

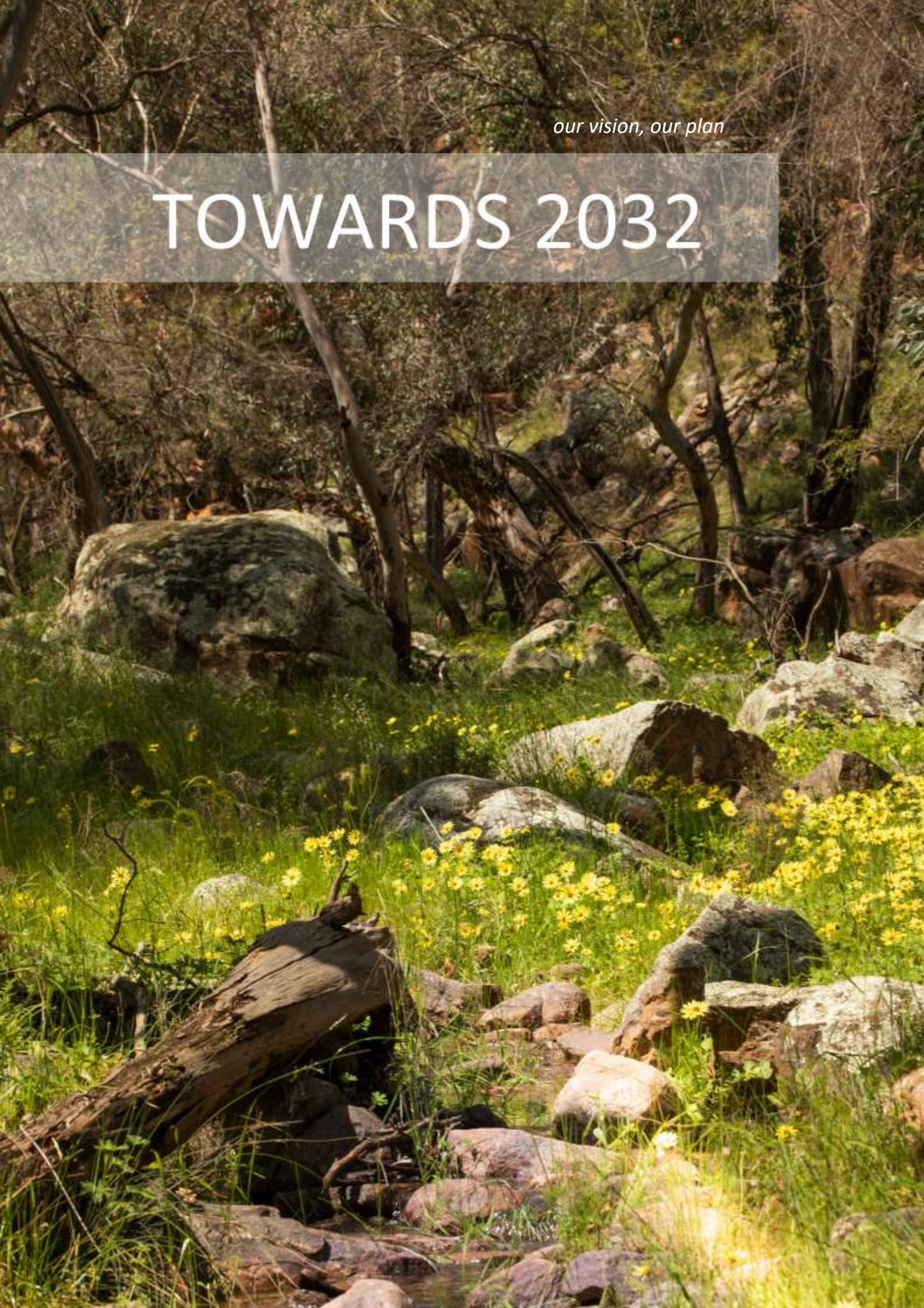
Carrathool Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2024



our vision, our plan

TOWARDS 2032



Carrathool Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Carrathool Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

9 - 11 Cobram Street
GOOLGOWI NSW 2652

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.carrathool.nsw.gov.au.

Carrathool 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.

Carrathool Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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 15 October 2024.



Cr Darryl Jardine
Mayor
15 October 2024



Rick Warren
General Manager
15 October 2024



Cr Beverley Furner
Councillor
15 October 2024



Robert Rayner
Responsible Accounting Officer
15 October 2024

Carrathool Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		13,758	12,465
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	14,908	20,139
Total items which will not be reclassified subsequently to the operating result		14,908	20,139
Total other comprehensive income for the year		14,908	20,139
Total comprehensive income for the year attributable to Council		28,666	32,604

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

Carrathool Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	30,331	23,115
Investments	C1-2	16,558	17,319
Receivables	C1-4	1,139	839
Inventories	C1-5	2,031	1,367
Total current assets		50,059	42,640
Non-current assets			
Receivables	C1-4	644	637
Infrastructure, property, plant and equipment (IPPE)	C1-6	293,176	273,446
Total non-current assets		293,820	274,083
Total assets		343,879	316,723
LIABILITIES			
Current liabilities			
Payables	C3-1	1,246	1,681
Contract liabilities	C3-2	684	1,815
Borrowings	C3-3	320	310
Employee benefit provisions	C3-4	2,920	2,678
Total current liabilities		5,170	6,484
Non-current liabilities			
Borrowings	C3-3	1,935	2,255
Employee benefit provisions	C3-4	208	176
Provisions	C3-5	2,914	2,822
Total non-current liabilities		5,057	5,253
Total liabilities		10,227	11,737
Net assets		333,652	304,986
EQUITY			
Accumulated surplus		169,078	155,320
IPPE revaluation reserve	C4-1	164,574	149,666
Council equity interest		333,652	304,986
Total equity		333,652	304,986

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

Carrathool Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		155,320	149,666	304,986	142,855	129,527	272,382
Net operating result for the year		13,758	–	13,758	12,465	–	12,465
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	14,908	14,908	–	20,139	20,139
Other comprehensive income		–	14,908	14,908	–	20,139	20,139
Total comprehensive income		13,758	14,908	28,666	12,465	20,139	32,604
Closing balance at 30 June		169,078	164,574	333,652	155,320	149,666	304,986

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

Carrathool Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
6,048	Rates and annual charges		6,177	5,729
5,351	User charges and fees		4,385	4,661
1,094	Interest received		1,996	949
16,324	Grants and contributions		25,021	24,983
323	Other		2,191	2,043
<i>Payments:</i>				
(8,816)	Payments to employees		(9,021)	(8,048)
(11,717)	Payments for materials and services		(12,144)	(9,680)
(191)	Borrowing costs		(170)	(195)
–	Bonds, deposits and retentions refunded		–	(2)
(405)	Other		(473)	(475)
8,011	Net cash flows from operating activities	G1-1	17,962	19,965
Cash flows from investing activities				
<i>Receipts:</i>				
–	Redemption of term deposits		761	–
118	Proceeds from sale of IPPE		1,295	1,418
<i>Payments:</i>				
–	Acquisition of term deposits		–	(7,035)
(5,154)	Payments for IPPE		(12,492)	(11,367)
(5,036)	Net cash flows from investing activities		(10,436)	(16,984)
Cash flows from financing activities				
<i>Payments:</i>				
(299)	Repayment of borrowings		(310)	(299)
(299)	Net cash flows from financing activities		(310)	(299)
2,676	Net change in cash and cash equivalents		7,216	2,682
20,594	Cash and cash equivalents at beginning of year		23,115	20,433
23,270	Cash and cash equivalents at end of year	C1-1	30,331	23,115
10,284	plus: Investments on hand at end of year	C1-2	16,558	17,319
33,554	Total cash, cash equivalents and investments		46,889	40,434

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

Carrathool Shire Council

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Carrathool Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 15 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of 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 infrastructure, property, plant and equipment.

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

A1-1 Basis of preparation (continued)

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, 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 services
- sewerage services

The Trust Fund

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

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

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

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council receives some volunteer services in the area of community services. These volunteer services are not recognised within the financial statements as they are not considered to be material.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

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

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 for the first time at 30 June 2024.

A1-1 Basis of preparation (continued)

No new standard had a significant impact on Council's reported financial position, financial performance and/or associated financial statement disclosures.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Governance	10	10	589	541	(579)	(531)	–	–	–	–
Administration	2,373	2,425	3,581	3,388	(1,208)	(963)	650	2,192	49,648	44,112
Public Order and Safety	167	156	593	582	(426)	(426)	149	150	1,425	1,379
Health	268	286	445	467	(177)	(181)	20	–	1,228	1,302
Environment	1,159	81	1,919	321	(760)	(240)	1,155	51	7,853	7,014
Community Services and Education	801	900	843	523	(42)	377	801	749	402	–
Housing and Community Amenities	718	684	1,585	1,164	(867)	(480)	36	31	5,320	5,457
Water Supplies	2,987	2,712	2,643	2,539	344	173	94	234	41,573	39,513
Sewerage Services	722	849	420	323	302	526	25	214	7,582	7,022
Recreation and Culture	544	312	2,155	1,894	(1,611)	(1,582)	493	249	14,593	14,290
Mining, Manufacturing and Construction	–	–	–	65	–	(65)	–	–	1,796	1,139
Transport & Communication	15,036	12,673	9,562	11,198	5,474	1,475	14,941	7,952	197,431	182,863
Economic Affairs	881	1,149	1,048	1,312	(167)	(163)	20	–	15,028	12,632
General Purpose Income	13,475	14,545	–	–	13,475	14,545	7,744	8,801	–	–
Other	–	–	–	–	–	–	–	4,233	–	–
Total functions and activities	39,141	36,782	25,383	24,317	13,758	12,465	26,128	24,856	343,879	316,723

B1-2 Components of functions or activities

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

Governance

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policy making committees, public disclosures (e.g. GIPA), and legislative compliance.

Administration

Includes corporate support (payroll, creditors, debtors, rates and finance), and other support services, engineering administration, and any Council policy compliance.

Public Order and Safety

Includes Council's fire and emergency services levy, fire protection, emergency services, enforcement of regulations and animal control.

Health

Includes food inspections and health administration.

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 storm water management.

Community Services and Education

Includes youth services and education, aged and disabled persons services, children's services including preschool and family day care. Social protection and aboriginal services.

Housing and Community Amenities

Includes public cemeteries, public conveniences, street lighting, town planning and other community amenities. It also includes housing development and accommodation.

Water Supplies

Raw and potable water supplies to townships, villages and stock and domestic supplies to some rural areas.

Sewerage Services

Sewerage services provided to town and villages.

Recreation and Culture

Includes public libraries, museums, art galleries, community centres and halls. Sporting facilities and grounds, public parks and gardens, swimming pools, lakes and other sporting, recreational and cultural services.

Mining, Manufacturing and Construction

Includes building control, quarries and gravel pits, and mineral resources.

Transport & Communication

Urban, rural roads including local, regional and sealed and unsealed roads. Bridges, footpaths, parking areas and aerodromes.

B1-2 Components of functions or activities (continued)

Economic Affairs

Includes camping areas and caravan parks; tourism and area promotion; industrial and residential development promotion; sale yards and markets; commercial nurseries and other business undertakings.

General Purpose Income

Income generated from Financial Assistance Grants, general rates and interest income.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	390	379
Farmland	3,128	3,018
Business	244	228
Less: pensioner rebates	(23)	(25)
Less: rates written off (section 713)	(36)	–
Rates levied to ratepayers	3,703	3,600
Pensioner rate subsidies received	13	14
Total ordinary rates	3,716	3,614
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	356	358
Water supply services	1,164	1,088
Sewerage services	703	635
Waste management services (non-domestic)	82	83
Less: pensioner rebates (mandatory)	(27)	(29)
Annual charges levied	2,278	2,135
Pensioner annual charges subsidies received:		
– Water	6	7
– Sewerage	5	5
– Domestic waste management	5	5
Total annual charges	2,294	2,152
Total rates and annual charges	6,010	5,766

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	Timing	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)			
Water supply services	2	1,681	1,328
Total specific user charges		1,681	1,328
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Planning and building regulation	2	40	34
Private works – section 67	2	290	498
Registration fees	2	11	6
Section 10.7 certificates (EP&A Act)	2	15	17
Section 603 certificates	2	8	8
Tapping fees	2	1	3
Town planning	2	84	73
Total fees and charges – statutory/regulatory		449	639
(ii) Fees and charges – other (incl. general user charges (per s608))			
Caravan park	2	541	584
Cemeteries	2	17	21
Rent	2	68	52
Leaseback fees – Council vehicles	2	86	79
RMS charges (state roads not controlled by Council)	2	1,244	1,487
Sundry sales	2	10	–
Swimming centres	2	24	17
Admission and service fees	2	145	110
Community transport and other HACC services	2	22	14
Library	2	7	7
Sundry – risk management	2	24	24
Waste disposal tipping fees (sales waste materials)	2	9	4
Total fees and charges – other		2,197	2,399
Total other user charges and fees		2,646	3,038
Total user charges and fees		4,327	4,366
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		4,327	4,366
Total user charges and fees		4,327	4,366

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

\$ '000	Timing	2024	2023
Rental income – other council properties	2	32	43
Diesel rebate	2	212	123
Insurance claims recoveries	2	14	–
Sales – general (GWCC)	2	38	29
Other	2	1	5
Medical centre	2	240	266
Caravan Park	2	3	30
Pressure sewer connections	2	(3)	3
Total other revenue		537	499
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		537	499
Total other revenue		537	499

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	371	1,234	–	–
Financial assistance – local roads component	2	119	749	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	4,662	4,949	–	–
Financial assistance – local roads component	2	2,615	2,925	–	–
Amount recognised as income during current year		7,767	9,857	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Floodplain management	2	1,135	9	–	64
Community events	2	64	–	–	–
Employment and training programs	1	8	–	–	–
Library – per capita	2	71	67	–	–
Noxious weeds	1	20	67	–	–
NSW rural fire services	1	149	146	–	4
Recreation and culture	1	280	422	376	141
Public halls	1	24	–	–	–
Storm/flood damage	2	–	1,501	16	–
Community care (HACC and other services)	1	727	689	–	–
OLG Recovery Grant	2	1,000	–	–	–
Street lighting	2	31	26	–	–
Other	1	8	–	–	–
Water	2	88	146	–	–
Transport (roads to recovery)	2	74	1,460	–	–
Transport (other roads and bridges funding)	1	6,671	5,155	4,470	901
Previously contributions:					
Transport for NSW contributions (regional roads, block grant)	2	1,499	1,469	289	377
Local Roads & Community Infrastructure	1	–	–	890	2,102
Total special purpose grants and non-developer contributions – cash		11,849	11,157	6,041	3,589
Non-cash contributions					
Health and safety	2	20	–	–	–
Total other contributions – non-cash		20	–	–	–
Total special purpose grants and non-developer contributions (tied)		11,869	11,157	6,041	3,589
Total grants and non-developer contributions		19,636	21,014	6,041	3,589
Comprising:					
– Commonwealth funding		8,183	11,613	234	2,102
– State funding		11,406	9,401	5,292	1,487
– Other funding		47	–	515	–
		19,636	21,014	6,041	3,589

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.12 – fixed development consent levies	2	451	253	–	–
Total developer contributions – cash		451	253	–	–
Total developer contributions		451	253	–	–
Total contributions		451	253	–	–
Total grants and contributions		20,087	21,267	6,041	3,589
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time (1)		8,887	5,801	5,221	3,481
Grants and contributions recognised at a point in time (2)		11,200	15,466	820	108
Total grants and contributions		20,087	21,267	6,041	3,589

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and contributions				
Unspent funds at 1 July	5,202	258	859	1,827
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	6,976	5,190	684	859
Less: Funds received in prior year but revenue recognised and funds spent in current year	(5,195)	(246)	(847)	(1,827)
Unspent funds at 30 June	6,983	5,202	696	859

Major unspent grant details are:
Regional & Local Roads Repair Program \$3,319k
OLG Recovery Grant \$1,000k
Stronger Country Communities Round 5 \$567k

Contributions

Unspent funds at 1 July	709	456	-	-
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	451	253	-	-
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	-	-	-	-
Unspent contributions at 30 June	1,160	709	-	-

Developer Contributions \$456k

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 events and various infrastructure projects. 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.

B2-4 Grants and contributions (continued)

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	45	42
– Cash and investments	2,020	1,079
Total interest and investment income (losses)	2,065	1,121
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	20	20
General Council cash and investments	2,020	1,079
Restricted investments/funds – external:		
Water fund operations	20	17
Sewerage fund operations	5	5
Total interest and investment income	2,065	1,121

Material accounting policy information

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

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	6,585	6,038
Employee termination costs	135	12
Travel expenses	69	69
Employee leave entitlements (ELE)	1,748	1,487
Superannuation	830	648
Workers' compensation insurance	184	151
Fringe benefit tax (FBT)	51	51
Training costs (other than salaries and wages)	122	103
Protective clothing	65	39
Other	29	11
Total employee costs	9,818	8,609
Less: capitalised costs	(541)	(231)
Total employee costs expensed	9,277	8,378
Number of 'full-time equivalent' employees (FTE) at year end	101	94

Material accounting policy information

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

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

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

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		1,452	1,017
Audit Fees	F2-1	66	35
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	169	166
Advertising		60	50
Bank charges		20	19
Computer software charges		83	91
Electricity and heating		596	514
Fire control expenses		187	197
Office expenses (including computer expenses)		243	217
Postage		14	12
Printing and stationery		16	19
Repairs and maintenance		5,295	5,380
Street lighting		55	48
Subscriptions and publications		15	17
Telephone and communications		54	40
Tourism expenses (excluding employee costs)		128	78
Valuation fees		18	17
Insurance (excluding workers compensation)		384	328
Scholarship bursary		6	8
Private Works		163	525
Other		1	3
Legal expenses:			
– Legal expenses: general		11	4
Total materials and services		9,036	8,785
Total materials and services		9,036	8,785

Material accounting policy information

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

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on loans		77	88
Total interest bearing liability costs		77	88
Total interest bearing liability costs expensed		77	88
– Remediation liabilities	C3-5	92	107
Total other borrowing costs		92	107
Total borrowing costs expensed		169	195

Material accounting policy information

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

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		996	879
Office equipment		79	81
Furniture and fittings		2	–
Land improvements (depreciable)		35	39
Infrastructure:			
	C1-6		
– Buildings – non-specialised		594	551
– Buildings – specialised		32	28
– Other structures		2	–
– Roads		2,355	2,968
– Bridges		242	209
– Footpaths		68	60
– Stormwater drainage		83	35
– Water supply network		947	997
– Sewerage network		169	114
– Swimming pools		78	67
– Other open space/recreational assets		201	184
– Other infrastructure		10	10
Right of use assets	C2-1	–	–
Other assets:			
– Library books		12	9
– Other		348	76
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C1-6	17	17
– Quarry assets	C1-6	199	216
Total depreciation and amortisation costs		6,469	6,540
Total depreciation, amortisation and impairment for non-financial assets		6,469	6,540

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

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

B3-5 Other expenses

\$ '000	2024	2023
Other		
Contributions/levies to other levels of government		
– SES Emergency Management Levy	13	7
– NSW fire brigade levy	25	21
– NSW rural fire service levy	296	296
– Regional library	22	23
– Shires association; RAMJO and other organisations	45	39
Donations, contributions and assistance to other organisations (Section 356)	31	33
Total other expenses	432	419

Material accounting policy information

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

Impairment expenses are recognised when identified.

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		1,320	1,416
Less: carrying amount of plant and equipment assets sold/written off		(1,221)	(1,180)
Gain (or loss) on disposal		99	236
Gain (or loss) on disposal of infrastructure	C1-6		
Proceeds from disposal – infrastructure		(25)	2
Less: carrying amount of infrastructure assets sold/written off		–	(64)
Gain (or loss) on disposal		(25)	(62)
Net gain (or loss) from disposal of assets		74	174

Material accounting policy information

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

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 25 June 2024 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	6,048	6,010	(38)	(1)% U
User charges and fees	5,351	4,327	(1,024)	(19)% U
Council's original budget for 2023/24 included RMCC works. Council ceased work under this program on 1 July 2023. Associated RMS Special Work Orders included in the original budget were also not undertaken.				
Other revenues	323	537	214	66% F
Fuel tax rebate was substantially higher due to increased works on the road network as a result of increased grant funding and flood damage works being undertaken. There was also a change to the operation of the medical centre which resulted in unbudgeted income being recorded.				
Operating grants and contributions	15,673	20,087	4,414	28% F
Council received additional grant funding not included in the original budget during 2023/24. The recorded variance can primarily be linked to the Regional Emergency Road Repair Fund (RERRF) grant program.				
Capital grants and contributions	651	6,041	5,390	828% F
This variance is a result of income being received early in 2023/24 for grant works finalised in late 2022/23.				
Interest and investment revenue	480	2,065	1,585	330% F
Council budgeted conservatively for interest and investment revenue during 2023/24 as a result of interest rate fluctuations during 2022/23.				
Net gains from disposal of assets	118	74	(44)	(37)% U
Council received smaller than budgeted returns on plant disposals as the second hand market stabilised and sale prices lowered accordingly.				
Expenses				
Employee benefits and on-costs	8,816	9,277	(461)	(5)% U
Materials and services	11,717	9,036	2,681	23% F
Reduction was primarily associated with delays in the commencement of budgeted flood damage works which is a program in excess of \$6 million.				
Borrowing costs	191	169	22	12% F
Borrowing costs for remediation liabilities were less than budgeted due to CPI and discounting rate variances.				
Depreciation, amortisation and impairment of non-financial assets	6,441	6,469	(28)	0% U
Other expenses	405	432	(27)	(7)% U

continued on next page ...

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	8,011	17,962	9,951	124% F
Council received an estimated 85% advance payment for Financial Assistance Grants and this amount was not fully budgeted. Additional unbudgeted funding included approximately \$6.7m under the Regional Emergency Road Repair Fund program and approximately \$1.2m in grant funding for floodplain management works.				
Cash flows from investing activities	(5,036)	(10,436)	(5,400)	107% U
Council received increased, unbudgeted grant funding during 2023/24. More cash was available to invest at the higher rates of interest available during the year.				
Cash flows from financing activities	(299)	(310)	(11)	4% U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	120	544
Cash equivalent assets		
– Deposits at call	8,648	2,575
– Short-term deposits	21,563	19,996
Total cash and cash equivalents	30,331	23,115

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	30,331	23,115
Balance as per the Statement of Cash Flows	30,331	23,115

Material accounting policy information

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

C1-2 Financial investments

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Debt securities at amortised cost				
Long term deposits	16,558	–	17,319	–
Total	16,558	–	17,319	–
Total financial investments	16,558	–	17,319	–
Total cash assets, cash equivalents and investments	46,889	–	40,434	–

Material accounting policy information

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

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

Financial assets

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

Classification

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

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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

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

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	46,889	40,434
Less: Externally restricted cash, cash equivalents and investments	<u>(13,594)</u>	<u>(11,112)</u>
Cash, cash equivalents and investments not subject to external restrictions	33,295	29,322
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended loans – general	15	250
Specific purpose unexpended grants – general fund	1,198	1,827
Security deposits	50	49
External restrictions – included in liabilities	1,263	2,126
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	1,160	709
Specific purpose unexpended grants (recognised as revenue) – general fund	6,481	4,234
Water fund	3,266	2,739
Sewer fund	1,424	1,304
External restrictions – other	12,331	8,986
Total external restrictions	13,594	11,112

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

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	33,295	29,322
Less: Internally restricted cash, cash equivalents and investments	<u>(29,467)</u>	<u>(21,326)</u>
Unrestricted and unallocated cash, cash equivalents and investments	3,828	7,996
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	3,317	840
Employees leave entitlement	2,092	1,592
Buildings	903	402
Carry over works	353	1,285
Council Dwellings	–	1
Gravel Pits	1,834	1,834
Caravan Parks	600	687
Cordatas Building	500	500
Local Roads	7,191	4,724
Office Furniture	15	15
Road Warranty Fund	350	350
Staff Training	25	25

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

\$ '000	2024	2023
Tips Remediation	174	174
Tourism	41	41
Hillston Community Hall	100	97
FAGS in Advance	7,277	7,874
Tips Capital Reserve	19	19
Grant Reserve	1,150	150
Development Reserve	3,526	716
Total internal allocations	29,467	21,326

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

\$ '000	2024	2023
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	3,828	7,996

C1-4 Receivables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Rates and annual charges	217	284	238	418
Interest and extra charges	45	23	42	42
User charges and fees	245	81	83	87
Accrued revenues				
– Interest on investments	287	–	205	–
– Other income accruals	161	–	51	–
Government grants and subsidies	52	167	11	48
Net GST receivable	27	–	76	–
Hillston sewer pressure system	–	–	–	9
Kerb & Guttering	–	2	–	2
Other debtors – various	201	87	228	31
Workers compensation claims	6	–	7	–
Total	1,241	644	941	637
Less: provision for impairment				
Rates and annual charges	(53)	–	(66)	–
Interest and extra charges	(14)	–	(17)	–
User charges and fees	(33)	–	(17)	–
Other debtors	(2)	–	(2)	–
Total provision for impairment – receivables	(102)	–	(102)	–
Total net receivables	1,139	644	839	637
Externally restricted receivables				
Water supply				
– Annual and user charges	160	300	124	231
– Other	23	43	62	116
Sewerage services				
– Annual charges	31	58	34	64
– Other	–	–	5	8
Total external restrictions	214	401	225	419
Unrestricted receivables	925	243	614	218
Total net receivables	1,139	644	839	637

\$ '000	2024	2023
Movement in provision for impairment of receivables		
Balance at the beginning of the year	102	99
+ new provisions recognised during the year	–	3
Balance at the end of the year	102	102

C1-4 Receivables (continued)

Material accounting policy information

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

Impairment

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

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

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

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

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

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

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

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

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Stores and materials	2,031	-	1,367	-
Total inventories at cost	2,031	-	1,367	-
Total inventories	2,031	-	1,367	-

Externally restricted assets

There are no restrictions applicable to the above assets.

(i) Other disclosures

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(a) Real estate for resale				
Total real estate for resale	-	-	-	-

(Valued at the lower of cost and net realisable value)

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

C1-6 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	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	3,602	–	3,602	249	676	–	–	(2,976)	–	1,551	–	1,551
Plant and equipment	15,315	(6,968)	8,347	2,796	–	(1,223)	(996)	29	–	15,987	(7,034)	8,953
Office equipment	1,856	(1,676)	180	144	31	(5)	(79)	6	–	1,842	(1,565)	277
Furniture and fittings	469	(435)	34	25	–	–	(2)	–	–	495	(438)	57
Land:												
– Operational land	2,469	–	2,469	29	–	(22)	–	–	–	2,476	–	2,476
– Community land	1,684	–	1,684	–	–	–	–	–	–	1,684	–	1,684
Land improvements – depreciable	3,573	(853)	2,720	–	–	–	(35)	–	154	3,778	(939)	2,839
Infrastructure:												
– Buildings – non-specialised	38,258	(13,599)	24,659	364	–	–	(594)	75	1,179	40,572	(14,889)	25,683
– Buildings – specialised	2,945	(701)	2,244	–	–	–	(32)	–	109	3,089	(768)	2,321
– Other structures	92	(14)	78	46	14	–	(2)	–	4	156	(16)	140
– Roads	178,252	(40,342)	137,910	4,003	1,922	(23)	(2,355)	2,451	8,883	198,208	(45,416)	152,792
– Bridges	32,258	(5,243)	27,015	–	–	–	(242)	–	1,540	34,112	(5,800)	28,312
– Footpaths	2,947	(496)	2,451	21	53	–	(68)	8	124	3,183	(594)	2,589
– Stormwater drainage	4,115	(1,339)	2,776	747	49	–	(83)	29	109	5,107	(1,479)	3,628
– Water supply network	76,162	(40,329)	35,833	206	236	–	(947)	21	1,769	80,487	(43,369)	37,118
– Sewerage network	9,032	(3,451)	5,581	125	159	–	(169)	–	274	9,774	(3,804)	5,970
– Swimming pools	4,843	(1,073)	3,770	51	22	–	(78)	130	207	5,314	(1,212)	4,102
– Other open space/recreational assets	5,687	(1,351)	4,336	202	98	–	(201)	200	212	6,478	(1,631)	4,847
– Other infrastructure	2,143	(224)	1,919	–	–	–	(10)	–	114	2,272	(249)	2,023
Other assets:												
– Library books	287	(216)	71	–	23	–	(12)	–	–	310	(228)	82
– Other	5,985	(1,348)	4,637	97	175	–	(348)	27	230	6,606	(1,788)	4,818
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Quarry assets	1,969	(1,113)	856	–	–	–	(199)	–	–	1,969	(1,312)	657
– Tip assets	309	(35)	274	–	–	–	(17)	–	–	309	(52)	257
Total infrastructure, property, plant and equipment	394,252	(120,806)	273,446	9,105	3,458	(1,273)	(6,469)	–	14,908	425,759	(132,583)	293,176

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	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
\$ '000													
Capital work in progress	11,135	–	11,135	806	1,279	–	–	(9,618)	–	–	3,602	–	3,602
Plant and equipment	14,638	(6,687)	7,951	2,373	79	(1,180)	(879)	–	2	–	15,315	(6,968)	8,347
Office equipment	1,839	(1,596)	243	11	8	–	(81)	–	–	–	1,856	(1,676)	180
Furniture and fittings	448	(436)	12	11	11	–	–	–	–	–	469	(435)	34
Land:													
– Operational land	2,469	–	2,469	–	–	–	–	–	–	–	2,469	–	2,469
– Community land	1,684	–	1,684	–	–	–	–	–	–	–	1,684	–	1,684
Land improvements – depreciable	3,296	(748)	2,548	–	–	–	(39)	–	–	211	3,573	(853)	2,720
Infrastructure:													
– Buildings – non-specialised	34,928	(11,921)	23,007	114	62	–	(551)	47	13	1,966	38,258	(13,599)	24,659
– Buildings – specialised	2,574	(616)	1,958	75	–	–	(28)	71	–	169	2,945	(701)	2,244
– Other structures	31	(1)	30	–	13	–	–	–	–	36	92	(14)	78
– Roads	154,045	(34,286)	119,759	2,509	1,803	–	(2,968)	7,088	–	9,720	178,252	(40,342)	137,910
– Bridges	27,926	(4,672)	23,254	7	–	–	(209)	2,258	–	1,705	32,258	(5,243)	27,015
– Footpaths	2,372	(414)	1,958	459	–	–	(60)	–	–	93	2,947	(496)	2,451
– Stormwater drainage	3,588	(1,168)	2,420	20	–	–	(35)	102	–	270	4,115	(1,339)	2,776
– Water supply network	69,727	(36,557)	33,170	1,194	–	(57)	(997)	41	–	2,481	76,162	(40,329)	35,833
– Sewerage network	8,023	(3,098)	4,925	395	–	(7)	(114)	11	–	371	9,032	(3,451)	5,581
– Swimming pools	4,442	(920)	3,522	13	–	–	(67)	–	–	302	4,843	(1,073)	3,770
– Other open space/recreational assets	5,126	(1,780)	3,346	62	46	–	(184)	–	(13)	1,078	5,687	(1,351)	4,336
– Other infrastructure	2,007	(201)	1,806	–	–	–	(10)	–	–	122	2,143	(224)	1,919
Other assets:													
– Library books	272	(207)	65	–	14	–	(9)	–	–	–	287	(216)	71
– Other	4,268	(1,170)	3,098	–	–	–	(76)	–	–	1,615	5,985	(1,348)	4,637
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	309	(17)	292	–	–	–	(17)	–	–	–	309	(35)	274
– Quarry assets	1,969	(897)	1,072	–	–	–	(216)	–	–	–	1,969	(1,113)	856
Total infrastructure, property, plant and equipment	357,116	(107,392)	249,724	8,049	3,315	(1,244)	(6,540)	–	2	20,139	394,252	(120,806)	273,446

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

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

Material accounting policy information

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

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

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

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

Useful lives of IPPE

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

	Useful lives
Plant, equipment, furniture and fittings	4 to 20
Land	Infinite
Land improvements	18 to 90
Infrastructure:	
– Buildings and other structures	5 to 145
– Roads, bridges and footpaths	8 to 200
– Bulk earthworks	Infinite
– Stormwater drainage	50 to 100
– Water supply network	10 to 160
– Sewerage network	10 to 100
– Open space / recreational assets	10 to 100
– Other infrastructure	25 to 100
Other assets	20 to 145
Tip and quarry assets	10 to 50

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

Revaluation model

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

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

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008. 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.

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

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 recognises Rural Fire Service buildings that are on Council land or Council controlled Crown land. Council does not recognise Rural Fire Service plant and equipment that is not in its control when applying the SAC 4 definition of control of an asset - "the capacity of the entity to benefit from the asset in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit".

Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/24			as at 30/06/23		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
WIP	663	–	663	410	–	410
Plant and equipment	173	173	–	173	171	2
Infrastructure	80,487	43,369	37,118	76,162	40,329	35,833
Total water supply	81,323	43,542	37,781	76,745	40,500	36,245
Sewerage services						
WIP	24	–	24	–	–	–
Plant and equipment	70	50	20	70	44	26
Infrastructure	9,774	3,804	5,970	9,032	3,451	5,581
Total sewerage services	9,868	3,854	6,014	9,102	3,495	5,607
Total restricted infrastructure, property, plant and equipment	91,191	47,396	43,795	85,847	43,995	41,852

C2 Leasing activities

C2-1 Council as a lessee

Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market for land and buildings which are used for:

- child care centre
- community meetings
- communication

The leases are generally between 1 and 5 years and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

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

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

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

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

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Goods and services – operating expenditure	217	–	547	–
Accrued expenses:				
– Borrowings	3	–	4	–
– Salaries and wages	159	–	155	–
– Other expenditure accruals	533	–	473	–
Security bonds, deposits and retentions	31	–	31	–
Security deposits	27	–	26	–
Suspense Accounts	17	–	30	–
Home Care Packages	31	–	118	–
Government departments and agencies	2	–	117	–
Prepaid rates	200	–	175	–
Other	26	–	5	–
Total payables	1,246	–	1,681	–

Payables relating to restricted assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Externally restricted assets				
Water	53	–	1	–
Sewer	1	–	1	–
Payables relating to externally restricted assets	54	–	2	–
Total payables relating to restricted assets	54	–	2	–
Total payables relating to unrestricted assets	1,192	–	1,679	–
Total payables	1,246	–	1,681	–

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

\$ '000	2024	2023
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Other liabilities: (Security Deposits, Retentions)	50	57
Total payables	50	57

Material accounting policy information

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	684	-	1,815	-
Total grants received in advance		684	-	1,815	-
Total contract liabilities		684	-	1,815	-

Notes

(i) Council has received funding to construct assets including sporting facilities, Lake Woorabinda upgrade 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.

Contract liabilities relating to restricted assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Externally restricted assets				
Water	16	-	16	-
Sewer	-	-	20	-
Unspent grants held as contract liabilities (excl. Water & Sewer)	1,182	-	1,791	-
Contract liabilities relating to externally restricted assets	1,198	-	1,827	-
Total contract liabilities relating to restricted assets	1,198	-	1,827	-
Total contract liabilities relating to unrestricted assets	(514)	-	(12)	-
Total contract liabilities	684	-	1,815	-

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

\$ '000	2024	2023
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	1,199	1,887
Operating grants (received prior to performance obligation being satisfied)	-	186
Total revenue recognised that was included in the contract liability balance at the beginning of the period	1,199	2,073

Significant changes in contract liabilities

Council has received significant advance funding under a number of grant programs. Funding received under the Local Roads & Community Infrastructure Round 4, Stronger Country Communities Round 5 and the Places to Play Grant programs comprise the majority of the contract liabilities recognised in 2023/24.

Material accounting policy information

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

C3-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured ¹	320	1,935	310	2,255
Total borrowings	320	1,935	310	2,255

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

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

Borrowings relating to restricted assets

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Water	111	1,086	107	1,196
Sewer	54	291	53	346
Borrowings relating to externally restricted assets	165	1,377	160	1,542
Total borrowings relating to restricted assets	165	1,377	160	1,542
Total borrowings relating to unrestricted assets	155	558	150	713
Total borrowings	320	1,935	310	2,255

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

The following borrowings, even though classified as current, are not expected to be settled in the next 12 months.

(a) Changes in liabilities arising from financing activities

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	2,565	(310)	-	-	-	-	2,255
Total liabilities from financing activities	2,565	(310)	-	-	-	-	2,255

C3-3 Borrowings (continued)

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	2,864	(299)	–	–	–	–	2,565
Total liabilities from financing activities	2,864	(299)	–	–	–	–	2,565

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Credit cards/purchase cards	50	50
Total financing arrangements	50	50
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Credit cards/purchase cards	50	50
Total undrawn financing arrangements	50	50

Additional financing arrangements information

Breaches and defaults

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

Security over loans

Council loans are secured over future cash flows and leased liabilities are secured by the underlying leased assets.

Material accounting policy information

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

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

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

C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	939	–	891	–
Sick leave	331	–	393	–
Long service leave	1,440	208	1,219	176
ELE on-costs	210	–	175	–
Total employee benefit provisions	2,920	208	2,678	176

C3-4 Employee benefit provisions (continued)

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,606	1,482
	1,606	1,482

\$ '000	ELE provisions				Total
	Annual leave	Sick leave	Long service leave	ELE on-costs	
2024					
At beginning of year	891	393	1,395	175	2,854
Other	48	(62)	253	35	274
Total ELE provisions at end of year	939	331	1,648	210	3,128
2023					
At beginning of year	775	354	1,230	186	2,545
Other	116	39	165	(11)	309
Total ELE provisions at end of year	891	393	1,395	175	2,854

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C3-5 Provisions

\$ '000	2024	2024	2023	2023
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	2,914	–	2,822
Sub-total – asset remediation/restoration	–	2,914	–	2,822
Total provisions	–	2,914	–	2,822

continued on next page ...

C3-5 Provisions (continued)

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Provisions relating to restricted assets				
Total provisions relating to restricted assets	—	—	—	—
Total provisions relating to unrestricted assets	—	2,914	—	2,822
Total provisions	—	2,914	—	2,822

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

The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	2,822	2,822
Reassessment completed on tips/gravel pits	92	92
Total other provisions at end of year	2,914	2,914
2023		
At beginning of year	2,715	2,715
Reassessment completed on tips/gravel pits	107	107
Total other provisions at end of year	2,822	2,822

Nature and purpose of provisions

Asset remediation

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

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

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.

C3-5 Provisions (continued)

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.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	4,162	1,152	696
User charges and fees	2,645	1,682	–
Interest and investment revenue	2,040	20	5
Other revenues	502	38	(3)
Grants and contributions provided for operating purposes	19,988	94	5
Grants and contributions provided for capital purposes	6,021	–	20
Net gains from disposal of assets	73	1	–
Total income from continuing operations	35,431	2,987	723
Expenses from continuing operations			
Employee benefits and on-costs	8,636	536	105
Materials and services	7,792	1,113	131
Borrowing costs	114	46	9
Depreciation, amortisation and impairment of non-financial assets	5,350	945	174
Other expenses	432	–	–
Total expenses from continuing operations	22,324	2,640	419
Operating result from continuing operations	13,107	347	304
Net operating result for the year	13,107	347	304
Net operating result attributable to each council fund	13,107	347	304
Net operating result for the year before grants and contributions provided for capital purposes	7,086	347	284

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	25,641	3,266	1,424
Investments	16,558	–	–
Receivables	924	184	31
Inventories	2,031	–	–
Total current assets	45,154	3,450	1,455
Non-current assets			
Receivables	244	343	57
Infrastructure, property, plant and equipment	249,378	37,783	6,015
Total non-current assets	249,622	38,126	6,072
Total assets	294,776	41,576	7,527
LIABILITIES			
Current liabilities			
Payables	1,192	53	1
Contract liabilities	668	16	–
Borrowings	155	111	54
Employee benefit provision	2,920	–	–
Total current liabilities	4,935	180	55
Non-current liabilities			
Borrowings	558	1,086	291
Employee benefit provision	208	–	–
Provisions	2,914	–	–
Total non-current liabilities	3,680	1,086	291
Total liabilities	8,615	1,266	346
Net assets	286,161	40,310	7,181
EQUITY			
Accumulated surplus	156,558	8,564	3,956
Revaluation reserves	129,603	31,746	3,225
Council equity interest	286,161	40,310	7,181
Total equity	286,161	40,310	7,181

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.

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	30,331	23,115	30,331	23,115
Receivables	1,783	1,476	1,139	839
Investments				
– Debt securities at amortised cost	16,558	17,319	16,558	17,319
Total financial assets	48,672	41,910	48,028	41,273
Financial liabilities				
Payables	1,246	1,681	1,246	1,681
Loans/advances	2,255	2,565	2,255	2,565
Total financial liabilities	3,501	4,246	3,501	4,246

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and measure at amortised cost investments** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.

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

Council's finance area manages the cash and Investments portfolio.

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

The risks associated with the instruments held are:

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

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	476	177
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

(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.

Council makes suitable provision for doubtful receivables as required.

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2024				
Gross carrying amount	–	423	78	501
2023				
Gross carrying amount	–	522	134	656

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

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	1,024	33	25	198	104	1,384
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	10.00%	0.75%
ECL provision	-	-	-	-	10	10
2023						
Gross carrying amount	703	36	68	32	83	922
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	10.00%	0.90%
ECL provision	-	-	-	-	8	8

(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.

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	31	1,215	-	-	1,246	1,246
Borrowings	3.29%	-	320	1,086	849	2,255	2,255
Total financial liabilities		31	1,535	1,086	849	3,501	3,501
2023							
Payables	0.00%	31	1,650	-	-	1,681	1,681
Borrowings	3.29%	-	310	1,406	849	2,565	2,565
Total financial liabilities		31	1,960	1,406	849	4,246	4,246

Loan agreement breaches

During 2023/24 there were no defaults or breaches on any Council borrowings.

E2-1 Fair value measurement

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

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

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: Unobservable inputs for the asset or liability.

\$ '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									
Financial assets									
Financial investments	C1-2								
– Held to maturity at amortised cost		30/06/24	30/06/24	16,558	17,319	–	–	16,558	17,319
Receivables		30/06/24	30/06/24	1,781	1,476	–	–	1,781	1,476
Total financial assets				18,339	18,795	–	–	18,339	18,795
Financial liabilities									
Payables		30/06/24	30/06/24	1,246	1,681	–	–	1,246	1,681
Borrowings		30/06/24	30/06/24	2,255	2,565	–	–	2,255	2,565
Total financial liabilities				3,501	4,246	–	–	3,501	4,246
Infrastructure, property, plant and equipment									
Plant and equipment	C1-6	30/06/24	30/06/24	–	–	8,953	8,347	8,953	8,347
Office equipment		30/06/24	30/06/24	–	–	277	180	277	180
Furniture and fittings		30/06/24	30/06/24	–	–	57	34	57	34
Operational land		30/06/22	30/06/22	2,476	2,469	–	–	2,476	2,469
Community land		30/06/22	30/06/22	–	–	1,684	1,684	1,684	1,684
Land improvements		30/06/21	30/06/21	–	–	2,839	2,720	2,839	2,720
Buildings – non specialised		30/06/22	30/06/22	25,683	24,659	–	–	25,683	24,659
Buildings – specialised		30/06/22	30/06/22	–	–	2,321	2,244	2,321	2,244
Roads		30/06/21	30/06/21	–	–	152,792	137,910	152,792	137,910
Bridges		30/06/21	30/06/21	–	–	28,312	27,015	28,312	27,015
Footpaths		30/06/21	30/06/21	–	–	2,589	2,451	2,589	2,451
Stormwater drainage		30/06/21	30/06/21	–	–	3,628	2,776	3,628	2,776
Water supply network		30/06/22	30/06/22	–	–	37,118	35,833	37,118	35,833
Sewerage network		30/06/22	30/06/22	–	–	5,970	5,581	5,970	5,581
Swimming pools		30/06/22	30/06/22	–	–	4,102	3,770	4,102	3,770
Open space/recreational assets		30/06/23	30/06/23	–	–	4,847	4,336	4,847	4,336
Library books		30/06/23	30/06/23	–	–	82	71	82	71
Other assets		30/06/23	30/06/23	–	–	4,818	4,637	4,818	4,637
Capital work in progress		30/06/24	30/06/24	–	56	1,569	3,546	1,569	3,602
Other infrastructure		30/06/22	30/06/22	–	–	2,023	1,919	2,023	1,919
Other structures		30/06/23	30/06/23	–	–	140	78	140	78

E2-1 Fair value measurement (continued)

\$ '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
Total infrastructure, property, plant and equipment				28,159	27,184	264,121	245,132	292,280	272,316

E2-1 Fair value measurement (continued)

Valuation techniques

The objective of using a valuation technique is to estimate the price at which an orderly transaction to sell or to transfer the liability would take place between market participants at the measurement date under current market conditions. Three widely used valuation techniques are the market approach, the cost approach and the income approach. Carrathool Shire Council use valuation techniques consistent with one or more of those approaches to measure fair value.

'Cost Approach' – A valuation technique that reflects the amount that would be required to replace the service capacity of an asset (current replacement cost) or depreciated replacement cost in the example of plant and equipment, office equipment and furniture and fittings.

Income Approach – A valuation technique that converts future amounts (cash flows inflows/outflows) to signal current (ie discounted) amount. The fair value measurement is determined on the basis if the value indicated by current market expectations about these future amounts.

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

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

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

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

Financial assets

Investments Held to Maturity at Amortised Cost: Valuation Technique: Bank confirmations Unobservable inputs: Interest rates
Receivables: Valuation Technique: Rates & Debtors finance modules Unobservable inputs: Bad debts

Financial liabilities

Payables: Valuation Technique: Creditors finance module Unobservable inputs: Market impacts
Borrowings: Valuation Technique: Bank confirmations Unobservable inputs: Interest rates

Infrastructure, property, plant and equipment (IPPE)

Plant, equipment, furniture & fittings and office equipment: Valuation Technique: Cost used to approximate fair value.

Unobservable inputs: Gross replacement cost, useful life and residual value.

Operational Land: Valuation technique: Independent valuation company. Unobservable inputs: Land value & area.

Community Land: Valuation technique: Independent valuation company. Unobservable inputs: Land value & area.

Land Improvements: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

Buildings NS: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

Buildings S: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

Roads, Bridges & Footpaths: Valuation technique: Independent valuation company, unit rates & lengths. Unobservable inputs: Asset condition & remaining lives.

Stormwater Drainage: Valuation technique: Independent valuation company, unit rates & lengths. Unobservable inputs: Asset condition & remaining lives.

Water Supply Network: Valuation technique: Independent valuation company, unit rates & lengths, indexed annually at the determined indexation rate. Unobservable inputs: Asset condition & remaining lives.

Sewerage Network: Valuation technique: Independent valuation company, unit rates & lengths, indexed annually at the determined indexation rate. Unobservable inputs: Asset condition & remaining lives.

Swimming Pools: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

Open space/recreational assets: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

Library Books: Cost used to approximate fair value: Unobservable inputs: Asset condition & remaining lives.

Other Assets: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

Other Structures: Valuation technique: Independent valuation company. Unobservable inputs: Asset condition & remaining lives.

An assessment has been undertaken resulting in an indexation being applied to the following asset classes for 30 June 2024:

- Land Improvements

E2-1 Fair value measurement (continued)

- Buildings non-specialised
- Buildings - specialised
- Roads
- Bridges
- Footpaths
- Stormwater drainage
- Swimming pools
- Other infrastructure
- Open space/recreation
- Other structures
- Water Supply network
- Sewerage network
- Other assets, namely caravan parks and tip assets

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

\$ '000	I,PP and E	
	2024	2023
Opening balance	245,132	222,884
Total gains or losses for the period		
Other movements		
Purchases (GBV)	12,170	11,075
Disposals (WDV)	(1,251)	(1,244)
Depreciation and impairment	(5,659)	(5,756)
Revaluation Increments to Equity	13,729	18,173
Closing balance	264,121	245,132

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 employee contributions for non 180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times employee contributions

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

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2023 was \$48,349. The last valuation of the Scheme was performed by Mr Richard Boyfield FIAA as at 30 June 2023.

E3-1 Contingencies (continued)

The amount of additional contributions included in the total employer contribution advised above is \$15,346. Council's expected contribution to the plan for the next annual reporting period is \$35,664.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 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 can be attributed to Council is \$49,255.

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

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

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

* Plus promotional increases

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(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.

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

(iii) Rural Fire Service

The *Local Government Code of Accounting Practice and Financial Reporting 23/24* issued by the Office of Local Government at page 56 states: "**Councils should recognise material rural firefighting equipment in their financial statements. Councils derive benefits from the rural firefighting equipment's service potential on the basis they have delegated their legal responsibilities for bushfire prevention, under Part 4 Bush Fire Prevention of the RF Act, to prevent the transmission of fire from council landholdings (particularly asset protection zones) to private landholdings through the District Service Agreements with the RFS.**"

AASB116 requires that an asset can only be recognised if it is probable that future economic benefits associated with the item will flow to the entity. Control is defined in the "*AASB Conceptual Framework*."

In response to the Code's assessment requirements and based on Council's review of:

1. effective control, and
2. what entity receives the future economic benefits

of the rural fire fighting assets, Council has adopted an accounting position statement on the recognition of Rural Fire Service assets which states:

"Council accounts for land and buildings used by the Rural Fire Service that are situated on Council-controlled land, however Council does not account for Rural Fire Service plant or other equipment."

Council's adopted accounting position statement above:

- a. is in accordance with the views of LG NSW who are the peak industry support and advocacy body representing NSW Councils,
- b. is in accordance with the OLG's independent accounting advice (the Parker Report), and also
- c. corresponds with independent accounting advice provided to a similar NSW Council during 2021/22.

It should be noted that the consolidated value of all Rural Fire Service (plant and equipment) assets across the State is likely to be a very large number and therefore these assets (and amounts) should be carried in the financial statements of the NSW Rural Fire Service with Council having concluded that "on balance" the NSW Rural Fire Service both controls the rural fire fighting assets and receives their future economic benefits.

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. Council has thirteen key management personnel comprising 10 councillors and 3 staff members.

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	886	887
Post-employment benefits	71	55
Other long-term benefits	27	117
Total	984	1,059

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			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
2024						
Creditor - Earthmoving/Equipment hire	3	8	–	Standard procurement process	–	–
Employee Expenses relating to close family members of KMP	1	72	–	Local Government State Award	–	–
Staff Reimbursement of Expenses	2	1	–	30 day terms on invoices	–	–
Community Grant	4	2	–	Arms-length process	–	–
2023						
Creditor - Earthmoving/Equipment hire	3	1	–	Standard procurement process	–	–
Employee Expenses relating to close family members of KMP	1	67	–	Local Government State Award	–	–
Staff Reimbursement of Expenses	2	–	–	30 day terms on invoices	–	–
Community Grant	4	–	–	30 day terms on invoices	–	–

1 Close family members of Council KMP are employed by the Council under the relevant pay award on an arms-length basis. There is one close family member of KMP currently employed by the Council.

2 Council, through its private works processes, provides debtor accounts for a variety of private works performed by Council staff for a number of KMP.

3 Council, through its normal procurement processes, obtained quotes for earthmoving/equipment hire services. A company associated with one KMP provided these services.

4 Community grants are awarded on an arms-length basis by council following an application and panel assessment process.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	28	28
Councillors' fees	127	127
Other Councillors' expenses (including Mayor)	14	11
Total	169	166

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	42	27
Remuneration for audit and other assurance services	42	27
Total Auditor-General remuneration	42	27
(ii) Other non-assurance services		
Non NSW Auditor-General audit firms		
(ii) Non-assurance services		
Internal Audit	23	8
Audit Committee	1	-
Remuneration for non-assurance services	24	8
Total remuneration of non NSW Auditor-General audit firms	24	8
Total audit fees	66	35

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	13,758	12,465
Add / (less) non-cash items:		
Depreciation and amortisation	6,469	6,540
(Gain) / loss on disposal of assets	(74)	(174)
Non-cash capital grants and contributions	(20)	–
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(307)	101
Increase / (decrease) in provision for impairment of receivables	–	3
(Increase) / decrease of inventories	(664)	473
Increase / (decrease) in payables	(330)	518
Increase / (decrease) in accrued interest payable	(1)	–
Increase / (decrease) in other accrued expenses payable	64	104
Increase / (decrease) in other liabilities	(168)	(223)
Increase / (decrease) in contract liabilities	(1,131)	(258)
Increase / (decrease) in employee benefit provision	274	309
Increase / (decrease) in other provisions	92	107
Net cash flows from operating activities	17,962	19,965

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Other	8,123	12,318
Total commitments	8,123	12,318
These expenditures are payable as follows:		
Within the next year	8,123	12,318
Total payable	8,123	12,318
Sources for funding of capital commitments:		
Unrestricted general funds	353	1,285
Future grants and contributions	7,770	11,033
Total sources of funding	8,123	12,318

Details of capital commitments

Capital projects committed to are categorised as general fund (\$6,896k), combined water network (\$1,181k) and sewer network (\$46k).

G3 Statement of developer contributions

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Community facilities	709	451	-	-	-	-	1,160	-	
S7.11 contributions – under a plan	709	451	-	-	-	-	1,160	-	
Total S7.11 and S7.12 revenue under plans	709	451	-	-	-	-	1,160	-	
Total contributions	709	451	-	-	-	-	1,160	-	

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

G3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
CONTRIBUTION PLAN NUMBER 1									
Community facilities	5	-	-	-	-	-	5	-	
Total	5	-	-	-	-	-	5	-	
CONTRIBUTION PLAN NUMBER 2									
Community facilities	704	451	-	-	-	-	1,155	-	
Total	704	451	-	-	-	-	1,155	-	

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}	7,643	23.14%	26.35%	23.98%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	33,026				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	12,939	33.12%	32.10%	27.17%	> 60.00%
Total continuing operating revenue ¹	39,067				
3. Unrestricted current ratio					
Current assets less all external restrictions	36,251	17.29x	10.59x	10.58x	> 1.50x
Current liabilities less specific purpose liabilities	2,097				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	14,281	29.81x	31.25x	17.06x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	479				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	502	7.48%	10.23%	9.77%	< 10.00%
Rates and annual charges collectable	6,712				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	46,889	25.44	25.95	17.66	> 3.00
Monthly payments from cash flow of operating and financing activities	1,843	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}	23.90%	28.13%	11.62%	0.42%	40.40%	49.45%	> 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	26.44%	26.26%	96.85%	88.62%	96.54%	74.68%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	17.29x	10.59x	19.17x	23.59x	26.45x	18.15x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	29.42x	32.18x	29.09x	20.76x	51.89x	44.60x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	10.32%	13.92%	0.00%	0.00%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	22.89	23.35	∞	∞	∞	∞	> 3.00
Monthly payments from cash flow of operating and financing activities	months	months					months

(1) - (2) Refer to Notes at Note 25(a) above.

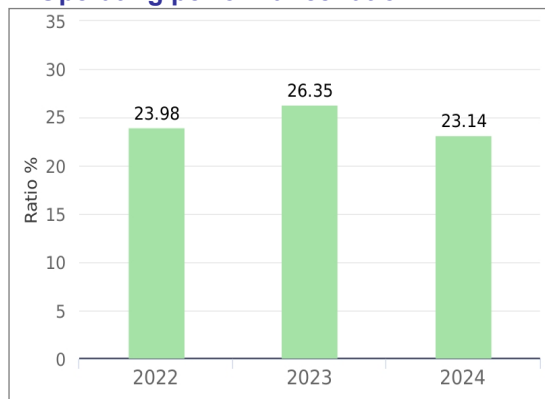
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

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 23.14%

Council has again received additional Financial Assistance Grant funds in advance (85%) compared to 100% in 2022/23. These funds are untied and are recorded as operating revenue in the year received. This ratio remains consistent.

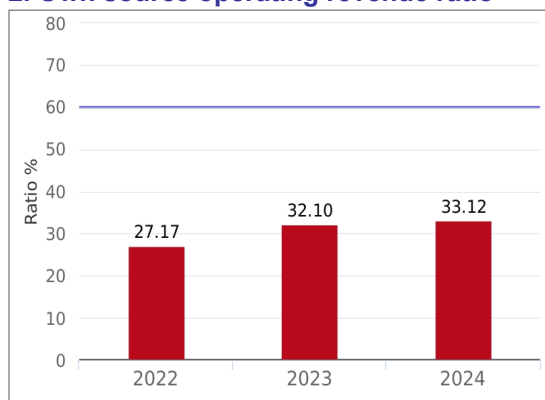
Benchmark: — > 0.00%

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 33.12%

Due to Council's remoteness and reliance on grant funding to maintain its extensive road network, it continues to be difficult to meet this ratio target. Council has limited opportunities to source and generate additional revenue through the creation of alternate income streams, again due to its remoteness.

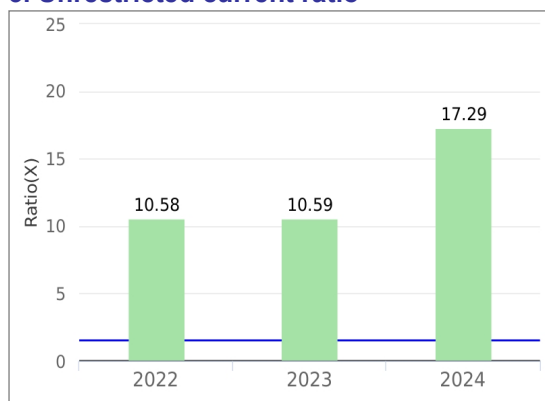
Benchmark: — > 60.00%

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 17.29x

Council continues to maintain adequate working capital to satisfy its obligations through careful management. This result is a good long-term stability indicator.

Benchmark: — > 1.50x

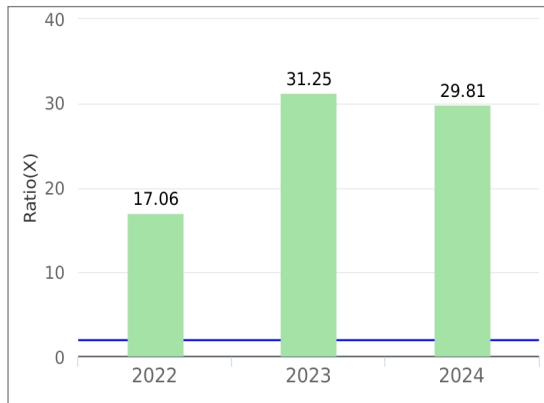
Source of benchmark: Code of Accounting Practice and Financial Reporting

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 29.81x

Council has adequate cash to service all borrowings and this ratio is consistently well above the required benchmark.

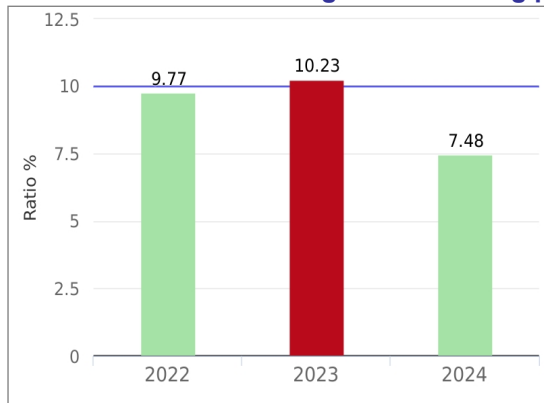
Benchmark: — > 2.00x

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 7.48%

Council has worked hard during 2023/24 to assist ratepayers in meeting their commitments as the economy continues to recover from the impacts of COVID-19.

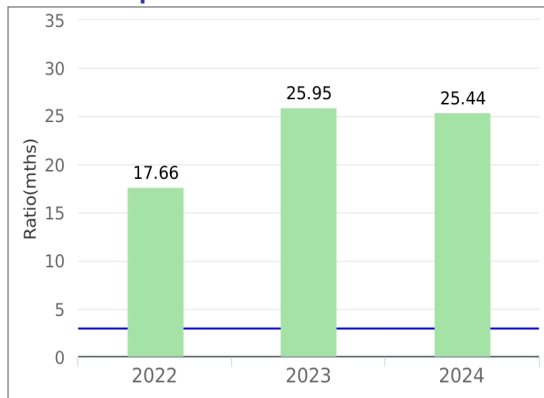
Benchmark: — < 10.00%

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 25.44 months

This ratio sits well above the required industry benchmark and reflects the close monitoring of cash reserves.

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:

9 - 11 Cobram Street
GOOLGOWI NSW 2652

Contact details

Mailing Address:

PO Box 12
GOOLGOWI NSW 2652

Telephone: 02 6965 1900

Facsimile: 02 6965 1379

Opening hours:

8:30am - 4:30pm
Monday to Friday

Internet: www.carrathool.nsw.gov.au

Email: council@carrathool.nsw.gov.au

Officers

General Manager

Rick Warren

Responsible Accounting Officer

Robert Rayner

Public Officer

Robert Rayner

Auditors

Audit Office of NSW
GPO Box 12
SYDNEY NSW 2001

Elected members

Mayor

Cr. Darryl Jardine

Councillors

Beverley Furner
David Fensom
Geoff Peters
Julie Potter
Heather Lyall
Michael Armstrong
Bill Kite
Leon Cashmere
Damon Liddicoat

Other information

ABN: 86 008 844 676



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Carrathool Shire Council

To the Councillors of Carrathool Shire Council

Opinion

I have audited the accompanying financial statements of Carrathool 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.



Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY



Darryl Jardine
 Mayor
 Carrathool Shire Council
 PO Box 12
 GOOLGOWI NSW 2652

Contact: Unaib Jeffrey
 Phone no: 02 9275 7450
 Our ref: R008-2124742775-8163

30 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024 \$m	2023 \$m	Variance %
Rates and annual charges revenue	6.0	5.8	↑ 3.4
Grants and contributions revenue	26.1	24.9	↑ 4.8
Operating result from continuing operations	13.8	12.5	↑ 10.4
Net operating result before capital grants and contributions	7.7	8.9	↓ (13.5)

Rates and annual charges revenue (\$6 million) increased by \$0.3 million (4.8 per cent) in 2023–24 due to rate peg increase of 3.7 per cent and increase in rateable properties.

Grants and contributions revenue (\$26.1 million) increased by \$1.2 million (4.8 per cent) in 2023–24 due to:

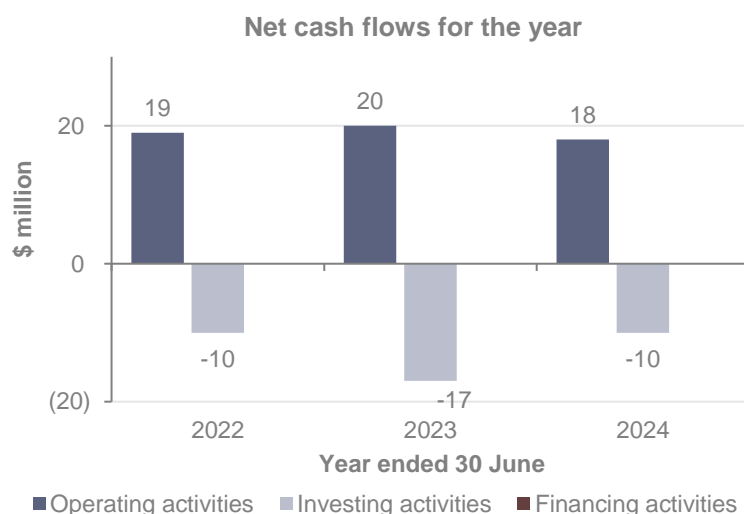
- increase of \$ 0.2 million of developer contributions recognised during the year
- decrease of \$ 1.4 million from financial assistance grants current year allocation
- decrease of \$ 0.6 million from financial assistance grants (future year allocation) received in advance
- increase of \$3.6 million of grants recognised received for Transport projects (other roads and bridges funding)
- decrease of \$ 1.2 million of local roads & community infrastructure grants during the year

The Council’s operating result from continuing operations (\$13.8 million including depreciation, amortisation and impairment expense of \$6.47 million) which was \$1.29 million higher than the 2022–23 result.

The net operating result before capital grants and contributions (\$7.7 million) was \$1.2 million lower than the 2022–23 result.

STATEMENT OF CASH FLOWS

- As of 30 June 2024, Council’s cash and cash equivalents were \$30.3 million (\$23.1 million for the year ended 30 June 2023). There was a net increase of cash and cash equivalents of \$7.2 million during the 2023-24 financial year.
- Net cash provided by operating activities decreased by \$2 million mainly due to an increase in payments for materials and services.
- Net cash used in investing activities decreased by \$6.5 million, largely due to lower investment in term deposits by Council.
- Net cash used in financing activities was largely unchanged from the prior year. Council had as no new borrowings in 2024.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	46.9	40.4	<ul style="list-style-type: none"> Externally restricted balances comprise mainly of specific purpose unexpended grants for general, water and sewer funds. The increase of \$2.5 million is primarily due to a \$2.3 million increase in specific purpose unexpended grants.
Restricted and allocated cash, cash equivalents and investments:			<ul style="list-style-type: none"> Internal allocations are determined by Council policies or decisions, which are subject to change. The increase of \$ 8.2 million in the internal allocations is primarily due to \$2.5 million increase in the Plant and Vehicle replacement, \$ 2.5 million increase in Local Roads, and \$2.8 million increase in Development reserves.
• External restrictions	13.6	11.1	
• Internal allocations	29.5	21.3	

Debt

The Council has \$2.3 million of borrowings as at 30 June 2024 (2023: \$2.6 million) which is secured over the revenue of Council.

PERFORMANCE

Performance measures

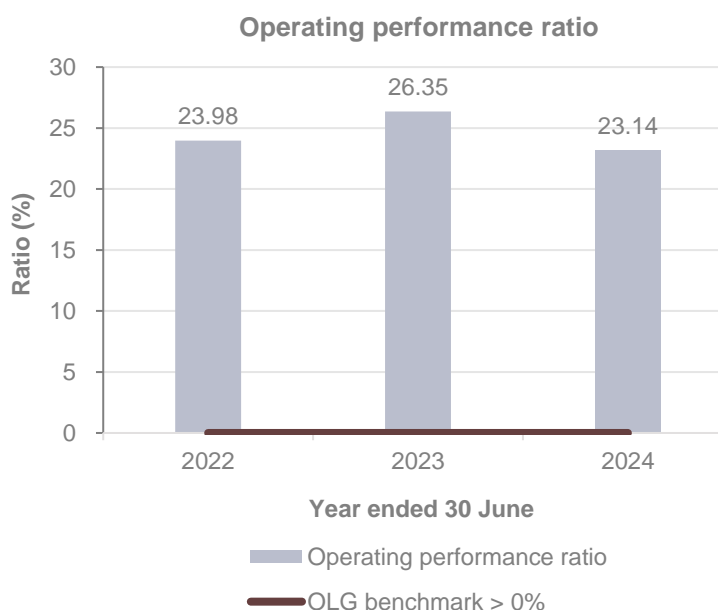
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning and Environment.

Operating performance ratio

The Council exceeded the benchmark for the current reporting period.

The operating performance ratio decreased to 23.1 per cent (2023: 26.4 per cent).

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



Own source operating revenue ratio

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

The own source operating revenue ratio increased to 33.1 per cent from 32.1 per cent due to the \$1.0 million increase in interest and investment income.

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.

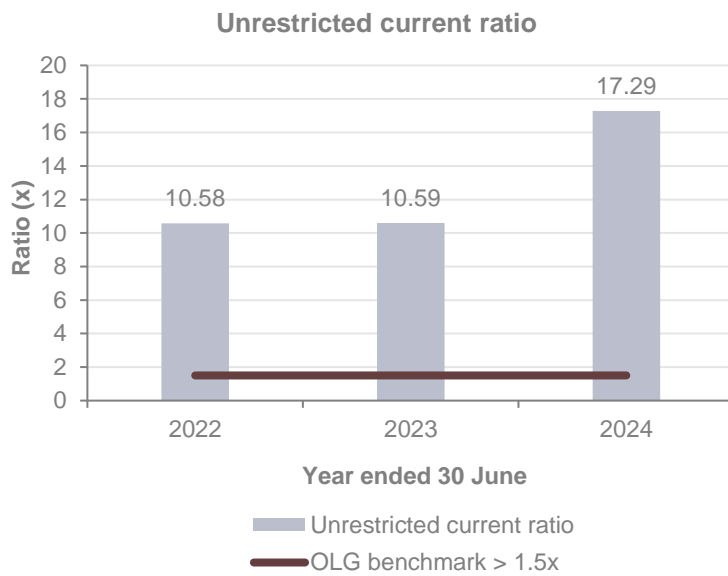


Unrestricted current ratio

The Council exceeded the benchmark for the current reporting period.

The Council's unrestricted current ratio increased to 17.3 times (2023: 10.6 times) mainly due to a \$5.4 million increase in unrestricted current assets.

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.

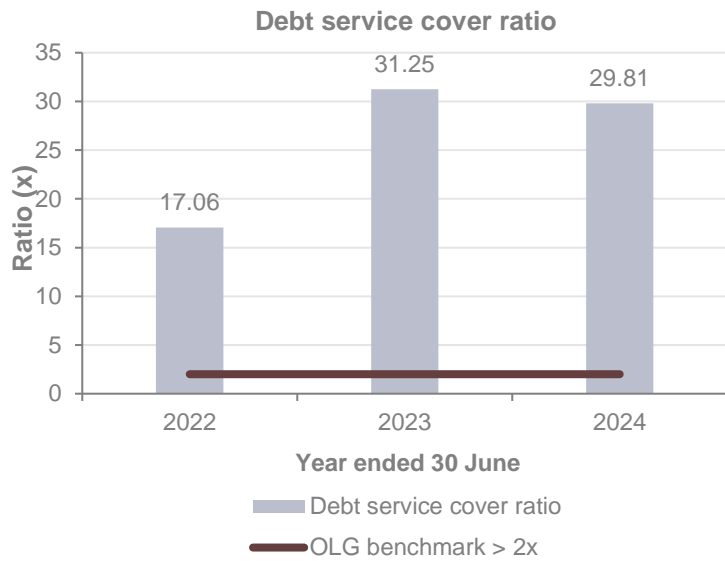


Debt service cover ratio

The Council exceeded the benchmark for the current reporting period.

The debt service cover ratio decreased to 29 times (2023: 31 times) due to the decrease in operating result before capital excluding interest and depreciation / impairment/ amortization.

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.

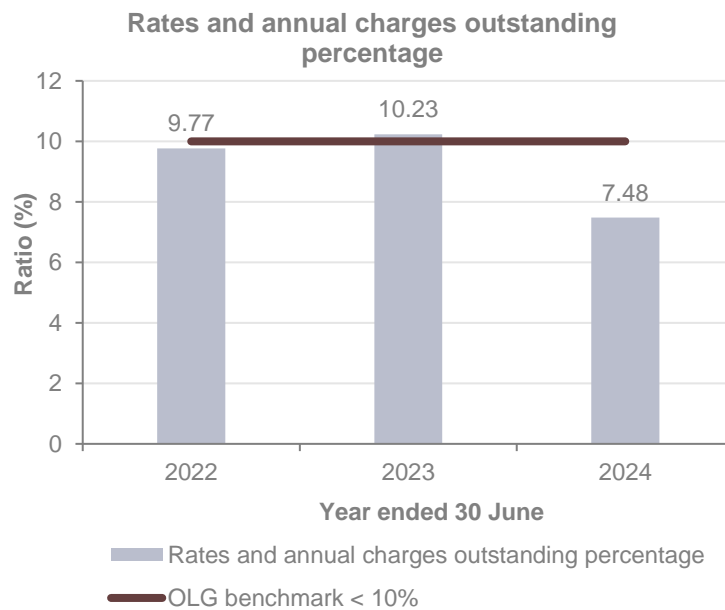


Rates and annual charges outstanding percentage

The Council meet the benchmark for the current reporting period.

The Council's rates and annual charges outstanding percentage ratio decreased to 7.48 per cent due to decrease in rates and annual charges outstanding at year end.

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

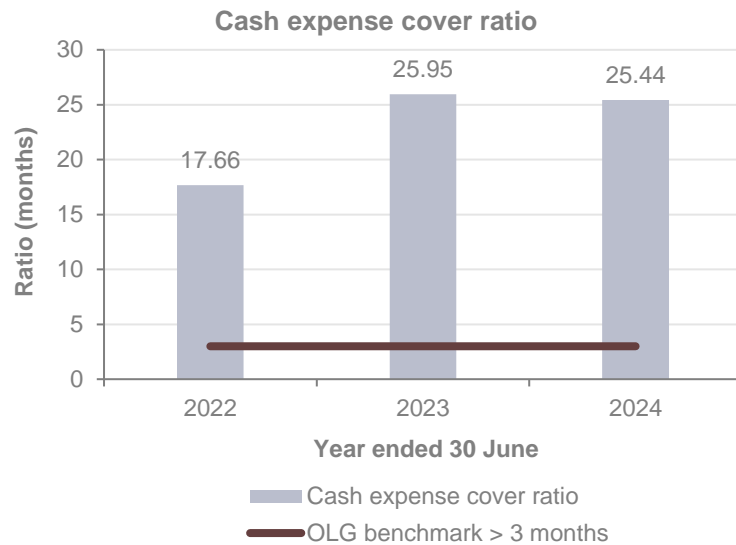


Cash expense cover ratio

The Council exceeded the benchmark for the current reporting period.

The Council's cash expense cover has decreased slightly due to an increase in monthly payments from cash flow of operating and financing activities.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$9.1 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads, and plant and equipment. The level of asset renewals in the current financial year increased by \$ 1.1 million (2023: \$8 million) mainly due to \$1.5 million additional investment on roads.

A further \$3.5 million was spent on new assets including roads assets.

Legislative compliance

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

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

Unaib Jeffrey
Associate Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Carrathool Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Carrathool Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Carrathool Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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


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

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

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

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


Signed in accordance with a resolution of Council made on 15 October 2024.



Cr Darryl Jardine
Mayor
15 October 2024



Rick Warren
General Manager
15 October 2024



Cr Beverley Furner
Councillor
15 October 2024



Robert Rayner
Responsible Accounting Officer
15 October 2024

Carrathool Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	1,152	1,076
User charges	1,682	1,331
Interest and investment income	20	18
Grants and contributions provided for operating purposes	94	153
Net gain from the disposal of assets	1	–
Other income	38	29
Total income from continuing operations	2,987	2,607
Expenses from continuing operations		
Employee benefits and on-costs	536	456
Borrowing costs	46	51
Materials and services	1,113	1,035
Depreciation, amortisation and impairment	945	997
Net loss from the disposal of assets	–	57
Total expenses from continuing operations	2,640	2,596
Surplus (deficit) from continuing operations before capital amounts	347	11
Grants and contributions provided for capital purposes	–	162
Surplus (deficit) from continuing operations after capital amounts	347	173
Surplus (deficit) from all operations before tax	347	173
Less: corporate taxation equivalent (25%) [based on result before capital]	(87)	(3)
Surplus (deficit) after tax	260	170
Plus accumulated surplus	8,218	8,045
– Corporate taxation equivalent	87	3
Closing accumulated surplus	8,565	8,218
Return on capital %	1.0%	0.2%
Subsidy from Council	1,232	1,395
Calculation of dividend payable:		
Surplus (deficit) after tax	260	170
Less: capital grants and contributions (excluding developer contributions)	–	(162)
Surplus for dividend calculation purposes	260	8
Potential dividend calculated from surplus	130	4

Carrathool Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	696	626
Interest and investment income	5	5
Grants and contributions provided for operating purposes	5	5
Other income	(3)	3
Total income from continuing operations	703	639
Expenses from continuing operations		
Employee benefits and on-costs	105	82
Borrowing costs	9	10
Materials and services	131	104
Depreciation, amortisation and impairment	174	120
Net loss from the disposal of assets	-	7
Total expenses from continuing operations	419	323
Surplus (deficit) from continuing operations before capital amounts	284	316
Grants and contributions provided for capital purposes	20	210
Surplus (deficit) from continuing operations after capital amounts	304	526
Surplus (deficit) from all operations before tax	304	526
Less: corporate taxation equivalent (25%) [based on result before capital]	(71)	(79)
Surplus (deficit) after tax	233	447
Plus accumulated surplus	3,652	3,126
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	71	79
Closing accumulated surplus	3,956	3,652
Return on capital %	4.9%	5.8%
Subsidy from Council	-	-
Calculation of dividend payable:		
Surplus (deficit) after tax	233	447
Less: capital grants and contributions (excluding developer contributions)	(20)	(210)
Surplus for dividend calculation purposes	213	237
Potential dividend calculated from surplus	107	119

Carrathool Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	3,266	2,739
Receivables	184	186
Total current assets	3,450	2,925
Non-current assets		
Receivables	343	347
Infrastructure, property, plant and equipment	37,783	36,242
Total non-current assets	38,126	36,589
Total assets	41,576	39,514
LIABILITIES		
Current liabilities		
Contract liabilities	16	16
Payables	53	1
Borrowings	111	107
Total current liabilities	180	124
Non-current liabilities		
Borrowings	1,086	1,196
Total non-current liabilities	1,086	1,196
Total liabilities	1,266	1,320
Net assets	40,310	38,194
EQUITY		
Accumulated surplus	8,564	8,218
Revaluation reserves	31,746	29,976
Total equity	40,310	38,194

Carrathool Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	1,424	1,304
Receivables	31	39
Total current assets	1,455	1,343
Non-current assets		
Receivables	57	72
Infrastructure, property, plant and equipment	6,015	5,607
Total non-current assets	6,072	5,679
Total assets	7,527	7,022
LIABILITIES		
Current liabilities		
Contract liabilities	–	20
Payables	1	1
Borrowings	54	53
Total current liabilities	55	74
Non-current liabilities		
Borrowings	291	346
Total non-current liabilities	291	346
Total liabilities	346	420
Net assets	7,181	6,602
EQUITY		
Accumulated surplus	3,956	3,651
Revaluation reserves	3,225	2,951
Total equity	7,181	6,602

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 has no Category 1 business activities

Category 2

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

- a. Carrathool Shire Council Combined Urban Water Supply
- b. Goolgowi Rural Water Supply
- c. Rankins Springs Rural Water Supply
- d. Melbergen Rural Water Supply

Comprising the whole of the Carrathool Shire Council Water Supply operations and net assets.

- e. Carrathool Shire Council Combined Urban Sewerage Services

Comprising the whole of the Carrathool Shire Council Sewerage Reticulation & Treatment operations and net assets

Taxation equivalent charges

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

Notional rate applied (%)

Note – Material accounting policy information (continued)

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

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

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

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

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

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

Income tax

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

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

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

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

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

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

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.

(iii) Dividends

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

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

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

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

Note – Material accounting policy information (continued)

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Carrathool Shire Council

To the Councillors of Carrathool Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Carrathool 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 Business Activity
- Sewerage Business Activity.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Unaib Jeffrey', with a long, sweeping flourish extending to the right.

Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Carrathool Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Carrathool Shire Council

Special Schedules

for the year ended 30 June 2024

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Carrathool Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	3,622	3,748
Plus or minus adjustments ²	b	12	29
Notional general income	c = a + b	3,634	3,777
Permissible income calculation			
Percentage increase	d	3.70%	5.50%
Plus percentage increase amount ³	f = d x (c + e)	134	208
Sub-total	g = (c + e + f)	3,768	3,985
Plus (or minus) last year's carry forward total	h	–	21
Sub-total	j = (h + i)	–	21
Total permissible income	k = g + j	3,768	4,006
Less notional general income yield	l	3,748	3,989
Catch-up or (excess) result	m = k – l	21	16
Carry forward to next year ⁶	p = m + n + o	21	16

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Carrathool Shire Council

To the Councillors of Carrathool Shire Council

Opinion

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



Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Carrathool 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	Council Offices / Administration Centres	–	–	20	24	2,137	4,121	89.0%	11.0%	0.0%	0.0%	0.0%
	Council Works Depot	–	–	35	61	1,017	2,168	12.0%	88.0%	0.0%	0.0%	0.0%
	Buildings – specialised	–	–	50	58	2,321	3,090	41.0%	59.0%	0.0%	0.0%	0.0%
	Council Public Halls	–	–	15	12	3,749	8,293	22.0%	73.0%	5.0%	0.0%	0.0%
	Libraries	–	–	12	7	1,492	2,649	0.0%	100.0%	0.0%	0.0%	0.0%
	Cultural Facilities	261	–	–	–	–	947	0.0%	0.0%	0.0%	100.0%	0.0%
	Other Buildings	–	–	160	118	13,191	16,319	46.0%	32.0%	18.0%	4.0%	0.0%
	Council Dwellings	–	–	35	39	4,097	6,075	42.0%	58.0%	0.0%	0.0%	0.0%
	Sub-total	261	–	327	319	28,004	43,662	39.1%	49.5%	7.7%	3.7%	0.0%
Other structures	Other structures	–	–	2	2	140	157	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	2	2	140	157	100.0%	0.0%	0.0%	0.0%	0.0%
Roads	Roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sealed roads	–	–	2,892	3,066	81,567	100,229	39.0%	36.0%	25.0%	0.0%	0.0%
	Unsealed roads	218	–	3,484	3,572	66,788	91,503	14.0%	34.0%	46.0%	6.0%	0.0%
	Bridges	–	–	20	15	28,312	34,112	95.0%	5.0%	0.0%	0.0%	0.0%
	Footpaths	–	–	20	8	2,589	3,183	75.0%	19.0%	6.0%	0.0%	0.0%
	Access Roadways and Carparks	–	–	5	2	353	498	0.0%	76.0%	24.0%	0.0%	0.0%
	Major Road Culverts	–	–	10	8	1,315	2,017	34.0%	26.0%	40.0%	0.0%	0.0%
	Kerb and Gutter	–	–	20	2	2,769	3,960	58.0%	39.0%	3.0%	0.0%	0.0%
	Other road assets (incl. bulk earth works)	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	218	–	6,451	6,673	183,693	235,502	38.1%	30.6%	29.0%	2.3%	0.0%
Water supply network	Bores	–	–	10	7	541	1,119	0.0%	39.0%	61.0%	0.0%	0.0%
	Mains	–	–	292	326	30,286	68,173	19.0%	11.0%	67.0%	3.0%	0.0%
	Reservoirs	–	–	65	38	2,341	4,838	0.0%	12.0%	88.0%	0.0%	0.0%
	Pumping Stations/s	–	–	308	290	1,962	3,350	8.0%	76.0%	16.0%	0.0%	0.0%
	Treatment	–	–	42	39	1,459	2,083	37.0%	17.0%	46.0%	0.0%	0.0%
	Telemetry	–	–	64	46	529	925	92.0%	8.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	781	746	37,118	80,488	18.4%	14.3%	64.7%	2.5%	0.0%

Carrathool Shire Council

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

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					
Sewerage network	Mains	–	–	39	32	3,215	5,398	2.0%	8.0%	90.0%	0.0%	0.0%
	Pumping Stations/s	–	–	54	33	1,121	2,135	5.0%	40.0%	55.0%	0.0%	0.0%
	Treatment	–	–	32	32	1,398	1,917	10.0%	0.0%	90.0%	0.0%	0.0%
	Telemetry	–	–	9	6	236	323	93.0%	7.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	134	103	5,970	9,773	7.2%	13.4%	79.4%	0.0%	0.0%
Stormwater drainage	Stormwater drainage	124	–	50	31	3,628	51,073	6.0%	52.0%	42.0%	0.0%	0.0%
	Sub-total	124	–	50	31	3,628	51,073	6.0%	52.0%	42.0%	0.0%	0.0%
Open space / recreational assets	Swimming pools	–	–	108	116	4,102	5,314	75.0%	25.0%	0.0%	0.0%	0.0%
	Recreational Infrastructure	–	–	10	15	4,847	6,479	54.0%	42.0%	4.0%	0.0%	0.0%
	Sub-total	–	–	118	131	8,949	11,793	63.5%	34.3%	2.2%	0.0%	0.0%
Other infrastructure assets	Levee Banks	–	–	40	–	2,023	2,272	54.0%	30.0%	16.0%	0.0%	0.0%
	Sub-total	–	–	40	–	2,023	2,272	54.0%	30.0%	16.0%	0.0%	0.0%
Total – all assets		603	–	7,903	8,005	269,525	434,720	30.9%	31.7%	35.4%	2.1%	0.0%

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

Infrastructure asset condition assessment 'key'

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

Carrathool 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	6,111	127.82%	105.82%	40.29%	> 100.00%
Depreciation, amortisation and impairment	4,781				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	603	0.22%	0.21%	0.23%	< 2.00%
Net carrying amount of infrastructure assets	271,076				
Asset maintenance ratio					
Actual asset maintenance	8,005	101.29%	108.69%	154.95%	> 100.00%
Required asset maintenance	7,903				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	–	0.00%	0.00%	0.00%	
Gross replacement cost	434,720				

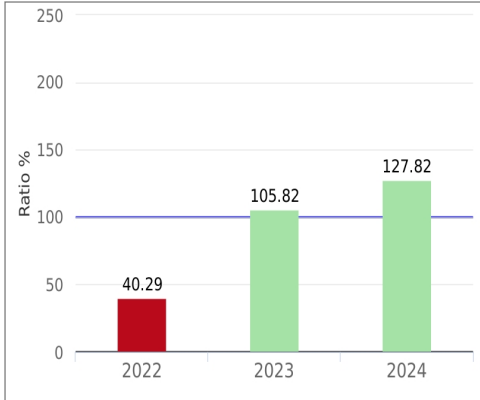
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Carrathool Shire Council

Report on infrastructure assets as at 30 June 2024

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

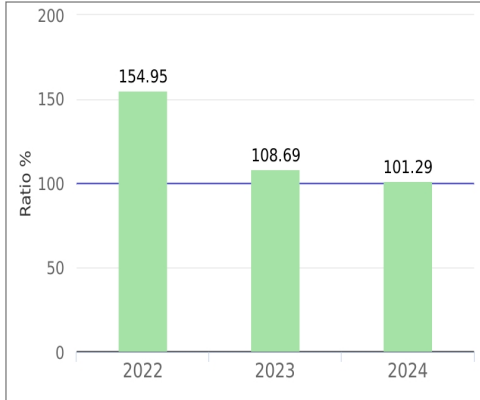
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result	
23/24 ratio	127.82%
Council again utilised grant funding for asset renewal in improving Council's existing assets.	

Benchmark: — > 100.00% ■ Ratio achieves benchmark ■ Ratio is outside benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Asset maintenance ratio



Asset maintenance ratio

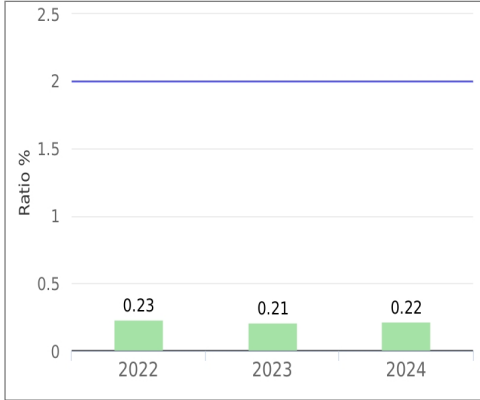
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on result	
23/24 ratio	101.29%
Council has been able to maintain its asset maintenance regime due to the large grant program Council has received.	

Benchmark: — > 100.00% ■ Ratio achieves benchmark ■ Ratio is outside benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Infrastructure backlog ratio



Infrastructure backlog ratio

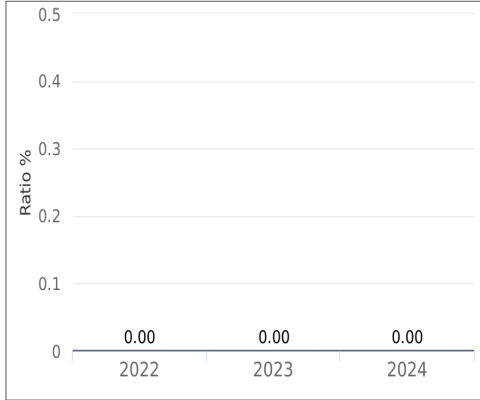
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result	
23/24 ratio	0.22%
Council's infrastructure backlog has increased slightly due to increased inflation but is still well within the required ratio.	

Benchmark: — < 2.00% ■ Ratio achieves benchmark ■ Ratio is outside benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result	
23/24 ratio	0.00%

Carrathool 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	166.74%	134.41%	0.00%	0.00%	0.00%	0.00%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.26%	0.26%	0.00%	0.00%	0.00%	0.00%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	102.40%	113.47%	95.52%	86.90%	76.87%	52.55%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

(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.



Welcome to
LACHLAN RIVER
WALKING TRAIL