,425	189,154	159,647	348,801
Net operating result for the year		11,089	–	11,089	7,684	–	7,684
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	63,957	63,957	–	23,940	23,940
Other comprehensive income		–	63,957	63,957	–	23,940	23,940
Total comprehensive income		11,089	63,957	75,046	7,684	23,940	31,624
Closing balance at 30 June		207,927	247,544	455,471	196,838	183,587	380,425

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

Coonamble Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
Cash flows from operating activities				
<i>Receipts:</i>				
7,607	Rates and annual charges		7,263	7,060
9,420	User charges and fees		8,854	6,874
1,267	Interest received		1,824	1,143
20,202	Grants and contributions		18,438	18,985
–	Bonds, deposits and retentions received		93	32
2,151	Other		4,407	2,505
<i>Payments:</i>				
(9,601)	Payments to employees		(9,023)	(8,259)
(12,967)	Payments for materials and services		(15,298)	(13,205)
(25)	Borrowing costs		(25)	(28)
–	Bonds, deposits and retentions refunded		(100)	(30)
(884)	Other		(1,164)	(1,064)
17,170	Net cash flows from operating activities	G1-1	15,269	14,013
Cash flows from investing activities				
<i>Receipts:</i>				
30,000	Sale of investments		29,500	51,250
50	Sale of real estate assets		48	–
–	Proceeds from sale of IPPE		1,101	414
<i>Payments:</i>				
(30,000)	Purchase of investments		(18,000)	(54,250)
(15,045)	Payments for IPPE		(24,659)	(10,226)
(14,995)	Net cash flows from investing activities		(12,010)	(12,812)
Cash flows from financing activities				
<i>Payments:</i>				
(46)	Repayment of borrowings		(46)	(43)
(38)	Principal component of lease payments		(38)	(37)
(84)	Net cash flows from financing activities		(84)	(80)
2,091	Net change in cash and cash equivalents		3,175	1,121
2,299	Cash and cash equivalents at beginning of year		6,538	5,417
4,390	Cash and cash equivalents at end of year	C1-1	9,713	6,538
26,583	plus: Investments on hand at end of year	C1-2	19,750	31,250
30,973	Total cash, cash equivalents and investments		29,463	37,788

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

Coonamble Shire Council

Contents for the notes to the Financial Statements for the year ended 30 June 2024

A About Council and these financial statements	12
A1-1 Basis of preparation	12
B Financial Performance	14
B1 Functions or activities	14
B1-1 Functions or activities – income, expenses and assets	14
B1-2 Components of functions or activities	15
B2 Sources of income	16
B2-1 Rates and annual charges	16
B2-2 User charges and fees	17
B2-3 Other revenues	18
B2-4 Grants and contributions	19
B2-5 Interest and investment income	21
B2-6 Other income	21
B3 Costs of providing services	22
B3-1 Employee benefits and on-costs	22
B3-2 Materials and services	23
B3-3 Borrowing costs	23
B3-4 Depreciation, amortisation and impairment of non-financial assets	24
B3-5 Other expenses	25
B4 Gains or losses	26
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	26
B5 Performance against budget	27
B5-1 Material budget variations	27
C Financial position	30
C1 Assets we manage	30
C1-1 Cash and cash equivalents	30
C1-2 Financial investments	30
C1-3 Restricted and allocated cash, cash equivalents and investments	31
C1-4 Receivables	33
C1-5 Inventories	35
C1-6 Infrastructure, property, plant and equipment	37
C2 Leasing activities	41
C2-1 Council as a lessee	41
C2-2 Council as a lessor	44
C3 Liabilities of Council	47
C3-1 Payables	47
C3-2 Contract Liabilities	49
C3-3 Borrowings	49
C3-4 Employee benefit provisions	52
C3-5 Provisions	53

Coonamble Shire Council

Contents for the notes to the Financial Statements for the year ended 30 June 2024

C4 Reserves	55
C4-1 Nature and purpose of reserves	55
D Council structure	56
D1 Results by fund	56
D1-1 Income Statement by fund	56
D1-2 Statement of Financial Position by fund	57
D2 Interests in other entities	58
D2-1 Subsidiaries	58
D2-2 Interests in joint arrangements	58
D2-3 Interests in associates	59
D2-4 Unconsolidated structured entities	59
E Risks and accounting uncertainties	60
E1-1 Risks relating to financial instruments held	60
E2-1 Fair value measurement	64
E3-1 Contingencies	71
F People and relationships	74
F1 Related party disclosures	74
F1-1 Key management personnel (KMP)	74
F1-2 Councillor and Mayoral fees and associated expenses	76
F1-3 Other related parties	77
F2 Other relationships	78
F2-1 Audit fees	78
G Other matters	79
G1-1 Statement of Cash Flows information	79
G2-1 Commitments	80
G3-1 Events occurring after the reporting date	81
G4 Statement of performance measures	82
G4-1 Statement of performance measures – consolidated results	82
G4-2 Statement of performance measures by fund	83
H Additional Council disclosures (unaudited)	85
H1-1 Statement of performance measures – consolidated results (graphs)	85
H1-2 Council information and contact details	87

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 11 September 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6.
- (ii) employee benefit provisions – refer Note C3-4.
- (iii) asset remediation/restoration - refer Note C3-5.

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note C1-4.

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

Volunteer services

Council has no material reliance on volunteer services and there is no financial impact on the financial statements as presented.

New accounting standards and interpretations issued but not yet effective

A1-1 Basis of preparation (continued)

New accounting standards and interpretations issued but not yet effective

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

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

New accounting standards adopted during the year

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

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

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

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

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

B Financial Performance

B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Functions or activities										
Administration	15,555	13,907	5,197	5,091	10,358	8,816	7,833	4,692	51,057	59,699
Public order and safety	598	945	1,087	970	(489)	(25)	50	400	5,765	4,486
Health	17	7	448	287	(431)	(280)	4	–	–	23
Environment	673	476	2,080	1,383	(1,407)	(907)	16	–	18,633	17,760
Community service and education	673	45	782	140	(109)	(95)	673	40	443	437
Housing and community amenities	257	247	698	563	(441)	(316)	40	40	10,259	8,680
Water supplies	2,057	1,715	1,658	1,782	399	(67)	105	57	24,478	23,664
Sewerage supplies	1,421	1,248	1,231	886	190	362	7	56	19,687	23,415
Recreation and culture	841	488	2,362	2,061	(1,521)	(1,573)	769	426	17,480	11,007
Mining, manufacturing and construction	2,672	2,716	4,529	3,066	(1,857)	(350)	–	–	9,153	9,846
Transport and Communication	15,609	12,078	8,641	9,426	6,968	2,652	12,678	11,248	309,056	230,826
Economic Affairs	636	648	1,207	1,181	(571)	(533)	188	23	4,582	4,502
Other	–	–	–	–	–	–	–	–	436	–
Total functions and activities	41,009	34,520	29,920	26,836	11,089	7,684	22,363	16,982	471,029	394,345

B1-2 Components of functions or activities

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

Administration

Includes Council's Governance function, Corporate support and other support services, Engineering works and any Council policy compliance.

Public order and safety

Includes Council's Fire and Emergency Services Levy, Fire protection, Emergency services, Animal control and other public order and safety.

Health

Includes administration and inspection costs for Health services.

Environment

Includes Noxious plants and insect/vermin control; other Environmental protection: Solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage, and stormwater management.

Community service and education

Includes Administration and education; Aged and disabled services; Youth services and programs; other community services.

Housing and community amenities

Includes Public Cemeteries; Public conveniences; Street lighting; Town planning; other community amenities, including housing development and accommodation.

Water supplies

Includes all Council Water services.

Sewerage supplies

Includes all Council Sewer services.

Recreation and culture

Includes Public Libraries; Museums; Community centres; Public halls and performing arts venues; Sporting grounds and venues; Swimming pools; Parks and gardens; and other sporting, recreational and cultural services.

Mining, manufacturing and construction

Includes Building control; Quarries and pits and mineral resources.

Transport and Communication

Includes Sealed and Unsealed roads, Bridges, Footpaths, Parking areas, and Aerodromes under Council control.

Economic Affairs

Includes Camping areas and Caravan parks; Tourism and area promotion; Industrial development promotion; Saleyards and markets; Real estate development and other business undertakings.

B2 Sources of income

B2-1 Rates and annual charges

	2024 \$ '000	2023 \$ '000
Ordinary rates		
Residential	812	759
Farmland	4,324	4,158
Business	180	167
Less: pensioner rebates (mandatory)	(40)	(44)
Rates levied to ratepayers	5,276	5,040
Pensioner rate subsidies received	22	24
Total ordinary rates	5,298	5,064
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	494	396
Water supply services	808	767
Sewerage services	948	874
Less: pensioner rebates (mandatory)	(64)	(61)
Annual charges levied	2,186	1,976
Pensioner annual charges subsidies received:		
– Water	11	13
– Sewerage	10	11
– Domestic waste management	13	12
Total annual charges	2,220	2,012
Total rates and annual charges	7,518	7,076

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

	2024 \$ '000	2023 \$ '000
Specific user charges (per s502 - specific 'actual use' charges)		
Water supply services	835	763
Sewerage services	137	147
Waste management services (non-domestic)	100	78
Total specific user charges	1,072	988
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Building regulation	43	27
Building services – other	4	3
Planning and building regulation	1	–
Regulatory/ statutory fees	13	3
Registration fees	11	9
Section 10.7 certificates (EP&A Act)	23	19
Section 603 certificates	14	11
Town planning	64	34
Other	4	2
Total fees and charges – statutory/regulatory	177	108
(ii) Fees and charges – other (incl. general user charges (per s608))		
Caravan park	30	26
Cemeteries	100	134
Park rents	1	1
Quarry revenues	2,629	2,688
Transport for NSW works (state roads not controlled by Council)	2,924	3,603
Saleyards	64	120
Sundry sales	8	5
Swimming centres	11	10
Waste disposal tipping fees	49	–
Water connection fees	3	6
Private works	149	330
Recreational grounds fees	45	35
Other	57	28
Total fees and charges – other	6,070	6,986
Total other user charges and fees	6,247	7,094
Total user charges and fees	7,319	8,082
Total user charges and fees	7,319	8,082

Material accounting policy information

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

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

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

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

B2-3 Other revenues

	Timing	2024 \$ '000	2023 \$ '000
Legal fees recovery – rates and charges (extra charges)	1	51	62
Commissions and agency fees	2	109	104
Diesel rebate	1	88	112
Insurance claims recoveries	1	80	58
Recycling income (non-domestic)	2	5	–
Sales – general	2	43	40
Reimbursement – bushfire	2	536	536
Other	1	185	86
Total other revenue		1,097	998

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	408	318
Other revenue recognised at a point in time (2)	689	680
Total other revenue	1,097	998

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

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance	550	1,466	-	-
Payment in advance - future year allocation				
Financial assistance	5,241	5,446	-	-
Amount recognised as income during current year	5,791	6,912	-	-
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water supplies	50	-	55	57
Sewerage services	-	-	7	56
Bushfire and emergency services	-	-	50	400
Employment and training programs	15	28	-	-
Community care	108	58	-	-
Community centres	1	-	-	-
Economic development	2	15	-	-
Environmental programs	16	-	-	-
Library – per capita	72	74	-	-
Recreation and culture	-	-	714	304
Street lighting	40	40	-	-
Storm/flood damage	3,267	647	53	-
Transport (other roads and bridges funding)	73	4,484	5,586	1,910
Community Drought Program	100	49	-	-
Other specific grants	-	-	2,012	515
Transport (roads to recovery)	1,859	-	-	-
Community services	584	7	-	-
Paving	25	-	360	-
Recreation and culture	39	-	67	-
Transport for NSW contributions (regional roads, block grant)	1,417	1,426	-	-
Total special purpose grants and non-developer contributions – cash	7,668	6,828	8,904	3,242
Total special purpose grants and non-developer contributions (tied)	7,668	6,828	8,904	3,242
Total grants and non-developer contributions	13,459	13,740	8,904	3,242
Comprising:				
– Commonwealth funding	11,050	6,961	2,293	515
– State funding	2,409	6,779	6,611	2,727
	13,459	13,740	8,904	3,242

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Unspent grants and contributions				
Unspent funds at 1 July	5,996	1,325	3,820	3,349
Add: Funds received and recognised as revenue in the current year	880	5,795	5,594	2,164
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(1,513)	(1,110)	–	(23)
Less: Funds received in prior year but revenue recognised and funds spent in current year	(740)	(14)	(3,432)	(1,670)
Unspent funds at 30 June	4,623	5,996	5,982	3,820

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 achievement of specified levels of service, delivery of specific goods or services or the completion of agreed asset development. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

	2024 \$ '000	2023 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	124	62
– Cash and investments	1,671	1,104
Total interest and investment income (losses)	1,795	1,166
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	46	24
General Council cash and investments	1,181	853
Restricted investments/funds – external:		
Water fund operations	233	118
Sewerage fund operations	322	164
Domestic waste management operations	13	7
Total interest and investment income	1,795	1,166

B2-6 Other income

	2024 \$ '000	2023 \$ '000
	Notes	
Rental income		
Other lease income		
Residential Premises	24	22
Leaseback fees - council vehicles	14	21
Council Land - NEI	27	19
Aerodrome Lease Fees	3	8
Total rental income	68	70
	C2-2	
Net share of interests in joint ventures and associates using the equity method		
Joint ventures	14	13
Total other income	82	83

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2024 \$ '000	2023 \$ '000
Salaries and wages	7,637	6,067
Employee leave entitlements (ELE)	941	1,107
Superannuation	805	599
Workers' compensation insurance	312	320
Fringe benefit tax (FBT)	72	24
Other	385	331
Total employee costs	10,152	8,448
Less: capitalised costs	(624)	(304)
Total employee costs expensed	9,528	8,144
Number of 'full-time equivalent' employees (FTE) at year end	91	82

Material accounting policy information

Retirement benefit obligations

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

Superannuation plans

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

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

B3-2 Materials and services

	Notes	2024 \$ '000	2023 \$ '000
Raw materials and consumables		3,897	4,897
Contractor and consultancy costs			
– Administration		204	102
– Building, electrical, plumbing		156	143
– External plant hire		294	772
– Planning		20	31
– Quarry		2,302	1,262
- Water Supply		4	80
– Recreation		178	–
– Waste management		991	491
– Aerodrome Grounds Maintenance		55	46
Contractor and consultancy costs – other		138	318
Audit Fees	F2-1	101	73
Advertising		91	73
Bank charges		26	20
Computer software charges		204	125
Councillor and Mayoral fees and associated expenses	F1-2	195	199
Electricity and heating		372	372
Insurance		616	541
Office expenses (including computer expenses)		74	75
Postage		26	18
Printing and stationery		33	22
Royalties		137	109
Street Cleaning		307	294
Street lighting		144	124
Subscriptions and publications		117	92
Telephone and communications		64	41
Training costs (other than salaries and wages)		355	160
Travel expenses		231	110
Valuation fees		25	23
Other expenses		97	79
Legal expenses:			
– Legal expenses: planning and development		4	5
– Legal expenses: other		158	169
Other		53	–
Total materials and services		11,669	10,866

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on leases		1	2
Interest on loans		24	26
Total borrowing costs expensed		25	28

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

	Notes	2024 \$ '000	2023 \$ '000
Depreciation and amortisation			
Plant and equipment		1,333	937
Office equipment		59	102
Land improvements (depreciable)		21	19
Infrastructure:			
	C1-6		
– Buildings – non-specialised		134	134
– Buildings – specialised		592	504
– Other structures		552	460
– Roads		3,659	3,425
– Bridges		167	159
– Footpaths		33	31
– Stormwater drainage		180	160
– Water supply network		462	421
– Sewerage network		400	370
Right of use assets	C2-1	38	38
Reinstatement, rehabilitation and restoration assets:			
– Quarry assets	C3-5,C1-6	39	–
Total depreciation, amortisation and impairment for non-financial assets		7,669	6,760

Material accounting policy information

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost over their estimated useful lives. Useful lives are included in Note C1-6 for IPPE assets and Note C2-1 for right of use assets.

Impairment of non-financial assets

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

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

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

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

B3-5 Other expenses

	Notes	2024 \$ '000	2023 \$ '000
Impairment of receivables			
Other		–	23
Total impairment of receivables	C1-4	–	23
Other			
Contributions/levies to other levels of government		69	64
– Emergency services levy (includes FRNSW, SES, and RFS levies)		751	739
– Other contributions/levies		133	128
Donations, contributions and assistance to other organisations (Section 356)		76	84
Total other		1,029	1,015
Total other expenses		1,029	1,038

B4 Gains or losses

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

	Notes	2024 \$ '000	2023 \$ '000
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		1,101	407
Less: carrying amount of plant and equipment assets sold/written off		(268)	(281)
Gain (or loss) on disposal		833	126
Gain (or loss) on disposal of infrastructure	C1-6		
Proceeds from disposal – infrastructure		–	7
Gain (or loss) on disposal		–	7
Gain (or loss) on disposal of real estate assets held for sale	C1-5		
Proceeds from disposal – real estate assets		48	–
Less: carrying amount of real estate assets sold/written off		(46)	–
Gain (or loss) on disposal		2	–
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		29,500	51,250
Less: carrying amount of investments sold/redeemed/matured		(29,500)	(51,250)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		835	133

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 14 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				
Rates and annual charges	7,709	7,518	(191)	(2)% U
User charges and fees	9,452	7,319	(2,133)	(23)% U
Council's ability to generate income from User Charges and fees was adversely affected by circumstances through the year. These events and conditions include a reduction in the value of state highway ordered works, production difficulties experienced at Council owned quarry, coupled with prevailing climatic and economic conditions.				
Other revenues	975	1,097	122	13% F
Council adopted a conservative approach for estimating the level of other revenue that was expected to be received in the 2023-2024 financial year.				
Operating grants and contributions	13,888	13,459	(429)	(3)% U
Capital grants and contributions	5,121	8,904	3,783	74% F
Council adopted a conservative approach in estimating the level of income that would be received from Capital grants in the 2023/2024. During the 2023/2024 financial year Council was able to complete a number of capital grant funded programs and as such recognise the associated income from these programs.				
Interest and investment revenue	1,329	1,795	466	35% F
Both short and long term factors have combined to drive interest rates higher than anticipated to be received at the time the 2023/2024 operational budget was prepared and adopted by Council.				
Net gains from disposal of assets	-	835	835	∞ F
In the setting of the 2023/2024 Operational Budget, Council adopted a conservative income estimate for the projected net gains from the disposal of assets. Additional revenue was received from the sale of assets originally expected to occur in the 2022/2023 financial year.				
Other income	67	82	15	22% F
Council adopted a conservative approach for estimating the level of other income that was expected to be received in the 2023/2024 financial year.				
Expenses				
Employee benefits and on-costs	10,053	9,528	525	5% F
Materials and services	14,248	11,669	2,579	18% F
The delivery of Council's planned 2023/2024 operational works program was adversely impacted by a number of operational constraints which resulted in a reduction of the planned works being delivered.				
Borrowing costs	24	25	(1)	(4)% U

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Depreciation, amortisation and impairment of non-financial assets	6,937	7,669	(732)	(11)% U
At the time of preparing the 2023/2024 Operational Budget, the additional increase in depreciation due to the revaluation of Council's Building and other structures plus the indexation of Council's other assets was unknown. The additional depreciation incurred throughout the year is a direct result of these processes.				
Other expenses	1,081	1,029	52	5% F

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	17,170	15,269	(1,901)	(11)% U
Throughout the 2023/2024 financial year, prevailing economic and climatic conditions adversely impacted Council's delivery of its planned operational program.				
Cash flows from investing activities	(14,995)	(12,010)	2,985	(20)% F
The variation is due to a combination of additional payments for IPPE, which were grant funded. This increase was offset by the acquisition of term deposits as Council changed its investment strategy to maximise its return on investments.				
Cash flows from financing activities	(84)	(84)	-	0% F

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
Cash assets		
Cash on hand and at bank	5,713	6,538
Cash equivalent assets		
– Deposits at call	4,000	–
Total cash and cash equivalents	9,713	6,538

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	9,713	6,538
Balance as per the Statement of Cash Flows	9,713	6,538

C1-2 Financial investments

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Debt securities at amortised cost				
Long term deposits	19,750	–	31,250	–
Total financial investments	19,750	–	31,250	–
Total cash assets, cash equivalents and investments	29,463	–	37,788	–

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

	2024 \$ '000	2023 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	29,463	37,788
Less: Externally restricted cash, cash equivalents and investments	<u>(19,775)</u>	<u>(18,701)</u>
Cash, cash equivalents and investments not subject to external restrictions	9,688	19,087

External restrictions

External restrictions – included in liabilities

External restrictions included in cash, cash equivalents and investments above comprise:

Specific purpose unexpended grants – general fund	8,270	6,630
Specific purpose unexpended grants – water fund	–	55
External restrictions – included in liabilities	8,270	6,685

External restrictions – other

External restrictions included in cash, cash equivalents and investments above comprise:

Specific purpose unexpended grants (recognised as revenue) – general fund	2,233	3,023
Specific purpose unexpended grants (recognised as revenue) – water fund	102	52
Specific purpose unexpended grants (recognised as revenue) – sewer fund	–	56
Water fund	3,654	3,088
Sewer fund	5,150	4,955
Domestic waste management	366	842
External restrictions – other	11,505	12,016
Total external restrictions	19,775	18,701

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.

	2024 \$ '000	2023 \$ '000
--	-----------------	-----------------

(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions	9,688	19,087
Less: Internally restricted cash, cash equivalents and investments	<u>(9,190)</u>	<u>(19,042)</u>
Unrestricted and unallocated cash, cash equivalents and investments	498	45

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

	2024	2023
	\$ '000	\$ '000
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Building and Premises	571	1,361
Community	156	126
Corporate	1,839	2,214
General	1,583	6,041
Housing	100	117
Mines	1,642	1,661
Public	43	43
Recreation	111	256
Transportation	3,041	6,431
Governance	104	792
Total internal allocations	9,190	19,042

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

	2024	2023
	\$ '000	\$ '000
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	498	45

C1-4 Receivables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	736	451	574	358
Interest and extra charges	58	62	72	77
User charges and fees	4,188	123	5,164	165
Accrued revenues				
– Other income accruals	21	–	86	–
Government grants and subsidies	9,723	–	5,475	–
Net GST receivable	–	–	374	–
Total	14,726	636	11,745	600
Less: provision for impairment				
Rates and annual charges	(195)	(100)	(195)	(100)
User charges and fees	(73)	(35)	(73)	(35)
Total provision for impairment – receivables	(268)	(135)	(268)	(135)
Total net receivables	14,458	501	11,477	465
Externally restricted receivables				
Water supply				
– Rates and availability charges	229	–	162	–
– Other	450	129	636	134
Sewerage services				
– Rates and availability charges	284	–	264	–
– Other	88	–	103	–
Total external restrictions	1,051	129	1,165	134
Unrestricted receivables	13,407	372	10,312	331
Total net receivables	14,458	501	11,477	465

	2024 \$ '000	2023 \$ '000
Movement in provision for impairment of receivables		
Balance at the beginning of the year	403	403
Balance at the end of the year	403	403

Material accounting policy information

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

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.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment

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

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

C1-4 Receivables (continued)

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 1 year past due, whichever occurs first.

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
(i) Inventories at cost				
Real estate for resale	94	-	140	-
Stores and materials	243	-	273	-
Trading stock	1,472	-	1,116	-
Total inventories at cost	1,809	-	1,529	-
Total inventories	1,809	-	1,529	-

(ii) Other disclosures

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
(a) Details for real estate development				
Industrial/commercial	94	-	140	-
Total real estate for resale	94	-	140	-
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	94	-	140	-
Total costs	94	-	140	-
Total real estate for resale	94	-	140	-
Movements:				
Real estate assets at beginning of the year	140	-	140	-
- WDV of sales (expense)	(46)	-	-	-
Total real estate for resale	94	-	140	-

(b) Current inventories not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

	2024 \$ '000	2023 \$ '000
Real estate for resale	-	54
	-	54

C1-5 Inventories (continued)

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

Land held for resale

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

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period									At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Decapitalisation of WIP	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	6,394	–	6,394	2,918	5,567	–	–	(3,397)	–	(208)	–	–	11,274	–	11,274
Office equipment	3,333	(2,761)	572	42	11	–	(59)	–	(277)	–	–	–	1,138	(849)	289
Plant and equipment	12,336	(8,077)	4,259	5,199	743	(268)	(1,333)	–	277	–	–	674	16,237	(6,686)	9,551
Land:															
– Crown land	1,181	–	1,181	–	–	–	–	–	–	–	–	–	1,181	–	1,181
– Operational land	3,148	–	3,148	–	362	–	–	–	–	–	–	68	3,578	–	3,578
– Community land	742	–	742	–	–	–	–	–	–	–	–	–	742	–	742
Land improvements – non-depreciable	36	–	36	–	–	–	–	–	–	–	–	–	36	–	36
Land improvements – depreciable	1,036	(165)	871	–	130	–	(21)	–	–	–	–	–	1,166	(186)	980
Infrastructure:															
– Buildings – non-specialised	6,180	(1,214)	4,966	315	408	–	(134)	65	(610)	–	(297)	–	4,985	(272)	4,713
– Buildings – specialised	36,655	(14,916)	21,739	811	826	–	(592)	–	610	–	–	256	40,770	(17,120)	23,650
– Other structures	29,354	(10,456)	18,898	934	248	–	(552)	–	–	–	–	528	30,995	(10,939)	20,056
– Roads	276,121	(75,646)	200,475	5,984	–	–	(3,659)	2,351	–	–	–	55,278	294,397	(33,968)	260,429
– Bridges	27,903	(4,568)	23,335	14	–	–	(167)	33	–	–	–	4,292	32,123	(4,616)	27,507
– Footpaths	1,950	(602)	1,348	80	351	–	(33)	331	–	–	–	2,381	5,100	(642)	4,458
– Bulk earthworks (non-depreciable)	9,269	–	9,269	–	–	–	–	–	–	–	–	–	9,269	–	9,269
– Stormwater drainage	13,564	(5,508)	8,056	–	35	–	(180)	–	–	–	(130)	–	13,136	(5,355)	7,781
– Water supply network	29,406	(10,339)	19,067	443	67	–	(462)	466	–	–	–	90	31,294	(11,623)	19,671
– Sewerage network	30,180	(12,378)	17,802	63	–	–	(400)	151	–	–	–	817	32,208	(13,775)	18,433
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):															
– Quarry assets	549	–	549	–	–	–	(39)	–	200	–	–	–	749	(39)	710
Total infrastructure, property, plant and equipment	489,337	(146,630)	342,707	16,803	8,748	(268)	(7,631)	–	200	(208)	(427)	64,384	530,378	(106,070)	424,308

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

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

	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
By aggregated asset class	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	3,266	–	3,266	3,484	1,442	–	–	(1,797)	–	–	6,394	–	6,394
Plant and equipment	11,646	(7,888)	3,758	1,688	31	(281)	(937)	–	–	–	12,336	(8,077)	4,259
Office equipment	3,256	(2,658)	598	77	–	–	(102)	–	–	–	3,333	(2,761)	572
Land:													
– Operational land	2,498	–	2,498	–	29	–	–	–	–	621	3,148	–	3,148
– Community land	633	–	633	–	–	–	–	–	–	109	742	–	742
– Crown land	860	–	860	–	–	–	–	–	–	321	1,181	–	1,181
Land improvements – non-depreciable	36	–	36	–	–	–	–	–	–	–	36	–	36
Land improvements – depreciable	964	(146)	818	72	–	–	(19)	–	–	–	1,036	(165)	871
Infrastructure:													
– Buildings – non-specialised	5,393	(1,031)	4,362	118	–	–	(134)	81	50	489	6,180	(1,214)	4,966
– Buildings – specialised	34,421	(13,669)	20,752	119	56	–	(504)	105	(50)	1,260	36,655	(14,916)	21,739
– Other structures	23,231	(7,721)	15,510	63	–	–	(460)	576	–	3,208	29,354	(10,456)	18,898
– Roads	255,738	(67,597)	188,141	1,103	828	–	(3,425)	851	–	12,978	276,121	(75,646)	200,475
– Bridges	26,466	(4,177)	22,289	–	–	–	(159)	–	–	1,205	27,903	(4,568)	23,335
– Footpaths	1,841	(544)	1,297	–	–	–	(31)	19	–	63	1,950	(602)	1,348
– Bulk earthworks (non-depreciable)	8,503	–	8,503	–	–	–	–	–	–	765	9,269	–	9,269
– Stormwater drainage	12,228	(4,833)	7,395	–	41	–	(160)	–	–	781	13,564	(5,508)	8,056
– Water supply network	26,607	(9,139)	17,468	485	44	–	(421)	58	–	1,433	29,406	(10,339)	19,067
– Sewerage network	28,534	(11,228)	17,306	43	8	–	(370)	107	–	707	30,180	(12,378)	17,802
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Quarry assets	–	–	–	–	–	–	–	–	549	–	549	–	549
Total infrastructure, property, plant and equipment	446,121	(130,631)	315,490	7,252	2,479	(281)	(6,722)	–	549	23,940	489,337	(146,630)	342,707

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

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

Material accounting policy information

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

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by DCCEEW.

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 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
		Stormwater assets	
Water and sewer assets		Drains	80 to 100
Dams and reservoirs	80 to 100	Culverts	50 to 80
Bores	20 to 40	Flood control structures	80 to 100
Reticulation pipes: PVC	70 to 100		
Reticulation pipes: other	25 to 80		
Pumps and telemetry	15 to 20		
		Other infrastructure assets	
Transportation assets		Bulk earthworks	Infinite
Formation	Infinite	Swimming pools	50
Sub-Base	100 to 200	Unsealed roads	20
Base	45 to 60	Other open space/recreational assets	20 to 50
Sealed roads: surface	20 to 30		
Unsealed roads: surface	20 to 30		
Bridge: Box Culvert	60 to 100		
Bridge: Standard	100 to 175		
Road pavements	45 to 60		
Kerb, gutter and footpaths	40 to 100		

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

C1-6 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".

Council has assessed the value of the rural fire service plant and equipment "Red Fleet" and determined the value of these assets are not material and have not recognised them in the financial statements.

Externally restricted infrastructure, property, plant and equipment

	as at 30/06/24			as at 30/06/23		
	Gross carrying amount \$ '000	Accumulated depn. and impairment \$ '000	Net carrying amount \$ '000	Gross carrying amount \$ '000	Accumulated depn. and impairment \$ '000	Net carrying amount \$ '000
Water supply						
WIP	16	–	16	469	–	469
Infrastructure	31,294	11,623	19,671	29,406	10,339	19,067
Total water supply	31,310	11,623	19,687	29,875	10,339	19,536
Sewerage services						
WIP	523	–	523	235	–	235
Infrastructure	32,208	13,775	18,433	30,180	12,378	17,802
Total sewerage services	32,731	13,775	18,956	30,415	12,378	18,037
Domestic waste management						
WIP	229	–	229	–	–	–
Land						
– Operational land	139	–	139	71	–	71
– Improvements non-depreciable	66	–	66	62	–	62
Infrastructure	1,604	489	1,115	1,325	406	919
Total domestic waste management	2,038	489	1,549	1,458	406	1,052
Total restricted infrastructure, property, plant and equipment	66,079	25,887	40,192	61,748	23,123	38,625

C2 Leasing activities

C2-1 Council as a lessee

Office equipment

Leases for office equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 1 and 3 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Right of use assets

	Office Equipment \$ '000	Total \$ '000
2024		
Opening balance at 1 July	64	64
Depreciation charge	(38)	(38)
Balance at 30 June	27	27
2023		
Opening balance at 1 July	102	102
Depreciation charge	(38)	(38)
Balance at 30 June	64	64

(b) Lease liabilities

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Lease liabilities	29	-	37	29
Total lease liabilities	29	-	37	29

C2-1 Council as a lessee (continued)

(c) The maturity analysis

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

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per Statement of Financial Position \$ '000
2024					
Cash flows	29	–	–	29	29
2023					
Cash flows	38	29	–	67	66
		2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Total lease liabilities relating to unrestricted assets		29	–	37	29
Total lease liabilities		29	–	37	29

(d) Income Statement

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

	2024 \$ '000	2023 \$ '000
Interest on lease liabilities	1	2
Depreciation of right of use assets	38	38
	39	40

(e) Statement of Cash Flows

Total cash outflow for leases	38	38
	38	38

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

Material accounting policy information

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives 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)

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 and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

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

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

	2024 \$ '000	2023 \$ '000
Lease income (excluding variable lease payments not dependent on an index or rate)	68	70
Total income relating to operating leases for Council assets	68	70

C2-2 Council as a lessor (continued)

Reconciliation of IPPE assets leased out as operating leases

	Plant & Equipment 2024 \$ '000	Plant & Equipment 2023 \$ '000	Buildings 2024 \$ '000	Buildings 2023 \$ '000	Land 2024 \$ '000	Land 2023 \$ '000	Other Structures 2024 \$ '000	Other Structures 2023 \$ '000
Opening balance as at 1 July	439	198	2,214	1,433	1,103	888	258	163
Additions renewals	227	355	–	52	–	–	–	–
Additions new assets	230	–	–	–	–	–	167	–
Carrying value of disposals	(62)	(106)	–	–	–	–	–	–
Depreciation expense	(104)	(52)	(62)	(20)	–	–	(25)	(20)
Adjustments and transfers	56	44	382	590	–	–	–	–
Revaluation increments to equity (ARR)	–	–	168	159	–	215	29	115
Closing balance as at 30 June	786	439	2,702	2,214	1,103	1,103	429	258

C2-2 Council as a lessor (continued)

	2024 \$ '000	2023 \$ '000
(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:		
Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:		
< 1 year	82	68
1–2 years	84	70
2–3 years	86	71
3–4 years	87	72
4–5 years	89	74
> 5 years	90	75
Total undiscounted lease payments to be received	518	430

C3 Liabilities of Council

C3-1 Payables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Payables				
Goods and services – operating expenditure	1,398	–	1,388	–
Goods and services – capital expenditure	989	–	335	–
Accrued expenses:				
– Salaries and wages	375	–	264	–
– Other expenditure accruals	7	–	4	–
Other payables	174	–	601	–
Security bonds, deposits and retentions	188	–	195	–
ATO – net GST payable	437	–	–	–
Total payables	3,568	–	2,787	–
Income received in advance				
Payments received in advance	359	–	397	–
Total income received in advance	359	–	397	–
Total payables	3,927	–	3,184	–

Payables relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Externally restricted assets				
Water	188	–	250	–
Sewer	71	–	48	–
Payables relating to externally restricted assets	259	–	298	–
Total payables relating to unrestricted assets	3,668	–	2,886	–
Total payables	3,927	–	3,184	–

C3-1 Payables (continued)

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

	2024 \$ '000	2023 \$ '000
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	139	160
Total payables	139	160

Payables

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

C3-2 Contract Liabilities

		2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
	Notes				
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	8,217	-	7,939	-
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	187	-	142	-
Total contract liabilities		8,404	-	8,081	-

Notes

(i) Council has received funding to construct assets including sporting facilities, water supply 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.

Contract liabilities relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Externally restricted assets				
Water	-	-	55	-
Unspent grants held as contract liabilities (excl. Water & Sewer)	8,270	-	6,630	-
Contract liabilities relating to externally restricted assets	8,270	-	6,685	-

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

	2024 \$ '000	2023 \$ '000
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	3,376	1,670
Operating grants (received prior to performance obligation being satisfied)	740	11
Total revenue recognised that was included in the contract liability balance at the beginning of the period	4,116	1,681

Significant changes in contract liabilities

The contract liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously income received in advance was recognised for reciprocal contracts. The increase in a contract liability is primarily due to grants in the scope of AASB 15 and capital grants received by Council to acquire or construct assets which will be under Council's control. Previously, revenue was recognised on receipt of the funds.

C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
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C3-3 Borrowings (continued)

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – unsecured	49	354	46	403
Total borrowings	49	354	46	403

Borrowings relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Total borrowings relating to unrestricted assets	49	354	46	403
Total borrowings	49	354	46	403

(a) Changes in liabilities arising from financing activities

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loan – unsecured	449	(46)	–	–	–	–	403
Lease liability (Note C2-1b)	66	(37)	–	–	–	–	29
Total liabilities from financing activities	515	(83)	–	–	–	–	432

	2022		Non-cash movements				2023
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loan – unsecured	492	(43)	–	–	–	–	449
Lease liability (Note C2-1b)	103	(37)	–	–	–	–	66
Total liabilities from financing activities	595	(80)	–	–	–	–	515

C3-3 Borrowings (continued)

(b) Financing arrangements

	2024 \$ '000	2023 \$ '000
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	500	250
Credit cards/purchase cards	35	35
Total financing arrangements	535	285
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	500	250
– Credit cards/purchase cards	35	35
Total undrawn financing arrangements	535	285

Additional financing arrangements information

Breaches and defaults

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

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

C3-4 Employee benefit provisions

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Annual leave	847	–	736	–
Long service leave	1,064	105	778	77
Total employee benefit provisions	1,911	105	1,514	77

Employee benefit provisions relating to restricted assets

There are no restricted assets (external or internal) applicable to the above provisions

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

	2024 \$ '000	2023 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	943	709
	943	709

Description of and movements in provisions

	ELE provisions		
	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
2024			
At beginning of year	736	855	1,591
Additional provisions	575	404	979
Amounts used (payments)	(464)	(90)	(554)
Total ELE provisions at end of year	847	1,169	2,016
2023			
At beginning of year	764	1,033	1,797
Additional provisions	466	117	583
Amounts used (payments)	(494)	(295)	(789)
Total ELE provisions at end of year	736	855	1,591

C3-4 Employee benefit provisions (continued)

Material accounting policy information

Long-term employee benefit obligations

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

C3-5 Provisions

	2024 Current \$ '000	2024 Non-Current \$ '000	2023 Current \$ '000	2023 Non-Current \$ '000
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	779	–	549
Total provisions	–	779	–	549

Description of and movements in provisions

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
2024		
At beginning of year	549	549
Additional provisions	230	230
Total other provisions at end of year	779	779
2023		
Additional provisions	549	549
Total other provisions at end of year	549	549

Material accounting policy information

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

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

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

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 tip and quarry as a result of past operations.

C3-5 Provisions (continued)

Asset remediation – quarries

Restoration

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

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

Rehabilitation

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

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

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

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

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

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
Income from continuing operations			
Rates and annual charges	5,648	920	950
User charges and fees	6,215	936	168
Interest and investment revenue	1,240	233	322
Other revenues	1,006	81	10
Grants and contributions provided for operating purposes	13,409	50	–
Grants and contributions provided for capital purposes	8,842	55	7
Net gains from disposal of assets	835	–	–
Other income	82	–	–
Total income from continuing operations	37,277	2,275	1,457
Expenses from continuing operations			
Employee benefits and on-costs	9,343	78	107
Materials and services	9,821	1,120	728
Borrowing costs	25	–	–
Depreciation, amortisation and impairment of non-financial assets	6,807	462	400
Other expenses	1,029	–	–
Total expenses from continuing operations	27,025	1,660	1,235
Operating result from continuing operations	10,252	615	222
Net operating result for the year	10,252	615	222
Net operating result attributable to each council fund	10,252	615	222
Net operating result for the year before grants and contributions provided for capital purposes	1,410	560	215

D1-2 Statement of Financial Position by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	7,789	1,011	913
Investments	12,768	2,745	4,237
Receivables	13,407	679	372
Inventories	1,809	–	–
Other	361	–	–
Total current assets	36,134	4,435	5,522
Non-current assets			
Receivables	372	129	–
Infrastructure, property, plant and equipment	385,665	19,687	18,956
Investments accounted for using the equity method	102	–	–
Right of use assets	27	–	–
Total non-current assets	386,166	19,816	18,956
Total assets	422,300	24,251	24,478
LIABILITIES			
Current liabilities			
Payables	3,434	63	71
Income received in advance	234	125	–
Contract liabilities	8,404	–	–
Lease liabilities	29	–	–
Borrowings	49	–	–
Employee benefit provision	1,911	–	–
Total current liabilities	14,061	188	71
Non-current liabilities			
Borrowings	354	–	–
Employee benefit provision	105	–	–
Provisions	779	–	–
Total non-current liabilities	1,238	–	–
Total liabilities	15,299	188	71
Net assets	407,001	24,063	24,407
EQUITY			
Accumulated surplus	179,192	15,645	13,090
Revaluation reserves	227,809	8,418	11,317
Council equity interest	407,001	24,063	24,407
Total equity	407,001	24,063	24,407

D2 Interests in other entities

D2-1 Subsidiaries

Council has no interest in any controlled entities (subsidiaries).

	Council's share of net assets	
	2024 \$ '000	2023 \$ '000
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Joint ventures	102	88
Total net share of interests in joint ventures and associates using the equity method – assets	102	88
Total Council's share of net assets	102	88

D2-2 Interests in joint arrangements

Net carrying amounts – Council's share

	Place of business	Nature of relationship	Interest in ownership		2024	2023
			2024	2023	\$ '000	\$ '000
North Western Library Service	Coonamble	Joint venture	25.0%	25.0%	102	88
Total carrying amounts – material joint ventures					102	88

Material joint ventures

Council has incorporated the following joint venture into its consolidated financial statements.

Details

	Principal activity	Measurement method
North Western Library Service	Provision of Library Services	At cost

Relevant interests and fair values

	Interest in outputs		Proportion of voting power	
	2024	2023	2024	2023
North Western Library Service	25.0%	25.0%	25.0%	25.0%

D2-2 Interests in joint arrangements (continued)

Summarised financial information for joint ventures

	Northern Western Library Service	
	2024 \$ '000	2023 \$ '000
Statement of financial position		
Current assets		
Cash and cash equivalents	152	100
Non-current assets	258	254
Net assets	410	354
Statement of comprehensive income		
Income	267	259
Other expenses	(210)	(206)
Profit/(loss) from continuing operations	57	53
Profit/(loss) for the period	57	53
Total comprehensive income	57	53
Share of income – Council (%)	25.0%	25.0%
Profit/(loss) – Council (\$)	14	13
Total comprehensive income – Council (\$)	14	13
Reconciliation of the carrying amount		
Opening net assets (1 July)	313	300
Profit/(loss) for the period	14	13
Closing net assets	327	313
Council's share of net assets (%)	25.0%	25.0%
Council's share of net assets (\$)	102	88

County Councils

Council is a member of the Castlereagh Macquarie County Council, a body corporate established under the Local Government Act 1993 (NSW) to control noxious weeds. Council is one of five constituent members and does not have significant influence over the County Council.

Accordingly, the County Council has not been consolidated in the financial statements.

D2-3 Interests in associates

Council has no interest in any associates.

D2-4 Unconsolidated structured entities

Council has no interest in any unconsolidated structured entities.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

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

	Carrying value 2024 \$ '000	Carrying value 2023 \$ '000	Fair value 2024 \$ '000	Fair value 2023 \$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	9,713	6,538	9,713	6,538
Receivables	14,959	11,942	14,959	11,942
Investments				
– Debt securities at amortised cost	19,750	31,250	19,750	31,250
Total financial assets	44,422	49,730	44,422	49,730
Financial liabilities				
Payables	3,568	2,787	3,568	2,787
Loans/advances	403	449	403	449
Total financial liabilities	3,971	3,236	3,971	3,236

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

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

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

The risks associated with the instruments held are:

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

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

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

(a) Market risk – interest rate and price risk

	2024	2023
	\$ '000	\$ '000
<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	303	349
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

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

(b) Credit risk

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

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

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to 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.

	Not yet overdue \$ '000	overdue rates and annual charges < 5 years \$ '000	≥ 5 years \$ '000	Total \$ '000
2024				
Gross carrying amount	–	1,064	123	1,187
2023				
Gross carrying amount	–	813	119	932

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.

	Not yet overdue \$ '000	0 - 30 days \$ '000	Overdue debts \$ '000			Total \$ '000
			31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
2024						
Gross carrying amount	13,433	474	25	48	195	14,175
Expected loss rate (%)	0.60%	1.82%	3.29%	4.50%	7.50%	0.75%
ECL provision	81	9	1	2	15	108
2023						
Gross carrying amount	8,916	231	180	1,395	691	11,413
Expected loss rate (%)	0.93%	0.02%	1.37%	0.38%	2.63%	0.95%
ECL provision	83	–	2	5	18	108

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

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2024							
Payables	0.00%	188	3,380	–	–	3,568	3,568
Borrowings	5.40%	–	49	286	68	403	403
Total financial liabilities		188	3,429	286	68	3,971	3,971
2023							
Payables	0.00%	195	2,592	–	–	2,787	2,787
Borrowings	5.40%	–	46	212	191	449	449
Total financial liabilities		195	2,638	212	191	3,236	3,236

E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

\$ '000	Notes	Fair value measurement hierarchy							
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements									
Infrastructure, property, plant and equipment									
	C1-6								
Plant and equipment				–	–	9,551	4,259	9,551	4,259
Office Equipment				–	–	289	572	289	572
Crown land	01/07/2022	01/07/2022		–	–	1,181	1,181	1,181	1,181
Operational land	01/07/2022	01/07/2022		–	–	3,578	3,148	3,578	3,148
Community land	01/07/2022	01/07/2022		–	–	742	742	742	742
Buildings – non-specialised	30/06/2023	30/06/2023	1,774	1,417	2,939	3,549	4,713	4,966	
Buildings – specialised	30/06/2023	30/06/2023	–	–	23,650	21,739	23,650	21,739	
Other Structures	30/06/2023	30/06/2023	–	–	20,056	18,898	20,056	18,898	
Roads	30/06/2024	30/06/2020	–	–	260,429	200,475	260,429	200,475	
Bridges	30/06/2024	30/06/2020	–	–	27,507	23,335	27,507	23,335	
Footpaths	30/06/2024	30/06/2020	–	–	4,458	1,348	4,458	1,348	
Stormwater Drainage	30/06/2024	30/06/2020	–	–	7,781	8,056	7,781	8,056	
Water Supply network	30/06/2022	30/06/2022	–	–	19,671	19,067	19,671	19,067	
Sewerage network	30/06/2022	30/06/2022	–	–	18,433	17,802	18,433	17,802	
Bulk Earthworks	30/06/2022	30/06/2022	–	–	9,269	9,269	9,269	9,269	
Land Improvements	30/06/2022	30/06/2022	–	–	1,016	907	1,016	907	
Quarry Assets	30/06/2023	30/06/2023	–	–	710	549	710	549	
Total infrastructure, property, plant and equipment				1,774	1,417	411,260	334,896	413,034	336,313

Transfers between level 1 and level 2 fair value hierarchies

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

E2-1 Fair value measurement (continued)

Valuation techniques

Infrastructure, property, plant and equipment (IPPE)

Plant and Equipment, Office Equipment and Furniture and Fittings

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

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

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

Operational and Community Land

Operational and Community Land are based on either the Land Value provided by the Valuer-General or where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land. Operational Land is based on the Valuer value as these are representative of the actual market values in the Coonamble Shire LGA. As these rates were not considered to be observable market evidence they have been classified as level 3.

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

Buildings - Non-Specialised and Specialised

Non-Specialised and Specialised Buildings were revalued utilising APV Valuers & Asset Management consultants during the 2022/2023 financial year with an effective date of 30/06/2023. To ensure the appropriate carrying fair value, Council have applied the indicies as provided by APV Valuers and Asset Management Consultants, to the desktop valuation completed at 30/06/2024.

Depending on the specific asset the valuation approach may have included the adoption of a singular or multiple techniques.

- The Market approach has been applied where there is a principal market which provides observable evidence of the Fair Value of the asset
- The income approach has been applied for assets where the income generating capability of the asset provides the best estimate of the assets Fair Value
- The Cost approach was used for assets which are not commonly traded. Typically, these include assets that public and not-for-profit sector entities use to provide services to the public for no or minimal charge

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

Other Structures

Other Structures were also revalued utilising APV Valuers & Asset Management consultants during the 2022/2023 financial year with an effective date of 30/06/2023. To ensure the appropriate carrying fair value, Council has applied the indicies as provided by APV Valuers and Asset Management Consultants, to the desktop valuation completed at 30/06/2024.

The various asset types identified included Airport Assets, Fences, Hardstand and Internal Roads, Landscaping, Lighting, Miscellaneous, Park Assets, Pool Assets, Saleyards and Sporting Equipment.

Depending on the specific asset the valuation approach may have included the adoption of a singular or multiple techniques.

- The Market approach has been applied where there is a principal Market which provides observable evidence of the Fair Value of the asset
- The income approach has been applied for assets where the income generating capability of the asset provides the best estimate of the assets Fair Value
- The Cost approach was used for assets which are not commonly traded. Typically these include assets that public and not-for-profit sector entities use to provide services to the public for no or minimal charge

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

Roads

Roads were revalued utilising APV Valuers & Asset Management consultants during the 2023/2024 financial year with an effective date of 30/06/2024.

E2-1 Fair value measurement (continued)

Roads comprise road carriageway, roadside shoulders and kerb and gutter. No market-based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this class.

Bridges

Bridges were also revalued utilising APV Valuers & Asset Management consultants during the 2023/2024 financial year with an effective date of 30/06/2024.

While all bridges were physically inspected and unit rates based on square metres were used there was no reliable market evidence (Level 2) as other inputs (such as estimates of residual value and pattern of consumption) require extensive professional judgement that impacts significantly on the final determination of fair value.

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

Footpaths

Footpaths were also revalued utilising APV Valuers & Asset Management consultants during the 2023/2024 financial year with an effective date of 30/06/2024.

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

Drainage Infrastructure

Drainage Infrastructure Assets were revalued utilising APV Valuers & Asset Management consultants during the 2023/2024 financial year with an effective date of 30/06/2024.

Assets within this class comprise culverts, open channels, storm water pipes, pits and other storm water structures.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

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

Water Supply Network

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

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets were revalued by APV Valuers Pty Ltd with effective date of 30 June 2022. To ensure the appropriate carrying fair value, Council have applied the indicies as provided by APV Valuers and Asset Management consultants, to the desktop valuation completed at 30/06/2024.

Sewerage Network

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

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets were revalued by APV Valuers Pty Ltd with effective date of 30 June 2022. To ensure the appropriate carrying fair value Council have applied the indicies as provided by APV Valuers and Asset Management consultants, to the desktop valuation completed at 30/06/2024.

E2-1 Fair value measurement (continued)

Swimming Pools

Assets within this class comprise Council's outdoor swimming pool. The swimming pool was valued externally by APV Valuers & Asset Management with an effective date of 30/06/2023. The approach estimated the replacement cost for each pool by componentising its significant parts.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

Previously these assets had been valued internally by Council staff.

Bulk Earthworks/Land Improvements

Assets within this class comprise Bulk Earthworks, turf surfaces, irrigation and other miscellaneous land improvements. All assets in this class were valued in-house by experienced engineering staff. To ensure fair value of these assets are recorded, these assets were indexed by the appropriate indices as supplied to Council by APV Valuers & Asset Management.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

This asset class will be revalued through the 2024/2025 financial year, with any change in value recorded to ensure the fair value of the assets is recorded.

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.

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Buildings non specialised	A combination of the market approach and the cost approach has been used by external consultants to approximate fair value	Gross replacement cost, Asset condition, Remaining useful life, Residual value
Buildings Specialised	A combination of the market approach and the cost approach has been used by external consultants to approximate fair value	Gross replacement cost, Asset condition, Remaining useful life, Residual value
Other Structures	Cost approach has been used to approximate fair value	Gross replacement cost, Asset condition, Remaining useful life, Residual value
Road Infrastructure	Cost approach used to approximate fair value	Gross replacement cost, Asset condition, Remaining useful life, Residual value
Stormwater drainage	Cost approach used to approximate fair value	Gross replacement cost, Asset condition, Remaining useful life, Residual value
Water Supply	Cost approach used to approximate fair value	Gross replacement cost, Asset condition, Remaining useful life, Residual value
Sewerage network	Cost approach used to approximate fair value	Gross replacement cost, Asset condition, Remaining useful life, Residual value
Plant & Equipment	Cost approach used to approximate fair value	Gross replacement cost, Remaining useful life, Residual value
Operational land	Land values obtained from the NSW Valuer General	Land value based on price per square meter
Community land	Land values obtained from the NSW Valuer General	Land value based on price per square meter
Crown Land	Land values obtained from the NSW Valuer General	Land value based on price per square meter
Bulk Earthworks	Cost approach used to approximate fair value	Gross replacement cost, Asset condition, Remaining useful life, Residual value
Land Improvements	Cost approach used to approximate fair value.	Gross replacement cost, Asset condition, Remaining useful life, Residual value
Quarry Assets	Cost approach used to approximate fair value.	Gross replacement cost, Asset condition, Remaining useful life, Residual value

E2-1 Fair value measurement (continued)

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

	Water supply network		Sewerage network		Plant and equipment		Operational / Crown Land	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Opening balance	19,067	17,468	17,802	17,306	4,831	4,356	3,148	2,498
Total gains or losses for the period								
Other movements								
Purchases (GBV)	976	587	214	158	5,995	1,796	362	29
Disposals (WDV)	–	–	–	–	(268)	(248)	–	–
Depreciation and impairment	(462)	(421)	(400)	(370)	(1,392)	(1,072)	–	–
Revaluation increment to ARR	90	1,433	817	707	674	–	68	621
Rounding & other movement	–	–	–	1	–	(1)	–	–
Closing balance	19,671	19,067	18,433	17,802	9,840	4,831	3,578	3,148

	Community / Crown Land		Land improvements		Bulk earthworks		Buildings non-specialised	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Opening balance	1,923	1,493	907	854	9,269	8,503	3,549	2,999
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	–	–	–	–	(566)	50
Purchases (GBV)	–	–	130	72	–	–	339	97
Depreciation and impairment	–	–	(21)	(19)	–	–	(86)	(86)
Revaluation increment to ARR	–	430	–	–	–	765	(297)	489
Rounding & other movement	–	–	–	–	–	1	–	–
Closing balance	1,923	1,923	1,016	907	9,269	9,269	2,939	3,549

E2-1 Fair value measurement (continued)

	Building specialised		Other structures		Roads infrastructure		Stormwater drainage	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Opening balance	21,739	20,752	18,898	15,510	225,158	211,727	8,056	7,395
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	610	(50)	–	–	–	–	–	–
Purchases (GBV)	1,637	280	1,182	639	9,144	2,801	35	41
Depreciation and impairment	(592)	(504)	(552)	(460)	(3,859)	(3,615)	(180)	(160)
Revaluation increment to ARR	256	1,260	528	3,208	61,951	14,246	(130)	781
Rounding & other movement	–	1	–	1	–	(1)	–	(1)
Closing balance	23,650	21,739	20,056	18,898	292,394	225,158	7,781	8,056

	Quarry assets		Total	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Opening balance	549	–	334,896	310,861
Transfers from/(to) another asset class	–	–	44	–
Purchases (GBV)	–	–	20,014	6,500
Disposals (WDV)	–	–	(268)	(248)
Depreciation and impairment	(39)	–	(7,583)	(6,707)
Revaluation increment to ARR	–	–	63,957	23,940
Rounding & other movement	200	549	200	550
Closing balance	710	549	411,260	334,896

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

Following the desktop revaluation of Council Buildings and other structures as at 30/6/2019 by external consultants a number of buildings, 8 in total, were valued based on observable market evidence (level 2). Level 2 input was adjusted in line with the basis of valuation.

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9.0% in line with the increase in 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 2024. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$75,597.62. The last formal valuation of the Scheme was performed by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$18,676.18. Council's expected contribution to the plan for the next annual reporting period is \$55,983.34.

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

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

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

The share of any funding surplus or deficit that is broadly attributed to Council is estimated to be in the order of 0.19% as at 30 June 2024.

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

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	3.5% for FY23/24 2.5% per annum thereafter

* Plus promotional increases

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

E3-1 Contingencies (continued)

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) Garbage Depot Reinstatement

Garbage is disposed of in pits at the Coonamble Depot. When a new pit is required the old pit is reinstated at the same time as the digging of the new pit. As a result reinstatement costs are expensed each year. Should current practices change, it will be necessary to consider the need to establish a Garbage Depot Remediation provision.

(iii) Gravel Pits Reinstatement

Council's practice with regard to remediation of road reserve and private property gravel pits to construct water storage for future road maintenance or a farm dam in return for the use of material where feasible. If this is not feasible for whatever reason then the pit is scarified and seeded upon completion of works undertaken and expensed accordingly, therefor future remediation costs are zero.

ASSETS NOT RECOGNISED

(i) 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:

	2024	2023
	\$ '000	\$ '000
Compensation:		
Short-term benefits	783	580
Post-employment benefits	74	59
Other long-term benefits	27	35
Termination benefits	–	13
Total	884	687

F1-1 Key management personnel (KMP) (continued)

Other transactions with KMP and their related parties

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

Nature of the transaction	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
2024						
Provision of Contract Services	3	203	–		–	–
Provision of Information Technology Equipment	4	42	–		–	–
Provision of long-term accommodation	5	14	–		–	–
2023						
Quarry Sales	1	11	–		–	–
Provision of short-term accommodation	2	31	–		–	–
Provision of Contract Services	3	12	–		–	–
Provision of Information Technology Equipment	4	32	–		–	–

1 Council supplies various materials from its Quarry operations to the public. A KMP is an owner operator of a business that purchases product from the Quarry. All product is sold as per Council's adopted fees and charges

2 During the 2022/23 Financial year, Council was required to source short term accommodation as part of its operations . In accordance with Council's procurement policy quotations were sought and quotations received with the works awarded in accordance with normal commercial terms. A KMP is an owner of one of the businesses that provided Council with accommodation.

3 As per Council's Operational Budget and Plan, Council was required to engage contractors to provide various contract services for Council throughout the year. In accordance with Council's adopted procurement policy quotations were sought and received with the works awarded in accordance with normal commercial terms. Of these contractors awarded works one (1) was controlled by either a KMP or a close relative of a KMP.

4 As per Council's Operational Budget and Plan , Council was required to procure quantities of I.T equipment from various suppliers throughout the year. In accordance with Council's adopted procurement policy quotations were sought and received with the works awarded in accordance with normal commercial terms. Of these suppliers awarded Council orders , one (1) was controlled by a close relative of a KMP.

5 During the 2023/2024 Operational year, due to a shortfall in Council provided accommodation, Council was required to source additional housing to accommodate Council staff. A KMP is the owner of one the premises rented by Council.

F1-2 Councillor and Mayoral fees and associated expenses

	2024 \$ '000	2023 \$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	23	22
Councillors' fees	88	104
Other Councillors' expenses (including Mayor)	84	73
Total	195	199

F1-3 Other related parties

	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
2024						
Library Services 2023	1	14	–	Membership of Library Co-op	–	–
Library Services	1	13	–	Membership of Library Co-op	–	–

1 Council is a member of a Joint venture being the North Western Library Co-operative with three other Councils, each council contributes and equal amount to the joint venture each year for the operation of the service which is to purchase books and e-resources for the benefit of the residents and ratepayers in the four local government areas.

F2 Other relationships

F2-1 Audit fees

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

Auditors of the Council - NSW Auditor-General:

(i) Audit services

Audit of financial statements	101	73
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G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
Net operating result from Income Statement	11,089	7,684
Add / (less) non-cash items:		
Depreciation and amortisation	7,669	6,760
(Gain) / loss on disposal of assets	(835)	(133)
Share of net (profits)/losses of associates/joint ventures using the equity method	(14)	(13)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(3,017)	(4,600)
(Increase) / decrease of inventories	(326)	(588)
(Increase) / decrease of other current assets	(134)	(99)
Increase / (decrease) in payables	10	304
Increase / (decrease) in other accrued expenses payable	114	113
Increase / (decrease) in other liabilities	(35)	94
Increase / (decrease) in contract liabilities	323	4,697
Increase / (decrease) in employee benefit provision	425	(206)
Net cash flows from operating activities	15,269	14,013

G2-1 Commitments

Capital commitments (exclusive of GST)

	2024 \$ '000	2023 \$ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	2,453	1,339
Plant and equipment	50	3,929
Water Infrastructure	178	80
Sewer Infrastructure	583	210
Other Structures	1,115	1,237
Road infrastructure	10,086	7,867
Total commitments	14,465	14,662
These expenditures are payable as follows:		
Within the next year	10,614	14,662
Later than one year and not later than 5 years	3,851	–
Total payable	14,465	14,662
Sources for funding of capital commitments:		
Unrestricted general funds	380	72
Future grants and contributions	4,245	2,593
Unexpended grants	8,282	6,960
Externally restricted reserves	881	290
Internally restricted reserves	477	4,310
Unexpended loans	200	437
Total sources of funding	14,465	14,662

Details of capital commitments

The capital commitments relate primarily to the completion of the following grant funded programs listed below, coupled with the completion of planned upgrades to Council's water and sewer infrastructure.

- Regional Emergency Road Repair Fund.
- Regional and Local Roads Repair Program.
- Local Roads and Community Infrastructure Program.
- Roads of Strategic Importance Program.
- Stronger Country Communities Fund Program.

G3-1 Events occurring after the reporting date

There are no other known events after the reporting period which would give rise to a material impact on the reported results or financial position.

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	1,336	4.27%	13.80%	13.33%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	31,256				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	17,797	44.32%	50.60%	52.20%	> 60.00%
Total continuing operating revenue ¹	40,160				
3. Unrestricted current ratio					
Current assets less all external restrictions	25,265	5.37x	6.21x	7.09x	> 1.50x
Current liabilities less specific purpose liabilities	4,709				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	9,030	82.84x	102.63x	112.93x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	109				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	1,012	11.94%	9.89%	9.97%	< 10.00%
Rates and annual charges collectable	8,479				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	29,463	13.76	20.01	24.21	> 3.00
Monthly payments from cash flow of operating and financing activities	2,141	months	months	months	months

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

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

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	2.03%	13.71%	25.23%	8.24%	14.83%	26.54%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	38.92%	45.76%	95.38%	97.15%	99.52%	95.61%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	5.37x	6.21x	23.59x	13.09x	77.77x	112.04x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	67.83x	91.04x	∞	∞	∞	∞	> 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	9.42%	7.29%	15.19%	15.69%	25.00%	19.41%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	10.43 months	16.68 months	37.62 months	60.09 months	74.01 months	80.18 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

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

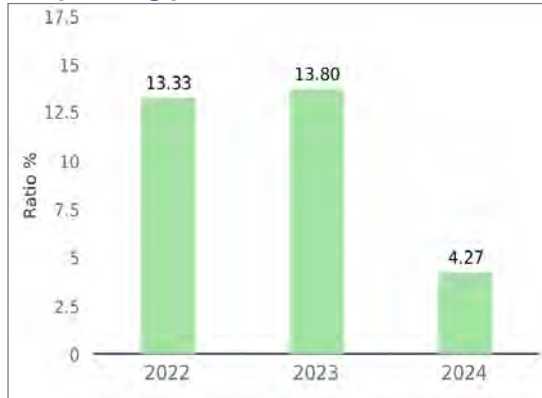
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

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 4.27%

Council's Operating performance ratio exceeds the industry benchmark.

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 44.32%

During the 2023/2024 financial year, Council received significant additional income in the form of Government grants and contributions. It is through the receipt of these additional funds that Council's 2023/2024 result does not meet the industry benchmark of 60%.

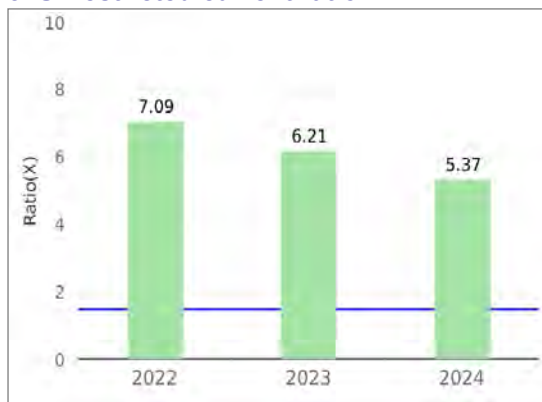
Benchmark: — > 60.00%

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 5.37x

Whilst Council's Unrestricted current ratio has declined from the prior year, it should be noted that it still exceeds the industry benchmark of 1.5. This indicates that Council has the capability to satisfy its debts as and when they fall due.

Benchmark: — > 1.50x

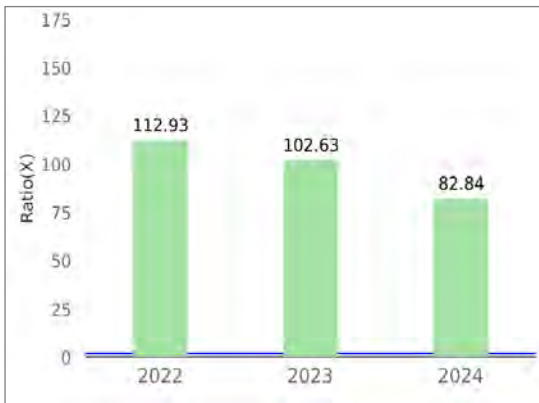
Source of benchmark: Code of Accounting Practice and Financial Reporting

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 82.84x

The Debt Service Ratio indicates that Council has sufficient operating cash to service its debts.

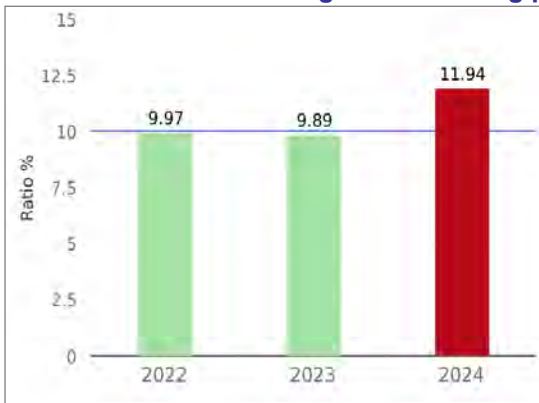
Benchmark: — > 2.00x

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 11.94%

Council's ratio has deteriorated from the prior year and has indeed exceeded the industry benchmark of Rural Council's. Moving forward, in accordance with the methods outlined within its adopted Debt Recovery Policy, Council is pursuing a stronger focus on the collection of outstanding rates and annual charges. In line with this stronger focus will be inclusion of a sale of land for overdue rates in the 2024/2025 financial year.

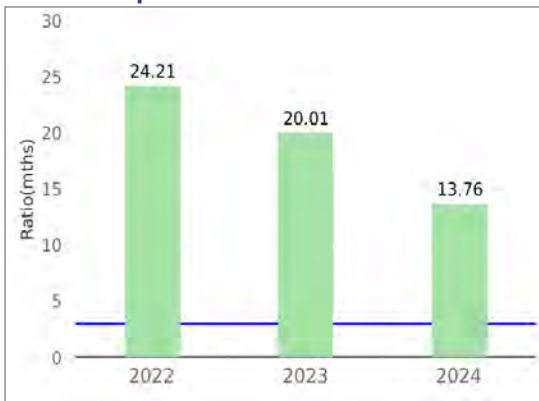
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 13.76 months

The ratio is well above the industry standard of 3 months. This indicates that Council has sufficient liquidity to mitigate most unforeseen future events.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business:

80 Castlereagh Street
Coonamble NSW 2829

Contact details

Mailing Address:

PO Box 249
Coonamble NSW 2829

Telephone: 02 68271900

Facsimile: 02 68221626

Opening hours:

8:30am - 5:00pm
Monday to Friday

Internet: www.coonambleshire.nsw.gov.au

Email: council@coonambleshire.nsw.gov.au

Officers

Paul Gallagher
General Manager

Bruce Quarmby
Responsible Accounting Officer

Auditors

Auditor General of NSW

Elected members

Cr. Tim Horan
Mayor

Councillors

Cr. Adam Cohen (Deputy Mayor)
Cr. Pat Cullen
Cr. Barbara Deans
Cr. Bill Fisher (Deputy Mayor)
Cr. Terry Lees
Cr. Brian Sommerville

Other information

ABN: 19 499 848 443



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Coonamble Shire Council

To the Councillors of Coonamble Shire Council

Opinion

I have audited the accompanying financial statements of Coonamble 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.



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY



Cr Daniel Keady
 Mayor
 Coonamble Shire Council
 PO BOX 249
 COONAMBLE NSW 2829

Contact: Hong Wee Soh
 Phone no: 02 9275 7397
 Our ref: R008-2124742775-8826

31 October 2024

Dear Mayor

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

I have audited the general purpose financial statements (GPFS) of the Coonamble 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	7.5	7.1	↑ 5.6
Grants and contributions revenue	22.4	17.0	↑ 31.8
Operating result from continuing operations	11.1	7.7	↑ 44.2
Net operating result before capital grants and contributions	2.2	4.4	↓ 50.0

Rates and annual charges revenue (\$7.5 million) increased by \$0.4 million (5.6 per cent) in 2023–2024.

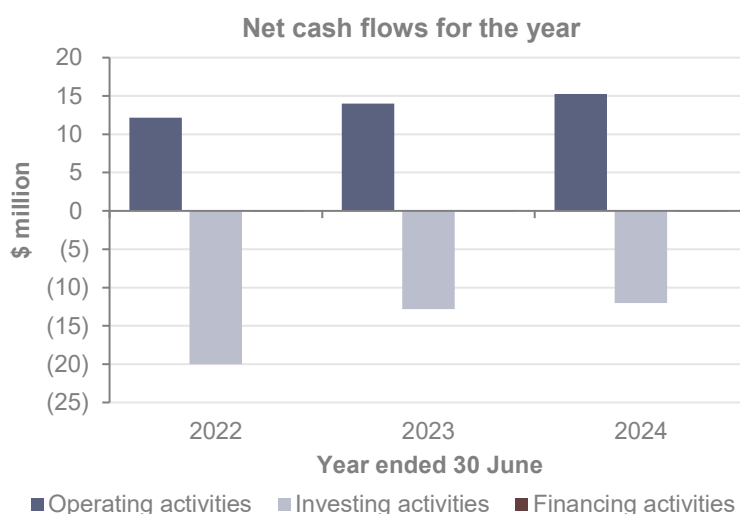
Grants and contributions revenue (\$22.4 million) increased by \$5.4 million (31.8 per cent) in 2024–2025. This was mainly due to an increase of \$5.7 million in the recognition of income for grant funded capital projects.

Council’s operating result from continuing operations (\$11.1 million including the effect of depreciation and amortisation expense of \$7.7 million) was \$3.4 million higher than the 2022–23 result. This was mainly due to increased revenue from capital grants.

The net operating result before capital grants and contributions (\$2.2 million) was \$2.2 million lower than the 2022–23 result, which was mainly due to receiving 85 per cent of the financial assistance grants for 2024-25 in advance compared to 100 per cent in 2022-23.

STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the movement of cash and cash equivalents during the year. Total cash increased by \$3.2 million to \$9.7 million at the end of the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	29.5	37.8	Externally restricted balances comprise mainly of specific purpose unexpended grants – general fund, and water and sewerage funds.
Restricted cash and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	19.8	18.7	
• Internal allocations	9.2	19.0	

PERFORMANCE

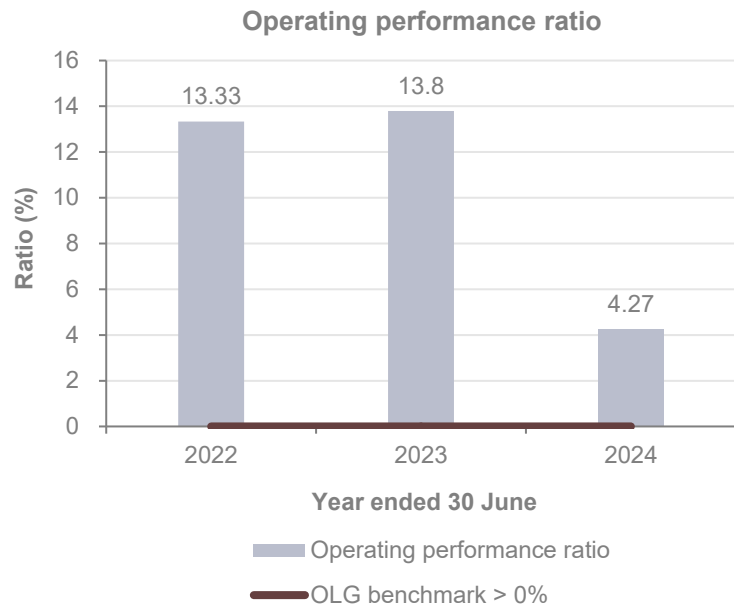
Performance measures

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

Operating performance ratio

The Council met the OLG benchmark for the current reporting period.

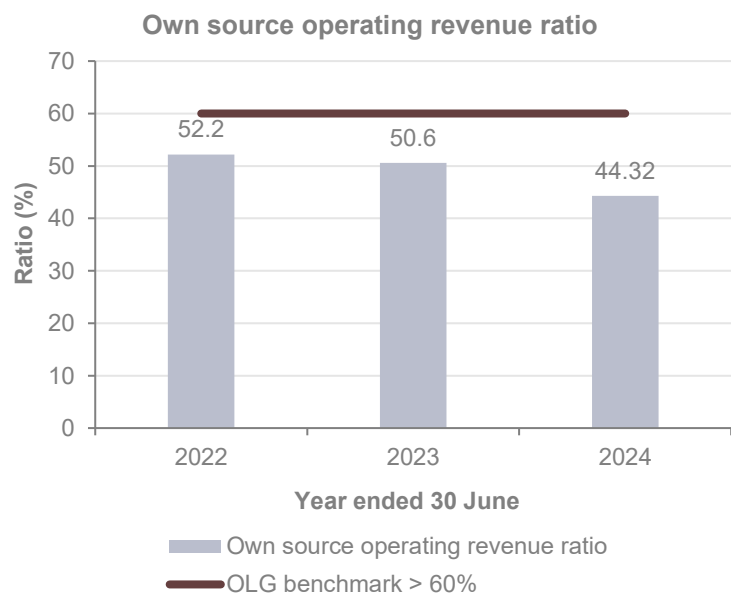
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

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

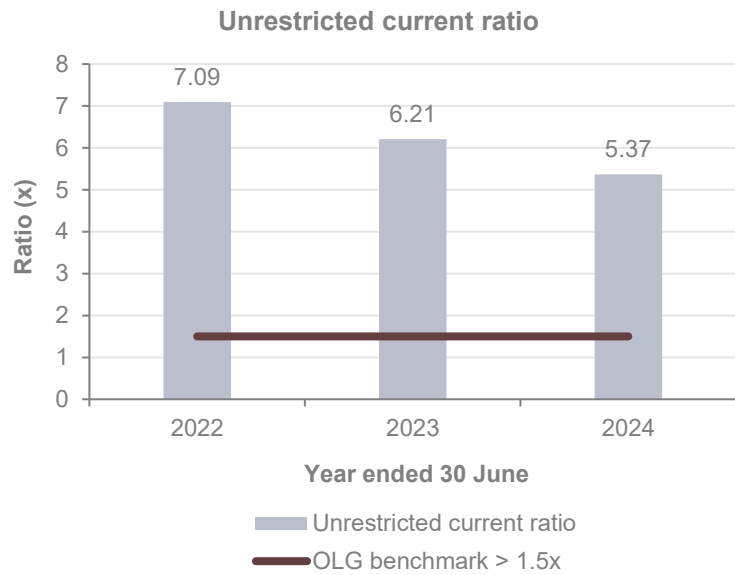
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

The Council met the OLG benchmark for the current reporting period.

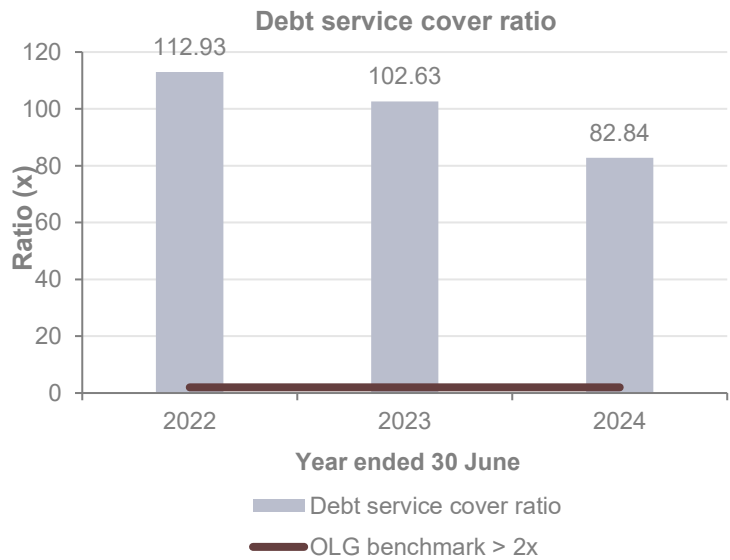
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

The Council met the OLG benchmark for the current reporting period.

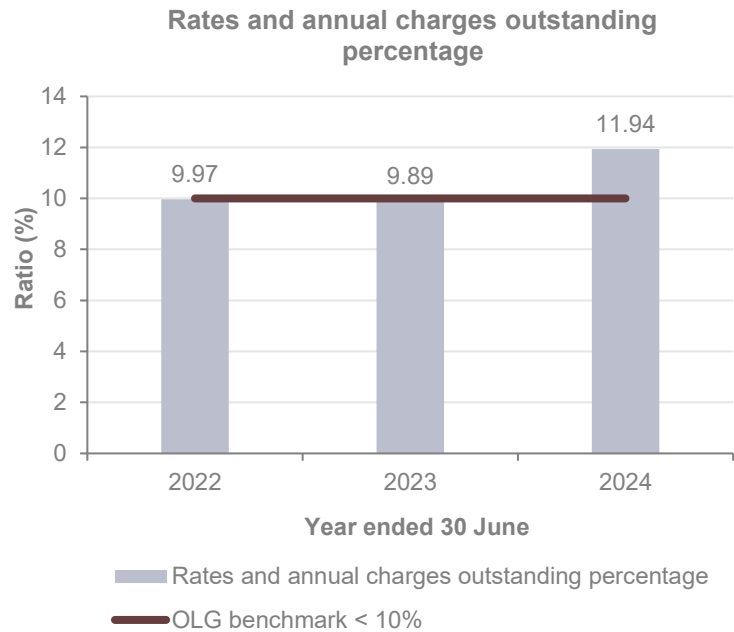
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

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

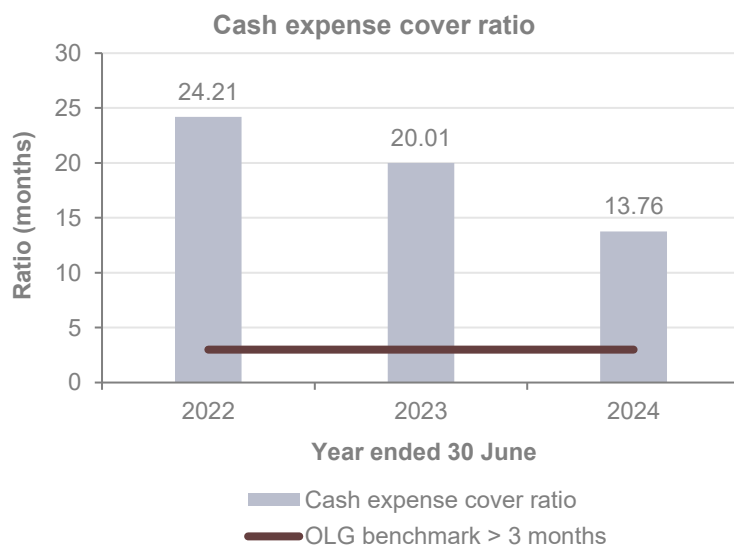
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional councils.



Cash expense cover ratio

The Council met the OLG benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

- Council's asset renewal additions for the year were \$16.8 million compared to \$7.3 million for the prior year.
- The level of asset renewals during the year represented 220 per cent of the total depreciation expense (\$7.7 million) for the year.

Legislative compliance

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

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

The Council's:

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



Hong Wee Soh
Associate Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Coonamble Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Coonamble Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
Statement by Councillors and Management	3
Special Purpose Financial Statements:	
Income Statement of water supply business activity	4
Income Statement of sewerage business activity	5
Income Statement of Quarry	6
Statement of Financial Position of water supply business activity	7
Statement of Financial Position of sewerage business activity	8
Statement of Financial Position of Quarry	9
Note – Material accounting policy information	10
Auditor's Report on Special Purpose Financial Statements	13

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).

Coonamble Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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


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

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

Signed in accordance with a resolution of Council made on 11 September 2024.



Tim Moran
Mayor
11 September 2024



Bill Fisher
Councillor
11 September 2024



Paul Gallagher
General Manager
11 September 2024



Bruce Quarmary
Responsible Accounting Officer
11 September 2024

Coonamble Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
Access charges	920	880
User charges	933	925
Fees	3	6
Interest and investment income	233	118
Grants and contributions provided for operating purposes	50	–
Other income	81	12
Total income from continuing operations	2,220	1,941
Expenses from continuing operations		
Employee benefits and on-costs	78	38
Materials and services	1,108	1,312
Depreciation, amortisation and impairment	462	421
Water purchase charges	12	10
Total expenses from continuing operations	1,660	1,781
Surplus (deficit) from continuing operations before capital amounts	560	160
Grants and contributions provided for capital purposes	55	57
Surplus (deficit) from continuing operations after capital amounts	615	217
Surplus (deficit) from all operations before tax	615	217
Less: corporate taxation equivalent (25%) [based on result before capital]	(140)	(40)
Surplus (deficit) after tax	475	177
Plus accumulated surplus	15,030	14,813
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	140	40
Closing accumulated surplus	15,645	15,030
Return on capital %	2.8%	0.8%
Subsidy from Council	287	625
Calculation of dividend payable:		
Surplus (deficit) after tax	475	177
Less: capital grants and contributions (excluding developer contributions)	(55)	(57)
Surplus for dividend calculation purposes	420	120
Potential dividend calculated from surplus	210	60

Coonamble Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
Access charges	950	876
User charges	164	161
Fees	4	6
Interest and investment income	322	164
Other income	10	14
Total income from continuing operations	1,450	1,221
Expenses from continuing operations		
Employee benefits and on-costs	107	26
Materials and services	728	501
Depreciation, amortisation and impairment	400	370
Total expenses from continuing operations	1,235	897
Surplus (deficit) from continuing operations before capital amounts	215	324
Grants and contributions provided for capital purposes	7	56
Surplus (deficit) from continuing operations after capital amounts	222	380
Surplus (deficit) from all operations before tax	222	380
Less: corporate taxation equivalent (25%) [based on result before capital]	(54)	(81)
Surplus (deficit) after tax	168	299
Plus accumulated surplus	12,868	12,488
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	54	81
Closing accumulated surplus	13,090	12,868
Return on capital %	1.1%	1.8%
Subsidy from Council	600	401
Calculation of dividend payable:		
Surplus (deficit) after tax	168	299
Less: capital grants and contributions (excluding developer contributions)	(7)	(56)
Surplus for dividend calculation purposes	161	243
Potential dividend calculated from surplus	81	122

Coonamble Shire Council

Income Statement of Quarry

for the year ended 30 June 2024

	2024 Category 2 \$ '000	2023 Category 2 \$ '000
Income from continuing operations		
User charges	4,031	3,401
Other income	355	–
Total income from continuing operations	4,386	3,401
Expenses from continuing operations		
Employee benefits and on-costs	425	355
Materials and services	3,841	2,554
Depreciation, amortisation and impairment	264	160
Total expenses from continuing operations	4,530	3,069
Surplus (deficit) from continuing operations before capital amounts	(144)	332
Surplus (deficit) from continuing operations after capital amounts	(144)	332
Surplus (deficit) from all operations before tax	(144)	332
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(83)
Surplus (deficit) after tax	(144)	249
Plus accumulated surplus	9,297	8,965
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	–	83
Closing accumulated surplus	9,153	9,297
Return on capital %	(5.2)%	19.5%
Subsidy from Council	264	–

Coonamble Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
ASSETS		
Current assets		
Cash and cash equivalents	1,011	450
Investments	2,745	2,745
Receivables	679	798
Total current assets	4,435	3,993
Non-current assets		
Receivables	129	134
Infrastructure, property, plant and equipment	19,687	19,536
Total non-current assets	19,816	19,670
Total assets	24,251	23,663
LIABILITIES		
Current liabilities		
Contract liabilities	–	55
Payables	63	119
Income received in advance	125	131
Total current liabilities	188	305
Total liabilities	188	305
Net assets	24,063	23,358
EQUITY		
Accumulated surplus	15,645	15,030
Revaluation reserves	8,418	8,328
Total equity	24,063	23,358

Coonamble Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
ASSETS		
Current assets		
Cash and cash equivalents	913	774
Investments	4,237	4,237
Receivables	372	367
Total current assets	5,522	5,378
Non-current assets		
Infrastructure, property, plant and equipment	18,956	18,037
Total non-current assets	18,956	18,037
Total assets	24,478	23,415
LIABILITIES		
Current liabilities		
Payables	71	48
Total current liabilities	71	48
Total liabilities	71	48
Net assets	24,407	23,367
EQUITY		
Accumulated surplus	13,090	12,868
Revaluation reserves	11,317	10,499
Total equity	24,407	23,367

Coonamble Shire Council

Statement of Financial Position of Quarry

as at 30 June 2024

	2024 Category 2 \$ '000	2023 Category 2 \$ '000
ASSETS		
Current assets		
Cash and cash equivalents	5,423	6,771
Inventories	1,459	1,104
Receivables	263	270
Total current assets	7,145	8,145
Non-current assets		
Infrastructure, property, plant and equipment	2,787	1,701
Total non-current assets	2,787	1,701
Total assets	9,932	9,846
LIABILITIES		
Current liabilities		
Provisions	779	549
Total current liabilities	779	549
Total liabilities	779	549
Net assets	9,153	9,297
EQUITY		
Accumulated surplus	9,153	9,297
Total equity	9,153	9,297

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)

Council does not operate any Category 1 business activities.

Category 2

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

a. Water Supply Service

Comprising the whole of the water supply operations and net assets servicing Coonamble Shire.

b. Sewerage Service

Comprising the whole of the sewerage reticulation and treatment operations and net assets system servicing Coonamble Shire.

c. Quarry Operations

Extraction and production of road making materials.

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.

Note – Material accounting policy information (continued)

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

Notional rate applied (%)

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

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

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

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

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

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

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25% (22/23 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/is not the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

Note – Material accounting policy information (continued)

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

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

(iii) Dividends

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

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 DCCEEW's regulatory and assurance framework and must not exceed:

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

In accordance with the DCCEEW's regulatory and assurance framework a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to DCCEEW.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Coonamble Shire Council

To the Councillors of Coonamble Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Coonamble 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
- quarry

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.



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY

Coonamble Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Coonamble Shire Council

Special Schedules

for the year ended 30 June 2024

Contents

Page

Special Schedules:

Permissible income for general rates 3

Report on infrastructure assets as at 30 June 2024 7

Coonamble Shire Council

Permissible income for general rates

	Notes	Calculation 2023/24 \$ '000	Calculation 2024/25 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	5,132	5,377
Plus or minus adjustments ²	b	2	(7)
Notional general income	c = a + b	5,134	5,370
Permissible income calculation			
Percentage increase	d	3.70%	4.50%
Plus percentage increase amount ³	f = d x (c + e)	190	242
Sub-total	g = (c + e + f)	5,324	5,612
Plus (or minus) last year's carry forward total	h	33	(20)
Sub-total	j = (h + i)	33	(20)
Total permissible income	k = g + j	5,357	5,592
Less notional general income yield	l	5,377	5,581
Catch-up or (excess) result	m = k - l	(20)	11
Carry forward to next year ⁴	p = m + n + o	(20)	11

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).
- (4) 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

Coonamble Shire Council

To the Councillors of Coonamble Shire Council

Opinion

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



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

31 October 2024
SYDNEY

Coonamble Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Buildings – non-specialised	205	205	57	62	4,713	4,985	32.6%	37.0%	24.3%	6.1%	0.0%
	Buildings – specialised	938	938	258	153	23,650	40,770	21.9%	28.7%	30.7%	18.8%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	1,143	1,143	315	215	28,363	45,755	23.1%	29.6%	30.0%	17.4%	0.0%
Other structures	Other structures	1,143	1,143	110	126	20,056	30,995	50.6%	10.3%	21.8%	17.3%	0.0%
	Sub-total	1,143	1,143	110	126	20,056	30,995	50.6%	10.3%	21.8%	17.3%	0.0%
Roads	Roads	2,334	3,421	1,591	2,009	255,392	287,262	18.4%	46.6%	33.2%	1.8%	0.1%
	Bridges	–	–	27	4	27,507	32,123	76.6%	23.5%	0.0%	0.0%	0.0%
	Footpaths	13	19	60	46	4,458	5,100	54.5%	23.4%	21.8%	0.0%	0.3%
	Kerb & Gutter	360	445	13	14	5,037	7,135	59.8%	27.1%	12.4%	0.7%	0.0%
	Bulk earthworks	–	–	5	–	9,269	9,269	0.0%	0.0%	0.0%	0.0%	100.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	2,707	3,885	1,696	2,073	301,663	340,889	24.8%	42.4%	28.6%	1.5%	2.7%
Water supply network	Water supply network	1,049	2,094	286	455	19,671	31,294	45.6%	32.0%	17.8%	4.6%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	1,049	2,094	286	455	19,671	31,294	45.6%	32.0%	17.8%	4.6%	0.0%
Sewerage network	Sewerage network	2,079	3,741	316	431	18,433	32,208	36.7%	11.0%	51.0%	1.4%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	2,079	3,741	316	431	18,433	32,208	36.7%	11.0%	51.0%	1.4%	0.0%
Stormwater drainage	Stormwater drainage	1,096	1,517	25	18	7,781	13,136	0.2%	36.7%	59.5%	0.3%	3.3%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	1,096	1,517	25	18	7,781	13,136	0.2%	36.7%	59.5%	0.3%	3.3%
Total – all assets		9,217	13,523	2,748	3,318	395,967	494,277	27.7%	36.3%	29.9%	4.1%	2.0%

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

Infrastructure asset condition assessment 'key'

1 Excellent/very good No work required (normal maintenance)

continued on next page ...

Coonamble Shire Council

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

2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Coonamble Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	11,467	185.58%	95.60%	88.36%	> 100.00%
Depreciation, amortisation and impairment	6,179				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	9,217	2.26%	3.25%	3.78%	< 2.00%
Net carrying amount of infrastructure assets	407,241				
Asset maintenance ratio					
Actual asset maintenance	3,318	120.74%	161.22%	106.14%	> 100.00%
Required asset maintenance	2,748				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	13,523	2.74%	4.72%	5.50%	
Gross replacement cost	494,277				

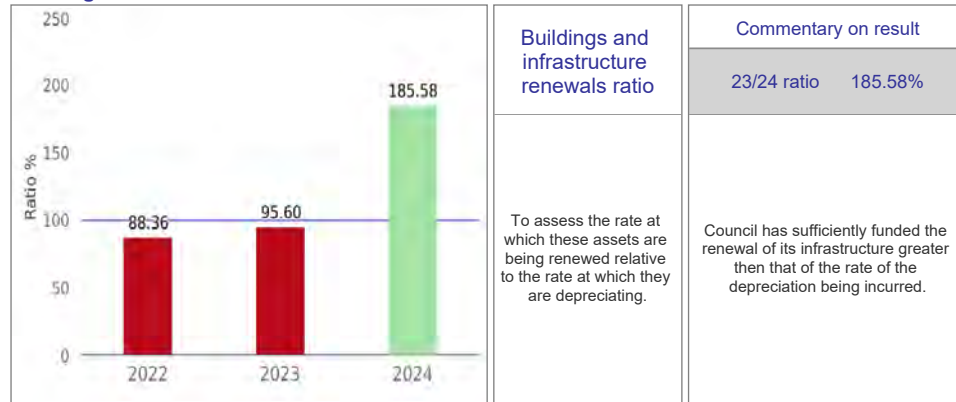
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Coonamble Shire Council

Report on infrastructure assets as at 30 June 2024

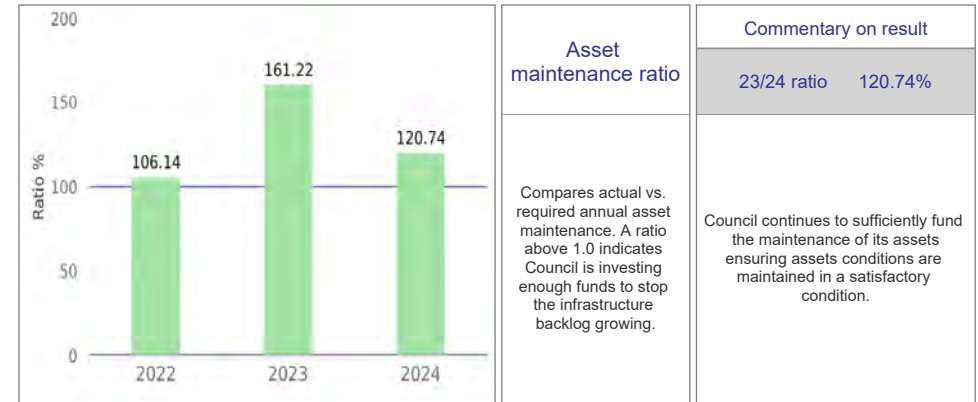
Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio	Commentary on result
	23/24 ratio 185.58%
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.	Council has sufficiently funded the renewal of its infrastructure greater than that of the rate of the depreciation being incurred.

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

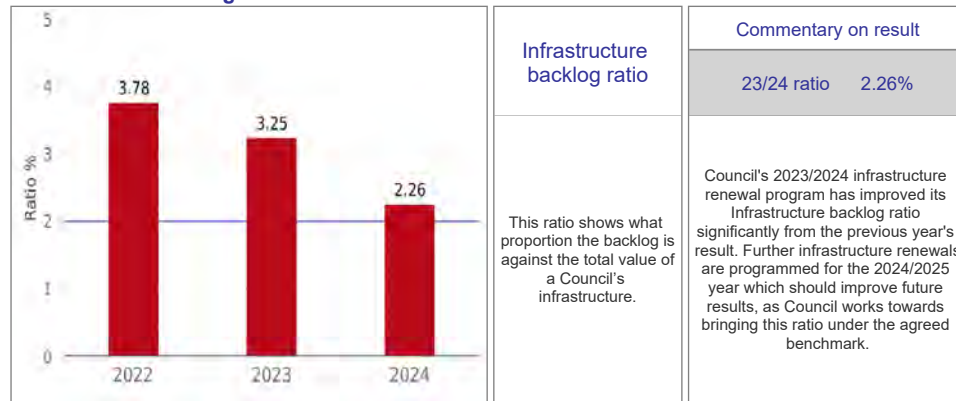
Asset maintenance ratio



Asset maintenance ratio	Commentary on result
	23/24 ratio 120.74%
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.	Council continues to sufficiently fund the maintenance of its assets ensuring assets conditions are maintained in a satisfactory condition.

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

Infrastructure backlog ratio



Infrastructure backlog ratio	Commentary on result
	23/24 ratio 2.26%
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.	Council's 2023/2024 infrastructure renewal program has improved its Infrastructure backlog ratio significantly from the previous year's result. Further infrastructure renewals are programmed for the 2024/2025 year which should improve future results, as Council works towards bringing this ratio under the agreed benchmark.

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

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level	Commentary on result
	23/24 ratio 2.74%
This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.	Due to the community's expectation of higher levels from Council assets this ratio is indeed higher than Council's infrastructure backlog ratio.

Coonamble Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	204.51%	85.84%	99.57%	226.37%	33.25%	75.41%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	1.65%	3.07%	5.33%	3.81%	11.28%	5.61%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	113.33%	170.29%	159.09%	206.67%	136.39%	56.52%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	1.78%	4.52%	6.69%	5.09%	11.62%	7.09%	

(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.