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**NARROMINE SHIRE COUNCIL**  
**ORDINARY MEETING BUSINESS PAPER – 11 SEPTEMBER 2024**  
**REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY**

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**1. INVESTMENT REPORT AS AT 31 AUGUST 2024**

<b>Author</b>	Director Finance & Corporate Strategy
<b>Responsible Officer</b>	Director Finance & Corporate Strategy
<b>Link to Strategic Plans</b>	CSP – 4.3 A financially sound Council that is responsible and sustainable DP - 4.3.1.5 Provide monthly cash balances and detailed quarterly financial reports to Council.

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**Executive Summary**

Council's investments are made in accordance with legislative requirements and are certified as such by the Responsible Accounting Officer. This report details Council's investments as at 31 August 2024.

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**Report**

Under the Local Government Act 1993 and Local Government (General) Regulation 2021, the Responsible Accounting Officer is required to report on Council's Investment portfolio on a monthly basis. The report must be made up to the last day of the month immediately preceding the meeting.

The management of Council's Investments is delegated by the General Manager to the Director of Finance and Corporate Strategy.

Council's investments are made in accordance with the Local Government Act 1993, Local Government (General) Regulation 2021, Ministerial Investment Order issued February 2011, the Office of Local Government's Guidelines and Council's Investment Policy.

Council's investment portfolio is managed through term deposits and the current interest rates range from 4.92% to 5.20%. During August, Council's total cash and investments increased by \$1.283M from \$25,453M to \$26,736M. This is due to the transfer of excess funds from the cheque account to investments. Council's investment portfolio as at 31 August 2024 is attached as **Attachment No. 1**.

**Financial Implications**

The 2024/25 Budget estimates the total annual Investment Revenue as \$880,000 which represents an estimated return of 4.29% and is split proportionally across General, Water and Sewer Funds and changes on a monthly basis in accordance with cash flow requirements.

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**1. INVESTMENT REPORT AS AT 31 AUGUST 2024 (Cont'd)**

***Legal and Regulatory Compliance***

- Local Government Act, 1993 – Section 625
- Local Government (General) Regulation, 2021 – Clause 212
- Council Investment Policy 2023
- Ministerial Investment Order – 12 January 2011

***Risk Management Issues***

Council's risk management strategy is to diversify the allocation of funds across different financial institutions and government authorities based on credit ratings as per the Investment Policy. The investment portfolio is regularly reviewed in order to maximise investment performance and minimise risk.

**Certification – Responsible Accounting Officer**

I hereby certify that the investments listed in the report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2021 and Council's Investment Policy.

**Attachments**

- 1 Investment Portfolio as at 31 August 2024

**RECOMMENDATION**

1. That the report regarding Council's Investment Portfolio be received and noted;
2. That the certification of the Responsible Accounting Officer be noted and the report adopted.

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**2 FINANCIAL REPORT – 31 AUGUST 2024**

**Author** Director Finance and Corporate Strategy

**Responsible Officer** Director Finance and Corporate Strategy

**Link to Strategic Plans**

CSP – 4.3.1 – Operate and manage Council in a financially sustainable manner that meets all statutory and regulatory compliance and Council policies.

Delivery Program – 4.3.1.5 - Provide monthly cash balances and detailed quarterly financial reports to Council.

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**Executive Summary**

This report provides information to Council regarding its financial performance and position for the period ended 31 August 2024 and progress of the 2024/25 capital works program.

## **2. FINANCIAL REPORT – 31 AUGUST 2024 (Cont'd)**

### **Report**

The financial report as 31 August 2024 has been prepared and is presented to Council as **Attachment No.2**.

This report provides information to Council regarding its actual income and expenditure for the period ended 31 August 2024 and compares it to the budgeted income and expenditure for the year. Council adopted its budget for the 2024-25 financial year as part of the Operational Plan at the June 2024 Ordinary Council Meeting.

### **Financial Implications**

There are no variations proposed to Council in this report.

### **Legal and Regulatory Compliance**

*The Local Government (General) Regulation 2021* (the Regulations) clause 202, states that Council's Responsible Accounting Officer must:

- “a) establish and maintain a system of budgetary control that will enable the council's actual income and expenditure to be monitored each month and to be compared with the estimate of Council's income and expenditure; and
- b) if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of Council.”

### Attachments

- 2 Financial report as at 31 August 2024

## **RECOMMENDATION**

That the financial report as at 31 August 2024 be received and noted.

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## **3 DRAFT 2023/2024 FINANCIAL STATEMENTS REFERRAL TO AUDIT**

<b>Author</b>	Director Finance and Corporate Strategy
<b>Responsible Officer</b>	Director Finance and Corporate Strategy
<b>Link to Strategic Plans</b>	CSP – 4.3 A financially sound Council that is responsible and sustainable

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### **Executive Summary**

This report presents the Draft 2023/2024 Financial Statements (**see Attachment No. 3**) to be referred to audit.

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### **3 DRAFT 2023/2024 FINANCIAL STATEMENTS REFERRAL TO AUDIT (Cont'd)**

#### **Report**

Section 413(1) of the Local Government Act requires that Council must prepare financial reports for each year, and must refer them for audit as soon as practicable (having regard to the requirements of section 416(1)) after the end of that year.

Under Section 416(1) Council's financial reports must be audited within 4 months after the end of the year concerned, and under section 428(4)(a) the audited financial reports must be included in Council's Annual Report.

Within the financial reports, the Statements required by section 413(2)(c) of the Act must be made by a resolution of the Council and be signed by the Mayor, one other member of the Council, the Responsible Accounting Officer and the General Manager.

The audit of the draft Financial Statements will commence on 13 September 2024 and be conducted by the Audit Office of NSW.

#### ***Financial Overview***

Council's total income for the year was \$37,425 million. Major sources of income include rates and annual charges (28%) and operating and capital grants of \$21,627million (58% of total income).

Operating expenses for the year were \$32,808 million which is \$7,088 million higher than the previous year.

Council reported a net operating result of \$4,617 million and equity slightly increased for the 2023-24 financial year.

#### ***Financial Implications***

The Annual Financial Statements report on Council's financial performance, results and position for the 2023/2024 financial year.

#### ***Legal and Regulatory Compliance***

Local Government Act, 1993 – Sections 413(1) and 413(2)(c)  
Local Government (General) Regulation 2021 – Clause 215  
Local Government Code of Accounting Practice and Financial Reporting 2023/24  
Australian Accounting Standards

#### ***Risk Management Issues***

Compliance with legislative requirements

**3. DRAFT 2023/2024 FINANCIAL STATEMENTS REFER TO AUDIT (cont'd)**

***Internal/External Consultation***

NSW Audit Office – Annual Engagement Plan  
NSC Audit Risk and Improvement Committee

Attachments

- Draft General Purpose Financial Statements for the year ended 30 June 2024
- Draft Special Purpose Financial Statements for the year ended 30 June 2024
- Draft Special Schedules for year ended 30 June 2024

**RECOMMENDATION**

1. That Council's 2023/24 Draft Financial Statements be referred to the NSW Audit Office for audit.
2. That Council certifies that the 2023/24 Draft 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;
  - present fairly Council's operating result and financial position for the year;
  - accord with Council's accounting and other records;
  - and that Council is not aware of any matter that would render this report false or misleading in any way.
3. That Council adopts the Statements by Councillors and Management and resolves that they be signed and attached to the year-end accounts.
4. That Council delegates to the General Manager the authority to "fix the date" for the meeting at which the Audited Financial Statements and auditors reports are to be presented to the public and give public notice of the date so fixed (as per section 418(1) of the Local Government Act 1993).

Barry Bonthuys  
**Director Finance & Corporate Strategy**  
**Responsible Accounting Officer**

## Attachment 1 - Investments as at 31 August 2024

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
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### Cash & At Call

Commonwealth Bank	AA-	Business Online Saver - at call - Interest - Special rate 4.25%	A-1+	4.25%	N/A	6,735,599.54	S&P Short Term
<b>TOTAL</b>						<b>6,735,599.54</b>	
<b>Percentage of Total Portfolio</b>						<b>25.19%</b>	
<b>Average Investment Yield</b>						<b>4.25%</b>	

### Term Deposits

Commonwealth Bank	AA-	Term Deposit - 06/09/2024	A-1+	4.92%	242 Days	3,000,000.00	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 02/10/2024	A-1+	4.98%	242 Days	2,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 04/11/2024	A-1+	5.10%	244 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 04/12/2024	A-1+	5.05%	244 Days	2,000,000.00	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 06/01/2025	A-1+	5.05%	241 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 31/01/2025	A-1+	5.15%	245 Days	2,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 25/02/2025	A-1+	5.35%	239 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 27/03/2025	A-1+	5.20%	238 Days	2,000,000.00	S&P Short Term
<b>TOTAL</b>						<b>20,000,000.00</b>	
<b>Percentage of Total Portfolio</b>						<b>74.81%</b>	
<b>Average Investment Yield</b>						<b>5.10%</b>	

**Total Investment Portfolio**

**26,735,599.54**



# **Financial Report**

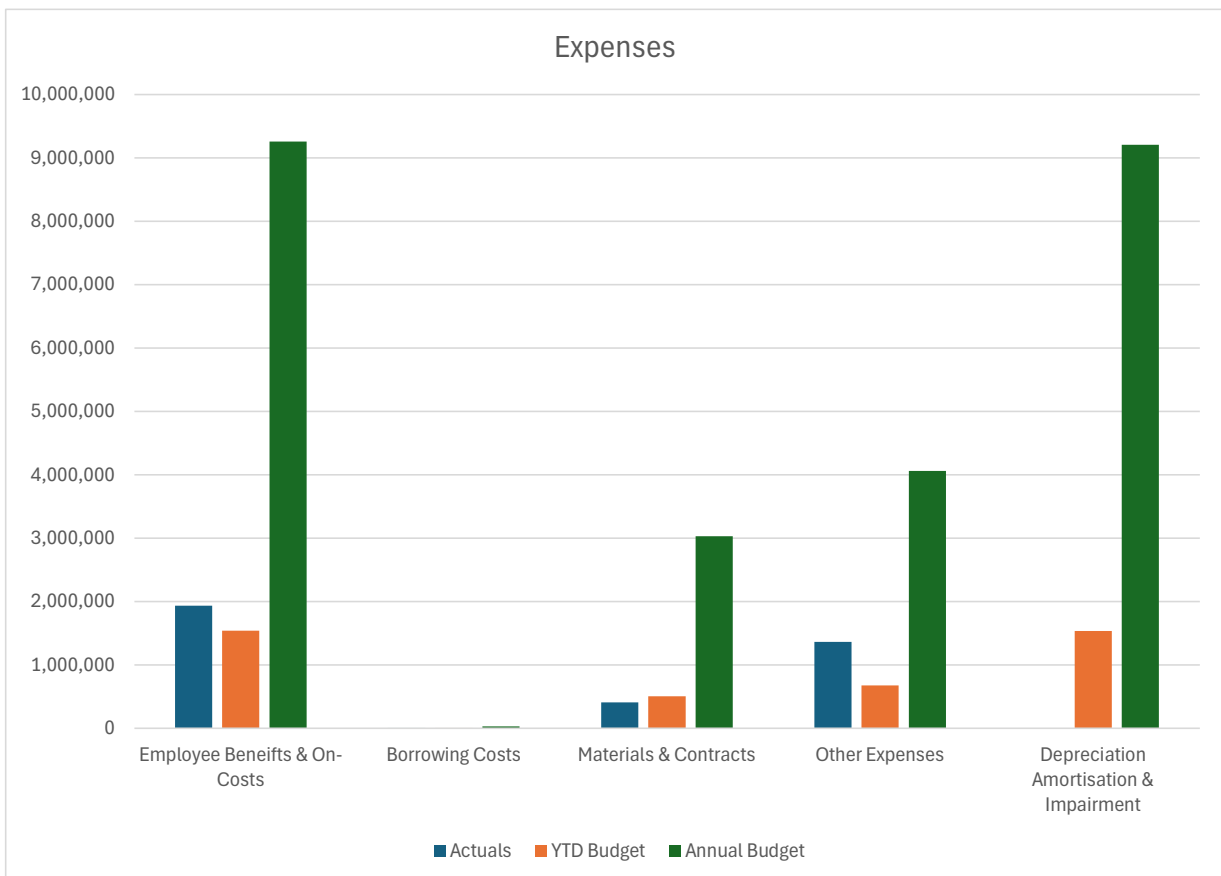
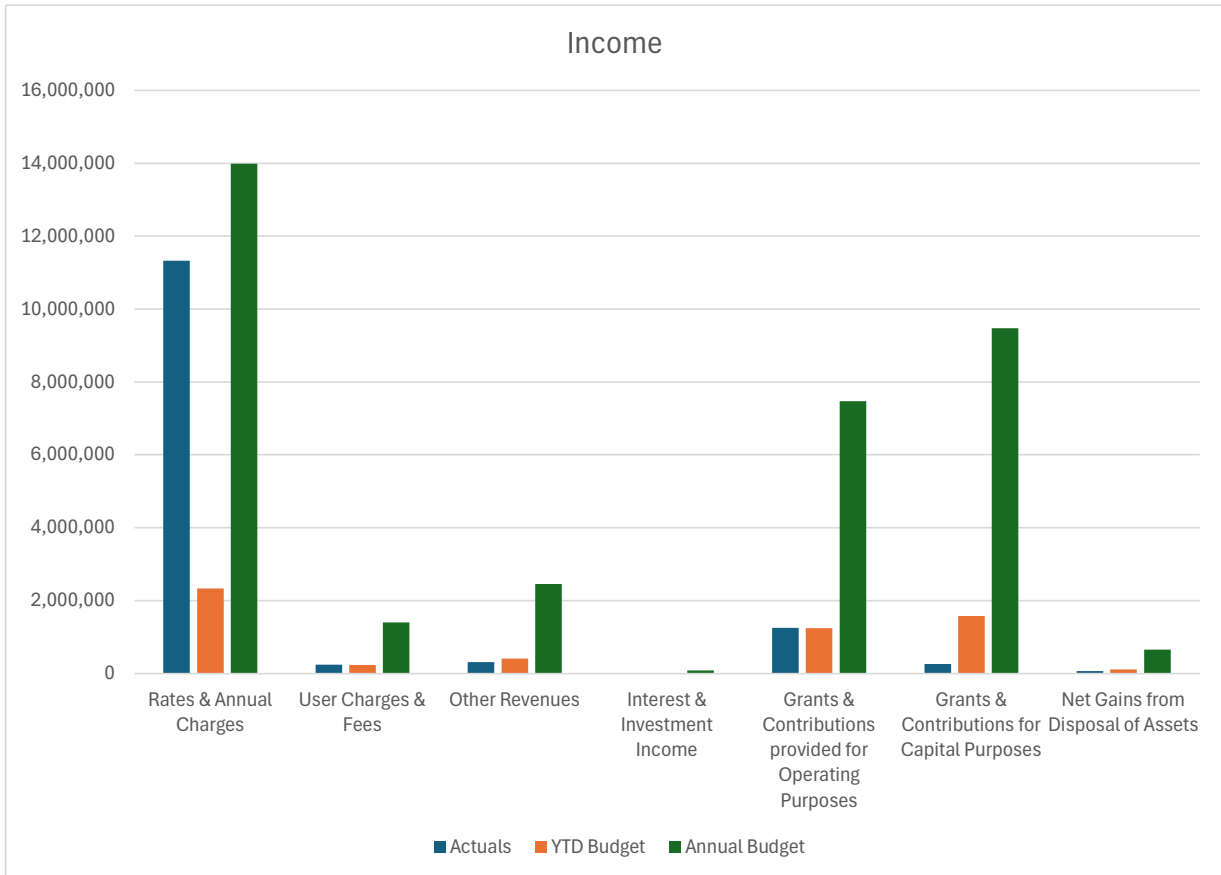
**For the period ended  
31 August 2024**

**Narromine Shire Council**  
**Income Statement**  
for the financial year to date 31 August 2024

<b>Resource Group</b>	<b>Actual YTD</b>	<b>Annual Budget</b>	<b>Variance \$</b>	<b>Variance %</b>
<b>Income</b>				
Rates & Annual Charges	11,324,832	13,990,603	2,665,771	81%
User Charges & Fees	239,588	1,399,009	1,159,421	17%
Other Revenues	312,542	2,459,615	2,147,073	13%
Interest & Investment Income	16,062	86,590	70,528	19%
Grants & Contributions provided for Operating Purposes	1,256,911	7,473,290	6,216,379	17%
Grants & Contributions for Capital Purposes	258,358	9,475,127	9,216,769	3%
<i>Other Income</i>			-	
Net Gains from Disposal of Assets	71,230	656,416	585,186	11%
<b>Income Total</b>	<b>13,479,523</b>	<b>35,540,650</b>	<b>22,061,127</b>	<b>38%</b>
<b>Expenditure</b>				
Employee Benefits & On-Costs	1,937,051	9,258,757	7,321,706	21%
Borrowing Costs	5,752	29,046	23,294	20%
Materials & Contracts	409,790	3,032,088	2,622,298	14%
Other Expenses	1,365,287	4,061,390	2,696,103	34%
Depreciation Amortisation & Impairment	-	9,209,528	9,209,528	0%
<b>Expenditure Total</b>	<b>3,717,880</b>	<b>25,590,809</b>	<b>21,872,929</b>	<b>15%</b>
<b>Total</b>	<b>9,761,643</b>	<b>9,949,841</b>	<b>188,198</b>	<b>98%</b>
<b>Net Operating Result Before Grants and Contributions Provided for Capital Purposes</b>	<b>9,503,285</b>	<b>474,714</b>	<b>(9,028,571)</b>	<b>2002%</b>



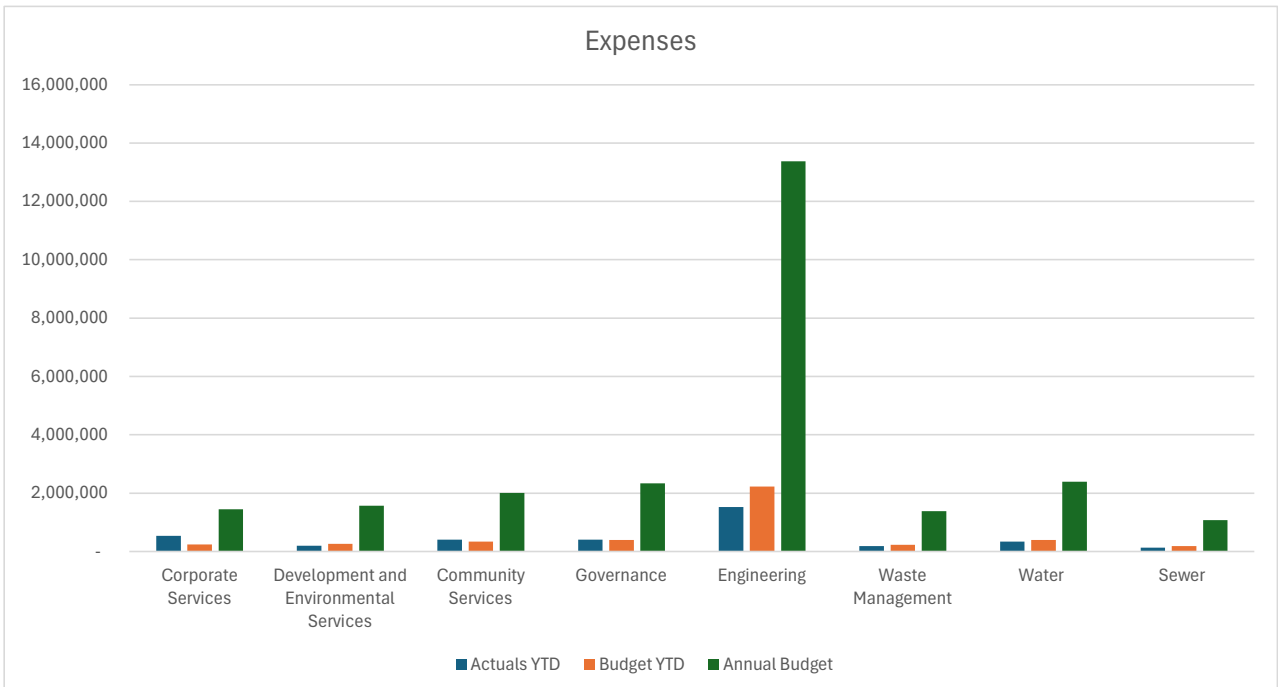
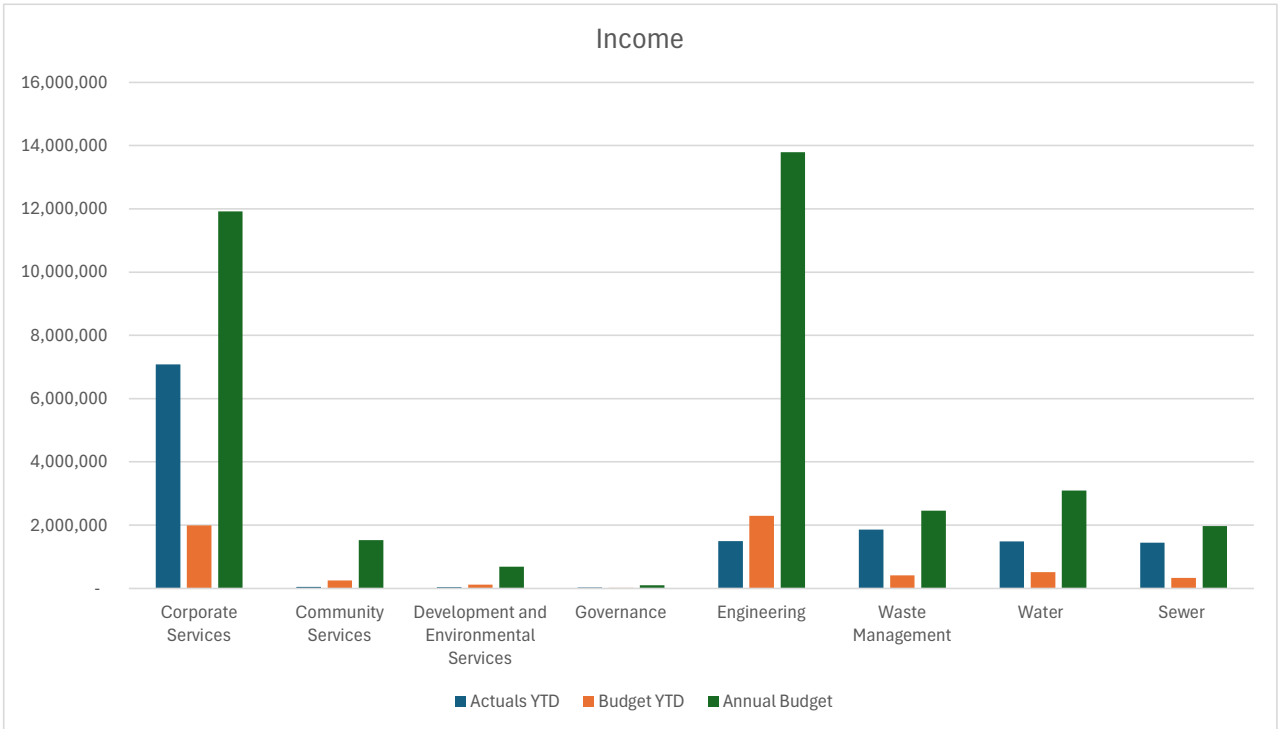
**Narromine Shire Council**  
**Income and Expenses Summary**  
**for the financial year to date 31 August 2024**



**Narromine Shire Council**  
**Income Statement by Department**  
for the financial year to date 31 August 2024

	Actual YTD	Annual Budget	Variance \$	Variance %
<b>Income</b>				
Corporate Services	7,083,645	11,917,377	4,833,732	59%
Community Services	48,895	1,521,614	1,472,719	3%
Development and Environmental Services	32,920	686,280	653,360	5%
Governance	25,235	98,250	73,015	26%
Engineering	1,498,863	13,790,543	12,291,680	11%
Waste Management	1,859,689	2,454,235	594,546	76%
Water	1,483,136	3,097,030	1,613,894	48%
Sewer	1,447,351	1,975,321	527,970	73%
<b>Income Total</b>	<b>13,479,734</b>	<b>35,540,650</b>	<b>22,060,916</b>	<b>38%</b>
<b>Expenditure</b>				
Corporate Services	533,930	1,446,747	912,817	37%
Development and Environmental Services	199,049	1,570,733	1,371,684	13%
Community Services	404,381	2,005,658	1,601,277	20%
Governance	402,158	2,339,644	1,937,486	17%
Engineering	1,523,148	13,375,369	11,852,221	11%
Waste Management	187,560	1,384,583	1,197,023	14%
Water	335,550	2,389,085	2,053,535	14%
Sewer	132,315	1,078,990	946,675	12%
<b>Expenditure Total</b>	<b>3,718,091</b>	<b>25,590,809</b>	<b>21,872,718</b>	<b>15%</b>
<b>Total</b>	<b>9,761,643</b>	<b>9,949,841</b>	<b>188,198</b>	<b>98%</b>

**Narromine Shire Council**  
**Income Statement by Department**  
**for the financial year to date 31 August 2024**



Attachment No. 2

CAPITAL WORKS PROGRAM 2024/25						
Asset Class	Town	Project Description				Budget %
			Actuals	Annual Budget	Variance	
Corporate and Financial Services	Shire	Capital Contingency Fund	-	200,000	200,000	0%
<b>Total Corporate and Financial Services</b>			-	<b>200,000</b>	<b>200,000</b>	<b>0%</b>
Buildings	Narromine	Council Chamber - Rear Shed Flooring	-	20,000.00	20,000	0%
Buildings	Shire	Mungery Hall Upgrade (CAP 023)	-	278,964	278,964	0%
Buildings	Narromine	Customer and Payment Centre - Awning (Roof Patio)	-	18,000	18,000	0%
Buildings	Narromine	Depot Upgrade - Improved Storage, Automated Gates, Awning, Generator, Switchboard	-	80,000	80,000	0%
Buildings	Trangie	Library Extension - Local Roads and Community Infrastructure Program Phase 4	2,100	220,000	217,900	1%
Buildings	Narromine	Library Upgrade - Local Roads and Community Infrastructure Program Phase 4	1,800	180,000	178,200	1%
<b>Total Buildings</b>			<b>3,900</b>	<b>796,964</b>	<b>793,064</b>	<b>2%</b>
Cemeteries	Narromine	Narromine Cemetery (Dappo Road) Toilet Block	-	11,746	11,746	0%
Cemeteries	Narromine	Baby Graves Upgrade	11,442	25,000	13,558	46%
Cemeteries	Narromine	Headstone Slabs	-	6,000	6,000	0%
Cemeteries	Trangie	Landscape and Upgrades	-	15,000	15,000	0%
<b>Total Cemeteries</b>			<b>11,442</b>	<b>57,746</b>	<b>46,304</b>	<b>46%</b>
IT Services	Narromine	Civica eServices	-	20,000	20,000	0%
IT Services	Narromine	Optic Fibre Cable Network - Stage 3	-	35,000	35,000	0%
IT Services	Narromine	Virtual Hardware Server Replacement - Main Site and Disaster Recovery Site	-	125,000	125,000	0%
IT Services	Narromine	Records System Upgrade to CM10	-	15,000	15,000	0%
IT Services	Narromine	UPS (Battery Back-up) Replacements	-	25,000	25,000	0%
IT Services	Narromine	Street Watch CCTV Server Upgrade	-	17,000	17,000	0%
<b>Total IT Services</b>			-	<b>237,000</b>	<b>237,000</b>	<b>0%</b>
Real Estate Development	Trangie	Subdivision & Development of Derribong St Trangie Land	15,934	239,057	223,123	7%
Real Estate Development	Narromine	Industrial Estate Land Development - Business Planning Freight Exchange	3,820	412,173	408,353	1%
Real Estate Development	Narromine	Residential Land Development - 36 Jones Circuit	1,177,342	1,300,000	122,658	91%
<b>Total Real Estate Development</b>			<b>1,197,096</b>	<b>1,951,230</b>	<b>754,134</b>	<b>98%</b>
Recreation Facilities	Narromine	Fowler Engine Restoration	-	5,000	5,000	0%
Recreation Facilities	Narromine	Pool Upgrade Works - Fencing, Benches & Seating, Entrance Landscaping	15,455	88,161	72,706	18%
Recreation Facilities	Trangie	Dandaloo Street - Public Toilets Screening (Section 7.12 Contributions)	-	5,000	5,000	0%
Recreation Facilities	Narromine	Dundas Park - Playground Upgrades	-	13,659	13,659	0%
Recreation Facilities	Trangie	Argonauts Park - Park and Area Upgrades	-	21,855	21,855	0%
<b>Total Recreation Facilities</b>			<b>15,455</b>	<b>133,675</b>	<b>118,220</b>	<b>18%</b>
Saleyards	Narromine	Saleyards Redevelopment - Planning, Design and Consultation	-	50,000	50,000	0%
<b>Total Saleyards</b>			-	<b>50,000</b>	<b>50,000</b>	<b>0%</b>
Roads	Narromine	Rural Roads - Tomingley and Gainsborough Road Intersection Upgrade (Block Grant)	18,065	250,000	231,935	7%
Roads	Shire	Rural Roads - Resources For Regions - Round 9 - R4R9 - Road Resheeting & Sealing Across The Shire	6,165	982,197	976,032	1%
Roads	Narromine	2023-24 FAGS - Narromine Footholds - Cycleways - Pedestrian Facility (Budget Only)	-	87,926	87,926	0%
Roads	Trangie	2023-24 FAGS - Trangie Footholds - Cycleways - Pedestrian Facility (Budget Only)	-	43,963	43,963	0%
Roads	Tomingley	2023-24 FAGS - Tomingley Footholds - Cycleways - Pedestrian Facility (Budget Only)	-	14,654	14,654	0%
Roads	Narromine	2023-24 FAGS - Derribong Street - New Footpath Construction	-	289,425	289,425	0%
Roads	Shire	2023-24 FAGS - Rural Roads Gravel Resheet Program (Budget Only)	-	360,500	360,500	0%
Roads	Shire	Rural Roads - Rural Culvert Replacement Program	-	116,699	116,699	0%
Roads	Narromine	Tullamore Road (McGrane Way) Improvements - Reconstruction, Widening and Resealing 2km of Road (LRCP Phase 4)	356,917	524,729	167,812	68%
Roads	Narromine	Upgrade of Bus Stops (Country Passenger Transport Infrastructure Funding)	-	15,000	15,000	0%
Roads	Shire	Betterment Improvement Program- Tomingley	-	490,326	490,326	0%
Roads	Shire	Betterment Improvement Funding - Momo Road	-	184,800	184,800	0%
Roads	Shire	Betterment Improvement Funding - Lincoln Lane	-	335,382	335,382	0%
Roads	Shire	Betterment Improvement Funding - Jobs Road	-	2,822	2,822	0%
Roads	Shire	Betterment Improvement Funding - Herring's Lane	-	132,199	132,199	0%
Roads	Shire	Betterment Improvement Funding - Hamilton's Road	16,394	231,441	215,047	7%
Roads	Shire	Betterment Improvement Funding - Fairview Road	-	365,257	365,257	0%
Roads	Shire	Betterment Improvement Funding - Habernorth Road	-	9,408	9,408	0%
Roads	Shire	Betterment Improvement Funding - Frecklingtons Road	-	249,026	249,026	0%
Roads	Shire	Betterment Improvement Funding - Farrendale Road	-	73,382	73,382	0%
Roads	Shire	Betterment Improvement Funding - Euromedah Road	-	24,460	24,460	0%
Roads	Shire	Betterment Improvement Funding - Eureka Road	-	22,848	22,848	0%
Roads	Shire	Gainsborough Road - Tomingley Intersection Widening and Land Acquisition	-	40,000	40,000	0%
Roads	Trangie	FAGS 2024-25 Main Street Kerb Upgrade	-	30,000	30,000	0%
Roads	Shire	FAGS 2024-25 Roads Reseal, Resheeting and Upgrades	-	1,000,000	1,000,000	0%
Roads	Shire	Roads Reseal, Resheeting and Upgrades (Regional and Local Roads Repair Program Funding)	205,763	2,000,000	1,794,237	10%
Roads	Shire	FAGS 2024-25 Guard Rails Replacement and Upgrades	-	200,000	200,000	0%
Roads	Narromine	Kerb and Gutter Upgrades	-	77,250	77,250	0%
Roads	Trangie	Kerb and Gutter Upgrades	-	51,500	51,500	0%
<b>Total Roads</b>			<b>603,304</b>	<b>8,205,194</b>	<b>7,601,890</b>	<b>93%</b>
Sewer	Trangie	Sewer Treatment Plant Capital Upgrade - Trangie	-	247,774	247,774	0%
Sewer	Trangie	New Switch Boards - 4 Stations	-	240,000	240,000	0%
Sewer	Trangie	Upgrade of SPS 4	-	60,000	60,000	0%
Sewer	Shire	Minor Capital Works	-	24,487	24,487	0%
Sewer	Shire	Telemetry Upgrade High End Servers, Drives and Software	-	20,000	20,000	0%
<b>Total Sewer</b>			-	<b>592,261</b>	<b>592,261</b>	<b>0%</b>
Stormwater	Narromine	Drainage - Meringo Street Narromine	-	40,836	40,836	0%
Stormwater	Trangie	Trangie Lined and Unlined Open Channel Drain - Capital Program	-	150,000	150,000	0%
Stormwater	Tomingley	Lined & Outlined Open Channel Drain - Capital Program	-	10,000	10,000	0%
Stormwater	Narromine	Resources For Regions - Round 9 - R4R9 - Narromine Northern Catchment Storm Water Project - Stage 1	3,445	1,923,713	1,920,268	0%
<b>Total Stormwater</b>			<b>3,445</b>	<b>2,124,549</b>	<b>2,121,104</b>	<b>0%</b>
Waste Management	Narromine	Narromine Transfer Station Design	-	-	-	0%
Waste Management	Trangie	Trangie Transfer Station Design	-	25,000	25,000	0%
Waste Management	Narromine	Irrigation - Waste Facilities	-	36,850	36,850	0%
Waste Management	Narromine	2 X Fire fighting tanks including pumps and sprays - Waste Facilities	-	32,862	32,862	0%
Waste Management	Narromine	Security upgrades extra cameras - Waste Facilities	-	22,830	22,830	0%
Waste Management	Narromine	Security Fencing	-	50,000	50,000	0%
Waste Management	Narromine	CCTV	-	80,000	80,000	0%
Waste Management	Narromine	New Meals Room Facilities	-	60,000	60,000	0%
Waste Management	Tomingley	Waste Depot Improvements	-	50,000	50,000	0%
<b>Total Waste Management</b>			-	<b>357,542</b>	<b>357,542</b>	<b>0%</b>
Water Supply	Narromine	Resources For Regions Round 9 - R4R9 - Narromine Northern Zone Water Pressure Booster System	13,072	200,000	186,928	7%

Attachment No. 2

CAPITAL WORKS PROGRAM 2024/25						
Asset Class	Town	Project Description				Budget %
			Actuals	Annual Budget	Variance	
Water Supply	Narromine	Concept and Detailed Design WTP	-	300,000	300,000	0%
Water Supply	Shire	Network Mains Replacement	2,431	202,155	199,724	1%
Water Supply	Trangie	Harris Street Main Replacement and Relocation of Treated Water Standpipe	-	67,980	67,980	0%
Water Supply	Shire	Water Quality Online Monitoring Systems	9,581	27,825	18,244	34%
Water Supply	Tomingley	Water Tank (Alkane Fund)	28,276	100,000	71,724	28%
Water Supply	Tomingley	Installation of Generator at Tomingley Water Treatment Plant (Alkane Fund)	-	15,000	15,000	0%
Water Supply	Tomingley	Installation of Smart Meter Receiver (Alkane Fund)	-	15,000	15,000	0%
Water Supply	Tomingley	Installation of Satellite Internet Connection (Alkane Fund)	-	12,000	12,000	0%
<b>Total Water Supply</b>			<b>53,360</b>	<b>939,960</b>	<b>886,600</b>	<b>70%</b>
Plant and Equipment	Narromine	New and Replacement - Plant and Vehicles 24/25	144,290	3,270,013	3,125,723	4%
<b>Total Plant and Equipment</b>			<b>144,290</b>	<b>3,270,013</b>	<b>3,125,723</b>	<b>4%</b>
<b>GRAND TOTAL</b>			<b>2,032,292</b>	<b>18,866,134</b>	<b>16,833,842</b>	<b>11%</b>

## Narromine Shire Council - Revenue and Expenditure Budget

Master Account	Actuals YTD 2025	Budget	Variance \$	Budget %
<b>Income - Operating</b>				
<b>Community Services</b>				
02700 - Real Estate Development	-	(182,937)	(182,937)	0%
02410 - Health Services	(19,071)	(116,889)	(97,818)	16%
02470 - Libraries	-	(86,549)	(86,549)	0%
02480 - Youth Services	-	(28,000)	(28,000)	0%
02640 - Hub-N-Spoke	(28,474)	(11,256)	17,218	253%
02600 - Tourism Operations	(769)	(4,846)	(4,077)	16%
02400 - Saleyards	(145)	-	145	0%
02460 - Community Service	(435)	-	435	0%
<b>Community Services Total</b>	<b>(48,895)</b>	<b>(430,477)</b>	<b>(381,582)</b>	<b>11%</b>
<b>Corporate Services</b>				
02990 - General Purpose Revenue	(6,694,382)	(6,786,480)	(92,098)	99%
01110 - Financial Services	(374,540)	(4,594,034)	(4,219,494)	8%
01100 - Corporate Services Mgmt	-	(473,479)	(473,479)	0%
01180 - Workers Compensation Claims Mgmt	(11,889)	(53,330)	(41,441)	22%
01150 - Human Resources Mgmt	-	(25,000)	(25,000)	0%
02240 - Corporate Administration Buildings	(1,613)	6,826	8,439	-24%
01130 - IT Services	(1,222)	8,120	9,342	-15%
<b>Corporate Services Total</b>	<b>(7,083,645)</b>	<b>(11,917,377)</b>	<b>(4,833,732)</b>	<b>59%</b>
<b>Development and Environmental Services</b>				
02830 - Building Control Services	(27,140)	(457,348)	(430,208)	6%
02880 - Rural Fire Service Mtce	-	(126,354)	(126,354)	0%
01210 - Noxious Weeds Operations	-	(74,435)	(74,435)	0%
02810 - Animal & Pest Control	(4,095)	(17,710)	(13,615)	23%
02840 - Health Administration & Inspection	(977)	(6,999)	(6,022)	14%
02831 - Building Control Services - Swim Pool Compliance	(212)	(2,898)	(2,686)	7%
02850 - Rural Fire Service Administration	(40)	(536)	(496)	7%
02800 - Environment	(455)	-	455	0%
<b>Development and Environmental Services Total</b>	<b>(32,920)</b>	<b>(686,280)</b>	<b>(653,360)</b>	<b>5%</b>
<b>Engineering</b>				
03200 - Water Supply	(1,395,636)	(3,077,926)	(1,682,290)	45%
02220 - Plant Operations	(606,532)	(2,366,604)	(1,760,072)	26%
03300 - Sewerage Services	(1,447,351)	(1,975,321)	(527,970)	73%
01340 - Rural Roads	(73,383)	(1,917,360)	(1,843,977)	4%
03410 - Domestic Waste Operations	(1,440,493)	(1,558,585)	(118,092)	92%
01360 - Regional Roads	(613,620)	(1,278,774)	(665,154)	48%
02200 - Quarry Operations	-	(1,051,652)	(1,051,652)	0%
03400 - Commercial Waste Operations	(240,057)	(715,984)	(475,927)	34%
02230 - Private Works	(52,631)	(292,690)	(240,059)	18%
03420 - Waste Management	(179,139)	(179,666)	(527)	100%
01290 - Mining	(82,880)	(168,000)	(85,120)	49%
01370 - Street Lighting	-	(111,780)	(111,780)	0%
02190 - Aerodrome Operations	(31,202)	(101,339)	(70,137)	31%
02210 - Cemetery Operations	(16,288)	(101,172)	(84,884)	16%
01200 - Engineering Mgmt	(145,999)	(89,790)	56,209	163%
02500 - Sports Centre	(15,004)	(88,656)	(73,652)	17%
02100 - Stormwater Mgmt	(205,341)	(53,444)	151,897	384%
02750 - Swimming Pools	(2,314)	(41,003)	(38,689)	6%
03201 - Water Supply - Lease Income	-	(19,104)	(19,104)	0%
01240 - Sports Grounds	-	(1,876)	(1,876)	0%
02260 - Buildings - Halls	-	(335)	(335)	0%
01220 - Parks & Reserves	-	(100)	(100)	0%
<b>Engineering Total</b>	<b>(6,547,872)</b>	<b>(15,191,161)</b>	<b>(8,643,289)</b>	<b>43%</b>

<b>Governance</b>				
04110 - Alliance of Western Councils Operations	-	(65,000)	(65,000)	0%
04600 - NSRAC Operations	(13,476)	(28,519)	(15,043)	47%
04700 - TSRAC Operations	(11,211)	(3,681)	7,530	305%
01020 - Governance	(330)	(1,050)	(720)	31%
04900 - Trangie Memorial Hall Operations	(218)	-	218	0%
<b>Governance Total</b>	<b>(25,235)</b>	<b>(98,250)</b>	<b>(73,015)</b>	<b>26%</b>
<b>Income Total</b>	<b>(13,738,567)</b>	<b>(28,323,545)</b>	<b>(14,584,978)</b>	<b>49%</b>
<b>Expenditure - Operating</b>				
<b>Community Services</b>				
02640 - Hub-N-Spoke	219	1,768	1,549	12%
02480 - Youth Services	-	15,452	15,452	0%
02460 - Community Service	27,865	59,313	31,448	47%
02400 - Saleyards	31,415	67,056	35,642	47%
02280 - Community Buildings	47,892	87,977	40,085	54%
02300 - Library Buildings	18,433	112,194	93,761	16%
02700 - Real Estate Development	99,978	203,607	103,629	49%
02410 - Health Services	28,576	203,624	175,048	14%
02600 - Tourism Operations	59,501	351,292	291,791	17%
02470 - Libraries	25,072	446,311	421,239	6%
02650 - Economic Development	65,431	457,064	391,633	14%
<b>Community Services Total</b>	<b>404,381</b>	<b>2,005,658</b>	<b>1,601,277</b>	<b>20%</b>
<b>Corporate Services</b>				
01110 - Financial Services	20,055	(1,186,111)	(1,206,166)	-2%
01180 - Workers Compensation Claims Mgmt	17,952	50,594	32,642	35%
01140 - Records Services	33,754	156,578	122,824	22%
02240 - Corporate Administration Buildings	77,936	157,107	79,171	50%
01100 - Corporate Services Mgmt	55,835	377,116	321,281	15%
01130 - IT Services	148,246	915,679	767,433	16%
01150 - Human Resources Mgmt	180,151	975,784	795,633	18%
<b>Corporate Services Total</b>	<b>533,930</b>	<b>1,446,747</b>	<b>912,817</b>	<b>37%</b>
<b>Development and Environmental Services</b>				
02800 - Environment	1,205	3,930	2,725	31%
02870 - State Emergency Service	120	16,633	16,513	1%
02830 - Building Control Services	408	16,765	16,357	2%
02840 - Health Administration & Inspection	22,848	105,471	82,623	22%
02880 - Rural Fire Service Mtce	13,654	126,342	112,688	11%
02810 - Animal & Pest Control	32,802	132,448	99,646	25%
01210 - Noxious Weeds Operations	55,408	224,345	168,937	25%
02820 - Planning	71,086	290,576	219,490	24%
02850 - Rural Fire Service Administration	1,518	654,223	652,705	0%
<b>Development and Environmental Services Total</b>	<b>199,049</b>	<b>1,570,733</b>	<b>1,371,684</b>	<b>13%</b>
<b>Engineering</b>				
01341 - Flood Damaged Roads AGRN	51,570	-	(51,570)	0%
01380 - Road Structures	-	13,025	13,025	0%
01290 - Mining	-	50,000	50,000	0%
01270 - Bridges - Regional Rds	-	66,477	66,477	0%
02320 - Depot Buildings	76,594	67,363	(9,231)	114%
03420 - Waste Management	46,924	82,316	35,392	57%
02500 - Sports Centre	41,589	119,772	78,183	35%
02210 - Cemetery Operations	31,189	119,995	88,806	26%
01370 - Street Lighting	16,397	126,025	109,628	13%
02230 - Private Works	15,173	145,010	129,837	10%
02110 - Public Amenities	23,700	146,297	122,597	16%
01250 - Bridges - Local Rds	-	159,403	159,403	0%
03400 - Commercial Waste Operations	21,700	190,636	168,936	11%

## Attachment No. 2

01240 - Sports Grounds	62,695	204,087	141,392	31%
02260 - Buildings - Halls	47,591	232,089	184,498	21%
01190 - Depot - Store Operations	86,191	264,225	178,034	33%
02100 - Stormwater Mgmt	13,484	474,995	461,511	3%
02750 - Swimming Pools	117,336	598,582	481,246	20%
02190 - Aerodrome Operations	124,060	865,078	741,018	14%
01320 - Urban Streets	96,267	887,605	791,338	11%
01360 - Regional Roads	82,163	1,039,928	957,765	8%
03300 - Sewerage Services	132,315	1,078,990	946,675	12%
03410 - Domestic Waste Operations	118,936	1,111,631	992,695	11%
02200 - Quarry Operations	39,525	1,274,852	1,235,327	3%
01200 - Engineering Mgmt	377,884	1,655,607	1,277,723	23%
01220 - Parks & Reserves	236,165	1,725,186	1,489,021	14%
02220 - Plant Operations	399,045	2,140,850	1,741,805	19%
03200 - Water Supply	335,550	2,389,085	2,053,535	14%
01340 - Rural Roads	172,952	3,256,940	3,083,988	5%
<b>Engineering Total</b>	<b>2,766,995</b>	<b>20,486,049</b>	<b>17,719,054</b>	<b>14%</b>
<b>Governance</b>				
04700 - TSRAC Operations	461	13,312	12,851	3%
04600 - NSRAC Operations	9,537	20,388	10,851	47%
04110 - Alliance of Western Councils Operations	-	37,366	37,366	0%
01010 - Elected Members Operations	30,967	273,712	242,745	11%
01020 - Governance	36,312	539,532	503,220	7%
01000 - Executive Services	324,881	1,455,334	1,130,453	22%
<b>Governance Total</b>	<b>402,158</b>	<b>2,339,644</b>	<b>1,937,486</b>	<b>17%</b>
<b>Expenditure Total</b>	<b>4,306,513</b>	<b>27,848,831</b>	<b>23,542,318</b>	<b>15%</b>
<b>Total</b>	<b>(9,432,055)</b>	<b>(474,714)</b>	<b>8,957,341</b>	<b>1987%</b>
<b>Income - Capital</b>				
<b>Community Services</b>				
02700 - Real Estate Development	-	(412,173)	(412,173)	0%
02300 - Library Buildings	-	(400,000)	(400,000)	0%
02280 - Community Buildings	-	(278,964)	(278,964)	0%
<b>Community Services Total</b>	<b>-</b>	<b>(1,091,137)</b>	<b>(1,091,137)</b>	<b>0%</b>
<b>Engineering</b>				
01340 - Rural Roads	(758)	(3,103,548)	(3,102,791)	0%
01360 - Regional Roads	-	(2,916,729)	(2,916,729)	0%
02100 - Stormwater Mgmt	-	(1,923,713)	(1,923,713)	0%
03200 - Water Supply	(87,500)	(425,000)	(337,500)	21%
01320 - Urban Streets	-	(15,000)	(15,000)	0%
02190 - Aerodrome Operations	(170,100)	-	170,100	0%
02220 - Plant Operations	(71,230)	-	71,230	0%
<b>Engineering Total</b>	<b>(329,587)</b>	<b>(8,383,990)</b>	<b>(8,054,403)</b>	<b>4%</b>
<b>Income Total</b>	<b>(329,587)</b>	<b>(9,475,127)</b>	<b>(9,145,540)</b>	<b>3%</b>
<b>Total</b>	<b>(9,761,643)</b>	<b>(9,949,841)</b>	<b>(188,198)</b>	<b>98%</b>



# Narromine Shire Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*To enhance our Shire's image, lifestyle and environment  
through effective leadership, community involvement and  
commitment to service.*



# Narromine Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*To enhance our Shire's image, lifestyle and environment  
through effective leadership, community involvement and  
commitment to service.*



## Narromine Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2024

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#### Overview

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

124 Dandaloo Street  
Narromine NSW 2821

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

## Narromine Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

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

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

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

Cr Craig Davies  
**Mayor**  
11 September 2024

Cr Dawn Collins  
**Councillor**  
11 September 2024

Jane Redden  
**General Manager**  
11 September 2024

Barry Bonthuys  
**Responsible Accounting Officer**  
11 September 2024

## Narromine Shire Council

## Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Income from continuing operations</b>				
12,243	Rates and annual charges	B2-1	10,415	9,876
2,693	User charges and fees	B2-2	3,040	4,243
234	Other revenues		473	446
7,393	Grants and contributions provided for operating purposes	B2-3	12,129	9,999
8,900	Grants and contributions provided for capital purposes	B2-3	9,498	6,762
883	Interest and investment income	B2-4	1,392	1,380
–	Other income		313	299
1,194	Net gain from the disposal of assets		165	210
<u>33,540</u>	<b>Total income from continuing operations</b>		<u>37,425</u>	<u>33,215</u>
<b>Expenses from continuing operations</b>				
9,075	Employee benefits and on-costs	B3-1	8,256	7,318
6,056	Materials and services	B3-2	13,785	9,352
177	Borrowing costs		152	129
7,752	Depreciation, amortisation and impairment of non-financial assets	B3-3	9,635	7,727
1,015	Other expenses		980	1,194
<u>24,075</u>	<b>Total expenses from continuing operations</b>		<u>32,808</u>	<u>25,720</u>
<u>9,465</u>	<b>Operating result from continuing operations</b>		<u>4,617</u>	<u>7,495</u>
<u>9,465</u>	<b>Net operating result for the year attributable to Council</b>		<u>4,617</u>	<u>7,495</u>
<u>565</u>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<u>(4,881)</u>	<u>733</u>

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

## Narromine Shire Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Net operating result for the year – from Income Statement</b>		<b>4,617</b>	7,495
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain / (loss) on revaluation of IPP&E	C1-7	<b>(3,877)</b>	31,748
Other comprehensive income – joint ventures and associates		<b>–</b>	–
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>(3,877)</b>	31,748
<b>Total other comprehensive income for the year</b>		<b>(3,877)</b>	31,748
<b>Total comprehensive income for the year attributable to Council</b>		<b>740</b>	39,243

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

## Narromine Shire Council

## Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	29,097	28,467
Receivables	C1-4	2,716	2,232
Inventories	C1-5	2,643	2,382
Contract assets	C1-6	3,527	5,550
Other		62	41
<b>Total current assets</b>		<b>38,045</b>	<b>38,672</b>
<b>Non-current assets</b>			
Receivables	C1-4	–	397
Inventories	C1-5	5,797	4,194
Infrastructure, property, plant and equipment (IPPE)	C1-7	400,589	401,061
Investment property		–	48
Investments accounted for using the equity method		406	374
<b>Total non-current assets</b>		<b>406,792</b>	<b>406,074</b>
<b>Total assets</b>		<b>444,837</b>	<b>444,746</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C2-1	2,594	2,057
Contract liabilities	C2-2	6,593	7,385
Borrowings	C2-3	1,120	1,270
Employee benefit provisions	C2-4	1,616	1,411
<b>Total current liabilities</b>		<b>11,923</b>	<b>12,123</b>
<b>Non-current liabilities</b>			
Borrowings	C2-3	2,570	3,683
Employee benefit provisions	C2-4	54	46
Provisions	C2-5	2,674	2,018
<b>Total non-current liabilities</b>		<b>5,298</b>	<b>5,747</b>
<b>Total liabilities</b>		<b>17,221</b>	<b>17,870</b>
<b>Net assets</b>		<b>427,616</b>	<b>426,876</b>
<b>EQUITY</b>			
Accumulated surplus		171,249	166,632
IPPE revaluation reserve	C3-1	256,367	260,244
<b>Council equity interest</b>		<b>427,616</b>	<b>426,876</b>
<b>Total equity</b>		<b>427,616</b>	<b>426,876</b>

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

## Narromine 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		166,632	260,244	426,876	159,137	228,496	387,633
<b>Restated opening balance</b>		<b>166,632</b>	<b>260,244</b>	<b>426,876</b>	<b>159,137</b>	<b>228,496</b>	<b>387,633</b>
Net operating result for the year		4,617	–	4,617	7,495	–	7,495
<b>Net operating result for the period</b>		<b>4,617</b>	<b>–</b>	<b>4,617</b>	<b>7,495</b>	<b>–</b>	<b>7,495</b>
<b>Other comprehensive income</b>							
– Gain / (loss) on revaluation of IPP&E	C1-7	–	(3,877)	(3,877)	–	31,748	31,748
<b>Other comprehensive income</b>		<b>–</b>	<b>(3,877)</b>	<b>(3,877)</b>	<b>–</b>	<b>31,748</b>	<b>31,748</b>
<b>Total comprehensive income</b>		<b>4,617</b>	<b>(3,877)</b>	<b>740</b>	<b>7,495</b>	<b>31,748</b>	<b>39,243</b>
<b>Closing balance at 30 June</b>		<b>171,249</b>	<b>256,367</b>	<b>427,616</b>	<b>166,632</b>	<b>260,244</b>	<b>426,876</b>

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



## Narromine Shire Council

### Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
11,631	Rates and annual charges		10,213	9,763
836	User charges and fees		3,481	6,347
882	Interest received		1,269	1,029
16,292	Grants and contributions		22,841	21,992
1,945	Other		553	690
<i>Payments:</i>				
(8,894)	Payments to employees		(8,043)	(7,868)
(9,236)	Payments for materials and services		(13,595)	(9,581)
(177)	Borrowing costs		(153)	(131)
(994)	Other		(321)	(1,215)
12,285	<b>Net cash flows from operating activities</b>	G1-1	<b>16,245</b>	21,026
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
2,212	Sale of real estate assets		-	219
285	Proceeds from sale of IPPE		165	16
<i>Payments:</i>				
-	Purchase of investments		-	19,598
-	Purchase of investment property		47	-
(20,053)	Payments for IPPE		(12,957)	(16,986)
-	Purchase of real estate assets		(1,524)	-
-	Purchase of intangible assets		(83)	(54)
(17,556)	<b>Net cash flows from investing activities</b>		<b>(14,352)</b>	2,793
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
-	Proceeds from borrowings		-	1,270
<i>Payments:</i>				
(1,405)	Repayment of borrowings		(1,263)	(1,165)
(1,405)	<b>Net cash flows from financing activities</b>		<b>(1,263)</b>	105
(6,676)	<b>Net change in cash and cash equivalents</b>		<b>630</b>	23,924
26,623	Cash and cash equivalents at beginning of year		28,467	4,543
19,947	<b>Cash and cash equivalents at end of year</b>		<b>29,097</b>	28,467

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

# Narromine Shire Council

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## Narromine 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 11 September 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these 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 2022* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

#### **Historical cost convention**

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

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

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

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

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

Council makes estimates and assumptions concerning the future.

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

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

- (i) contract assets and contract cost assets - refer Note C1-6
- (ii) contract liabilities - Refer Note C2-2
- (iii) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7.
- (iv) employee benefit provisions - refer Note C2-4
- (v) estimated tip remediation provisions – refer Note C2-5.

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

#### **The Consolidated Fund**

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

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

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

- General purpose operations
- Water service
- Sewerage service

#### **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.

## A1-1 Basis of preparation (continued)

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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.

### **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.

### **New accounting standards adopted during the year**

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2024. None of these standards had a significant impact on reported position or performance.

## B Financial Performance

### B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Functions or activities</b>										
Governance	1	45	1,743	1,660	(1,742)	(1,615)	–	–	2,766	2,765
Administration	11,345	12,634	3,867	3,963	7,478	8,671	3,661	4,818	34,264	34,257
Public Order & Safety	124	228	624	51	(500)	177	120	118	25,634	25,629
Environment & Health	168	302	846	732	(678)	(430)	–	104	1,280	1,280
Community & Cultural Services	1,551	268	2,327	1,344	(776)	(1,076)	448	153	6,145	6,144
Planning & Development	–	40	335	382	(335)	(342)	126	138	93	93
Waste Management	2,286	2,028	1,824	1,499	462	529	–	–	1,804	1,804
Infrastructure	14,988	10,291	11,602	7,900	3,386	2,391	14,502	8,976	281,680	281,622
Recreational Facilities	418	988	3,066	2,654	(2,648)	(1,666)	1,111	721	19,406	19,402
Economic Development	2,151	1,919	2,523	1,891	(372)	28	693	501	4,719	4,718
Water Supplies	2,780	2,520	2,653	2,275	127	245	966	1,232	30,069	30,063
Sewerage Services	1,613	1,952	1,404	1,369	209	583	–	–	36,977	36,969
<b>Total functions and activities</b>	<b>37,425</b>	<b>33,215</b>	<b>32,814</b>	<b>25,720</b>	<b>4,611</b>	<b>7,495</b>	<b>21,627</b>	<b>16,761</b>	<b>444,837</b>	<b>444,746</b>

## 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 disclosure (e.g. GIPA), and legislative compliance.

### Administration

- Executive services - provision of effective and efficient support to councillors, Council and the community
- Legal advice and services for Council, its delegates and officers, procure adequate and appropriate insurance coverage at a minimum cost, manage claims against Council and manage litigation by and against Council
- Provision of management accounting, financial reporting, rates, payroll, creditors, accounts receivable, cashiering, financial grants and income, debt recovery and investments
- Information Technology, computing and support services to Council
- Management and improvement of the quality, performance, opportunities & safety conditions of Council's staff
- Civic administration building.

### Public Order & Safety

- Co-operation and liaison with the Rural Fire Service and other Emergency Service organisations.

### Environment & Health

- Protection of the environment, its enhancement and the promotion of environmental sustainability
- Maintenance of the health standards and safety of premises that are accessible to and impact upon the community
- Development of an innovative best practice policy to control the incidence of noxious plants
- Companion animal management and issues in relation to straying livestock.

### Community & Cultural Services

- Provision of community, cultural and educational services and facilities to enhance the community's way of life
- Provision of programs and services for young people between 12-24 years of age
- Active participation in and co-operation with community organisations in the delivery of Aged & Disability Services
- Provision for the development and management of a range of community facilities
- Provision of effective public library lending, information and referral services
- Provision of quality cemetery services and memorial facilities
- Advocate for a strong cultural role in community revitalisation and identity by the encouragement & promotion of local historical, cultural and art organisations and activities.

### Planning & Development

- Creation of a quality environment for the community in which land use and development is planned and assessed and the social, environmental, economic, agricultural, heritage and physical wellbeing of the community is enhanced and protected
- Planning the Shire's future whilst embracing the principles of Ecologically Sustainable Development
- Assessment and determination of development applications
- Regulatory inspections.

### Waste Management

- Effective management of waste collection, minimise waste whilst encouraging commercial and residential recycling
- Collection & recycling
- Disposal.

### Infrastructure

- Provision of well constructed, maintained and functional roads, drains, public buildings and associated engineering structures; including operational support, construction and maintenance, design, stormwater management and aerodromes.

### Recreational Facilities

- Provision of equitable access to social, cultural, sporting and recreational services and facilities
- Parks, playing fields and reserves
- Recreational buildings and infrastructure

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

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- Swimming Pools.

### **Economic Development**

- Development and assistance in the implementation of strategies, programs and policies that will provide employment and a positive environment for the local economy
- Tourism & area promotion
- Real estate development
- Saleyards and markets
- External partnerships
- Camping areas.

### **Water Supplies**

- Provision of a cost effective, environmentally sensitive and ecologically sustainable water supply service including business plan, service delivery, customer service, demand management, infrastructure management.

### **Sewerage Services**

- Provision of a cost effective, environmentally sensitive & ecologically sustainable sewerage service. Including business plan, service delivery, customer service, demand management, infrastructure management.



**B2 Sources of income****B2-1 Rates and annual charges**

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	1,897	1,792
Farmland	3,622	3,497
Mining	319	308
Business	666	647
Other	(1)	(5)
Less: pensioner rebates (mandatory)	(79)	(112)
<b>Rates levied to ratepayers</b>	<b>6,424</b>	<b>6,127</b>
Pensioner rate subsidies received	–	36
<b>Total ordinary rates</b>	<b>6,424</b>	<b>6,163</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	1,469	1,322
Stormwater management services	53	53
Water supply services	868	829
Sewerage services	1,314	1,253
Waste management services (non-domestic)	295	263
Less: pensioner rebates (mandatory)	(33)	(69)
<b>Annual charges levied</b>	<b>3,966</b>	<b>3,651</b>
Pensioner annual charges subsidies received:		
– Water	–	19
– Sewerage	–	18
– Domestic waste management	25	25
<b>Total annual charges</b>	<b>3,991</b>	<b>3,713</b>
<b>Total rates and annual charges</b>	<b>10,415</b>	<b>9,876</b>

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

**Material accounting policy information**

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

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

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

## B2-2 User charges and fees

\$ '000	2024	2023
<b>Specific user charges</b>		
Water supply services	1,617	1,467
Sewerage services	323	399
Waste management services (non-domestic)	77	157
<b>Total specific user charges</b>	<b>2,017</b>	<b>2,023</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>		
Building services – other	(1)	3
Planning and building regulation	179	110
Private works – section 67	85	73
Other	69	62
Impounding fees	1	–
<b>Total fees and charges – statutory/regulatory</b>	<b>333</b>	<b>248</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>		
Cemeteries	103	90
Community centres	–	3
Gravel pits	16	1,393
Lease rentals	10	12
Recycling income (non-domestic)	382	198
Saleyards	1	–
Water connection fees	–	25
Other	178	251
<b>Total fees and charges – other</b>	<b>690</b>	<b>1,972</b>
<b>Total other user charges and fees</b>	<b>1,023</b>	<b>2,220</b>
<b>Total user charges and fees</b>	<b>3,040</b>	<b>4,243</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised at a point in time	3,040	4,243
<b>Total user charges and fees</b>	<b>3,040</b>	<b>4,243</b>

### Material accounting policy information

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

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

## B2-3 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>General purpose (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	201	997	–	–
Financial assistance – local roads component	75	459	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	3,460	3,766	–	–
Financial assistance – local roads component	1,610	1,812	–	–
<b>Other</b>				
Other grants	–	–	1,217	1,210
<b>Amount recognised as income during current year</b>	<b>5,346</b>	<b>7,034</b>	<b>1,217</b>	<b>1,210</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Water supplies	358	94	608	1,054
Bushfire and emergency services	120	118	–	–
Community care and centres	19	45	100	119
Economic development	134	45	559	375
Library	82	81	–	–
LIRS subsidy	–	–	15	25
Noxious weeds	–	124	–	–
Recreation and culture	25	141	861	721
Community infrastructure grant	593	–	3,916	–
Transport (roads to recovery)	–	–	1,267	872
Transport (other roads and bridges funding)	4,964	1,798	845	2,326
Other specific grants	76	69	50	29
<b>Other contributions:</b>				
Other contributions	187	187	60	31
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>6,558</b>	<b>2,702</b>	<b>8,281</b>	<b>5,552</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>6,558</b>	<b>2,702</b>	<b>8,281</b>	<b>5,552</b>
<b>Total grants and non-developer contributions</b>	<b>11,904</b>	<b>9,736</b>	<b>9,498</b>	<b>6,762</b>
<b>Comprising:</b>				
– Commonwealth funding	5,371	7,039	2,319	2,257
– State funding	4,405	2,512	7,179	4,449
– Other funding	2,128	185	–	56
	<b>11,904</b>	<b>9,736</b>	<b>9,498</b>	<b>6,762</b>

## B2-3 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Developer contributions:</b>					
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.12 – fixed development consent levies	G4	225	75	–	–
S 64 – sewerage service contributions		–	188	–	–
<b>Total developer contributions – cash</b>		<b>225</b>	<b>263</b>	<b>–</b>	<b>–</b>
<b>Total developer contributions</b>		<b>225</b>	<b>263</b>	<b>–</b>	<b>–</b>
<b>Total contributions</b>		<b>225</b>	<b>263</b>	<b>–</b>	<b>–</b>
<b>Total grants and contributions</b>		<b>12,129</b>	<b>9,999</b>	<b>9,498</b>	<b>6,762</b>
<b>Timing of revenue recognition for grants and contributions</b>					
Grants and contributions recognised over time (1)		–	–	–	–
Grants and contributions recognised at a point in time (2)		12,129	9,999	9,498	6,762
<b>Total grants and contributions</b>		<b>12,129</b>	<b>9,999</b>	<b>9,498</b>	<b>6,762</b>

### Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Unspent grants and contributions</b>				
Operating grants recognised as income in a previous reporting period	1,935	3,831	752	–
Unspent grants and contributions				
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	75	1,935	4,991	752
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(506)	–	(2,899)	–
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	–	(3,831)	–	–
<b>Unspent funds at 30 June</b>	<b>1,504</b>	<b>1,935</b>	<b>2,844</b>	<b>752</b>

## B2-3 Grants and contributions (continued)

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### 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 milestones such as executing the agreement to acquire or construct roads, stormwater drainage and airport runway. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

#### Capital grants

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

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

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

#### Developer contributions

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

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

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.

**B2-4 Interest and investment income**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	120	62
– Cash and investments	1,272	1,318
<b>Total interest and investment income (losses)</b>	<b>1,392</b>	<b>1,380</b>

**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	6,794	5,723
Employee leave entitlements (ELE)	362	618
Superannuation	812	762
Other	1,151	604
<b>Total employee costs</b>	<b>9,119</b>	<b>7,707</b>
Less: capitalised costs	(863)	(389)
<b>Total employee costs expensed</b>	<b>8,256</b>	<b>7,318</b>

#### Material accounting policy information

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

#### Retirement benefit obligations

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

#### Superannuation plans

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

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

### B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		5,717	3,984
Contractor costs		4,475	3,299
Audit Fees	F2-1	82	70
Councillor and Mayoral fees and associated expenses	F1-2	160	173
Advertising		77	92
Computer software charges		388	204
Electricity and heating		372	355
Insurance		694	586
Office expenses (including computer expenses)		97	91
Postage		18	19
Street lighting		136	86
Subscriptions and publications		126	101
Telephone and communications		62	53
Cost of sales		352	–
Training costs (other than salaries and wages)		3	2
Other expenses		177	91
<b>Legal expenses:</b>			
Expenses from leases of low value assets		–	26
– Legal expenses: debt recovery		41	6
– Legal expenses: other		41	32

**B3-2 Materials and services (continued)**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>Operating leases expense (2019 only):</b>		
– Operating lease rentals: minimum lease payments <sup>1</sup>	<b>20</b>	–
Other	<b>731</b>	71
<b>Total materials and services</b>	<b>13,785</b>	<b>9,352</b>
<b>Total materials and services</b>	<b>13,785</b>	<b>9,352</b>

**Material accounting policy information**

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



### B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment		1,096	902
Office equipment		68	65
Furniture and fittings		2	2
<b>Infrastructure:</b>	C1-7		
– Buildings – non-specialised		286	200
– Buildings – specialised		1,583	1,067
– Other structures		306	210
– Roads		4,270	3,672
– Bridges		226	217
– Footpaths		115	98
– Stormwater drainage		267	254
– Water supply network		286	181
– Sewerage network		301	246
– Swimming pools		133	134
– Other open space/recreational assets		348	249
<b>Other assets:</b>			
– Aerodrome		265	176
Intangible assets	C1-7	83	54
<b>Total depreciation and amortisation costs</b>		<b>9,635</b>	<b>7,727</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>9,635</b>	<b>7,727</b>

#### Material accounting policy information

##### Depreciation and amortisation

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

##### 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.

## B3-4 Other expenses

\$ '000	2024	2023
Grants and contributions	17	–
Other	4	29
<b>Fair value decrement on investment properties</b>		
Other	1	–
<b>Total fair value decrement on investment properties</b>	<b>1</b>	<b>–</b>
Donations, contributions and assistance to other organisations (Section 356)	73	221
– Emergency services levy (includes FRNSW, SES, and RFS levies)	30	17
– Macquarie regional library	416	495
– NSW fire brigade levy	49	42
– NSW rural fire service levy	390	390
<b>Total other expenses</b>	<b>980</b>	<b>1,194</b>

### 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 Performance against budget

### B4-1 Material budget variations

Council's original budget was adopted by the Council on 21/06/2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 Variance	
<b>Revenues</b>				
<b>User charges and fees</b>	<b>2,693</b>	<b>3,040</b>	<b>347</b>	<b>13% F</b>
Revenue in excess of original budget due to increased water levies and planning assessment fees.				
<b>Other revenues</b>	<b>234</b>	<b>473</b>	<b>239</b>	<b>102% F</b>
Revenue in excess of original budget due to payments received from Rural Fire Services for the slashing and maintenance of state controlled roads.				
<b>Operating grants and contributions</b>	<b>7,393</b>	<b>12,129</b>	<b>4,736</b>	<b>64% F</b>
Grant funds received in excess of original budget due to additional funding made available by state government for the maintenance of roads.				
<b>Capital grants and contributions</b>	<b>8,900</b>	<b>9,498</b>	<b>598</b>	<b>7% F</b>
<b>Interest and investment revenue</b>	<b>883</b>	<b>1,392</b>	<b>509</b>	<b>58% F</b>
Interest received on investments higher than expected and budgeted for 2023-24.				

**B4-1 Material budget variations (continued)**

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Net gains from disposal of assets</b>	<b>1,194</b>	<b>165</b>	<b>(1,029)</b>	<b>(86)% U</b>
Net gains on disposal of assets less than budgeted due to expected number of properties (Inventory assets) not sold during the year.				
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	<b>9,075</b>	<b>8,256</b>	<b>819</b>	<b>9% F</b>
<b>Borrowing costs</b>	<b>177</b>	<b>152</b>	<b>25</b>	<b>14% F</b>
Borrowing costs less than original budget due to lesser amount of interest paid on loans.				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	<b>7,752</b>	<b>9,635</b>	<b>(1,883)</b>	<b>(24)% U</b>
Depreciation expenses higher than original budget due to depreciation during the year of new and additional assets and the impact of revaluation of assets.				
<b>Other expenses</b>	<b>1,015</b>	<b>980</b>	<b>35</b>	<b>3% F</b>
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	<b>12,285</b>	<b>16,245</b>	<b>3,960</b>	<b>32% F</b>
Cash flows from operating activities increased due to additional grant funding received and increase in interest earnings.				
<b>Cash flows from investing activities</b>	<b>(17,556)</b>	<b>(14,352)</b>	<b>3,204</b>	<b>(18)% F</b>
Cash flows from investing activities improved due to decrease in capital works and purchase of new assets.				
<b>Cash flows from financing activities</b>	<b>(1,405)</b>	<b>(1,263)</b>	<b>142</b>	<b>(10)% F</b>

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2024	2023
<b>Cash assets</b>		
Cash on hand and at bank	9,097	8,467
Cash equivalent assets		
– Short-term deposits	20,000	20,000
<b>Total cash and cash equivalents</b>	<b>29,097</b>	<b>28,467</b>

#### 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.

#### C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Total financial investments	–	–	–	–
Total cash assets, cash equivalents and investments	<b>29,097</b>	–	<b>28,467</b>	–

## C1-2 Financial investments (continued)

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### 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.

### Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in New South Wales Treasury Corporation (TCorp) Managed Funds in the Statement of Financial Position.

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>29,097</b>	28,467
Less: Externally restricted cash, cash equivalents and investments	<u>(16,561)</u>	<u>(17,047)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>12,536</b>	11,420
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	<u>6,593</u>	6,984
<b>External restrictions – included in liabilities</b>	<b>6,593</b>	6,984
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	308	330
Developer contributions – water fund	215	215
Developer contributions – sewer fund	366	366
Specific purpose unexpended grants (recognised as revenue) – general fund	199	813
Water fund	379	348
Sewer fund	7,556	6,723
Board of control - NSRAC and TSRAC	151	153
Other	–	35
Domestic waste management	<u>794</u>	<u>1,080</u>
<b>External restrictions – other</b>	<b>9,968</b>	10,063
<b>Total external restrictions</b>	<b>16,561</b>	17,047

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</b>		
At 30 June, Council has internally allocated funds to the following:		
Alkane community contributions	123	156
Alkane environmental monitoring	44	186
Carry over works	2,198	3,069
Election expenses	45	45
Employees leave entitlement	501	437
FAGS advance grant	5,070	5,579
Other	<u>2,488</u>	<u>334</u>
<b>Total internal allocations</b>	<b>10,469</b>	9,806

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

## C1-4 Receivables

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Rates and annual charges	788	–	425	155
Interest and extra charges	304	–	162	65
User charges and fees	918	–	1,182	177
Accrued revenues				
– Interest on investments	395	–	349	–
Net GST receivable	392	–	139	–
Other debtors	1	–	57	–
<b>Total</b>	<b>2,798</b>	<b>–</b>	<b>2,314</b>	<b>397</b>
<b>Less: provision for impairment</b>				
Interest and extra charges	(34)	–	(34)	–
User charges and fees	(48)	–	(48)	–
<b>Total provision for impairment – receivables</b>	<b>(82)</b>	<b>–</b>	<b>(82)</b>	<b>–</b>
<b>Total net receivables</b>	<b>2,716</b>	<b>–</b>	<b>2,232</b>	<b>397</b>

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

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 considers 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 trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 5 years past due, whichever occurs first.

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

## C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>(i) Inventories at cost</b>				
Real estate for resale	1,669	5,797	1,748	4,194
Stores and materials	974	–	634	–
<b>Total inventories at cost</b>	<b>2,643</b>	<b>5,797</b>	<b>2,382</b>	<b>4,194</b>
<b>Total inventories</b>	<b>2,643</b>	<b>5,797</b>	<b>2,382</b>	<b>4,194</b>

### (i) Real estate assets for resale

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>(a) Details for real estate development</b>				
Residential	746	609	887	1,237
Industrial/commercial	923	5,188	861	2,957
<b>Total real estate for resale</b>	<b>1,669</b>	<b>5,797</b>	<b>1,748</b>	<b>4,194</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Acquisition costs	1,669	2,171	–	–
Development costs	–	3,626	1,748	4,194
<b>Total costs</b>	<b>1,669</b>	<b>5,797</b>	<b>1,748</b>	<b>4,194</b>
<b>Total real estate for resale</b>	<b>1,669</b>	<b>5,797</b>	<b>1,748</b>	<b>4,194</b>
<b>Movements:</b>				
Real estate assets at beginning of the year	1,748	4,194	1,748	4,194
– Purchases and other costs	(79)	1,603	–	–
<b>Total real estate for resale</b>	<b>1,669</b>	<b>5,797</b>	<b>1,748</b>	<b>4,194</b>

### Material accounting policy information

#### Raw materials and stores, work in progress and finished goods

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

#### Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.



## C1-6 Contract assets and Contract cost assets

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Contract assets	3,527	–	5,550	–
<b>Total contract assets and contract cost assets</b>	<b>3,527</b>	<b>–</b>	<b>5,550</b>	<b>–</b>

### Contract assets

Work relating to the upgrade and construction of roads.

	3,527	–	5,550	–
<b>Total contract assets</b>	<b>3,527</b>	<b>–</b>	<b>5,550</b>	<b>–</b>

### Significant changes in contract assets

Funding for various projects are provided to Council under contract arrangements with the Federal and State Governments. These projects include aerodrome runway lighting upgrade, construction of clubhouse and grandstand, residential land development and restoration of storm and flood damage assets.

Construction works for these projects were completed before funding was received by Council.

### Material accounting policy information

#### Contract assets

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

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

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

## C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period				At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Carrying value of disposals	Depreciation expense	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>										
Capital work in progress	16,135	–	16,135	(9,320)	–	–	–	6,815	–	6,815
Plant and equipment	18,058	(10,496)	7,562	2,819	(630)	(1,096)	–	21,151	(12,496)	8,655
Office equipment	1,315	(1,074)	241	33	–	(68)	–	1,348	(1,142)	206
Furniture and fittings	329	(293)	36	–	–	(2)	–	329	(295)	34
<b>Land:</b>										
– Operational land	5,843	–	5,843	–	–	–	–	5,843	–	5,843
– Community land	3,429	–	3,429	(2)	(34)	–	–	3,393	–	3,393
<b>Infrastructure:</b>										
– Buildings – non-specialised	7,497	(4,454)	3,043	173	–	(286)	160	8,090	(5,000)	3,090
– Buildings – specialised	53,752	(26,440)	27,312	2,743	–	(1,583)	1,498	59,492	(29,522)	29,970
– Other structures	6,711	(2,445)	4,266	1,882	–	(306)	205	8,923	(2,876)	6,047
– Roads	282,626	(53,098)	229,528	10,380	–	(4,270)	(10,808)	307,235	(82,405)	224,830
– Bridges	24,050	(9,175)	14,875	1	–	(226)	1,791	27,025	(10,584)	16,441
– Footpaths	4,590	(2,423)	2,167	384	–	(115)	558	5,106	(2,112)	2,994
– Stormwater drainage	27,385	(10,324)	17,061	385	–	(267)	(9,273)	11,958	(4,052)	7,906
– Water supply network	33,620	(7,598)	26,022	1,956	–	(286)	1,528	37,464	(8,315)	29,149
– Sewerage network	35,744	(7,958)	27,786	452	–	(301)	1,490	38,112	(8,685)	29,427
– Swimming pools	6,369	(1,916)	4,453	(1)	–	(133)	236	6,717	(2,162)	4,555
– Other open space/recreational assets	7,243	(2,971)	4,272	1,631	–	(348)	234	9,288	(3,499)	5,789
– Other infrastructure	–	–	–	–	–	–	–	–	–	–
<b>Other assets:</b>										
– Aerodrome	20,606	(15,467)	5,139	219	–	(265)	8,504	21,636	(8,039)	13,597
– Intangibles	1,046	(777)	269	40	–	(83)	–	1,086	(860)	226
– Remediation Assets	1,792	(170)	1,622	–	–	–	–	1,792	(170)	1,622
<b>Total infrastructure, property, plant and equipment</b>	<b>558,140</b>	<b>(157,079)</b>	<b>401,061</b>	<b>13,775</b>	<b>(664)</b>	<b>(9,635)</b>	<b>(3,877)</b>	<b>582,803</b>	<b>(182,214)</b>	<b>400,589</b>

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period				At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Carrying value of disposals	Depreciation expense	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>										
Capital work in progress	9,923	–	9,923	6,212	–	–	–	16,135	–	16,135
Plant and equipment	16,694	(9,624)	7,070	1,419	(25)	(902)	–	18,058	(10,496)	7,562
Office equipment	1,295	(1,009)	286	20	–	(65)	–	1,315	(1,074)	241
Furniture and fittings	329	(291)	38	–	–	(2)	–	329	(293)	36
<b>Land:</b>										
– Operational land	4,802	–	4,802	–	–	–	1,041	5,843	–	5,843
– Community land	2,246	–	2,246	–	–	–	1,183	3,429	–	3,429
<b>Infrastructure:</b>										
– Buildings – non-specialised	6,642	(3,855)	2,787	7	–	(200)	448	7,497	(4,454)	3,043
– Buildings – specialised	40,580	(23,461)	17,119	996	–	(1,067)	10,265	53,752	(26,440)	27,312
– Other structures	6,045	(2,157)	3,888	561	–	(210)	25	6,711	(2,445)	4,266
– Roads	263,135	(46,463)	216,672	3,762	–	(3,672)	12,952	282,626	(53,098)	229,528
– Bridges	22,665	(8,447)	14,218	46	–	(217)	828	24,050	(9,175)	14,875
– Footpaths	4,320	(2,190)	2,130	14	–	(98)	121	4,590	(2,423)	2,167
– Stormwater drainage	25,783	(9,493)	16,290	79	–	(254)	948	27,385	(10,324)	17,061
– Water supply network	29,812	(6,801)	23,011	1,354	–	(181)	1,838	33,620	(7,598)	26,022
– Sewerage network	32,222	(7,071)	25,151	880	–	(246)	2,002	35,744	(7,958)	27,786
– Swimming pools	6,275	(1,674)	4,601	444	–	(134)	(459)	6,369	(1,916)	4,453
– Other open space/recreational assets	7,060	(2,860)	4,200	329	–	(249)	(8)	7,243	(2,971)	4,272
<b>Other assets:</b>										
– Aerodrome	17,988	(14,109)	3,879	872	–	(176)	564	20,606	(15,467)	5,139
– Intangibles	815	(723)	92	230	–	(54)	–	1,046	(777)	269
– Remediation Assets	1,792	(170)	1,622	–	–	–	–	1,792	(170)	1,622
<b>Total infrastructure, property, plant and equipment</b>	<b>500,423</b>	<b>(140,398)</b>	<b>360,025</b>	<b>17,225</b>	<b>(25)</b>	<b>(7,727)</b>	<b>31,748</b>	<b>558,140</b>	<b>(157,079)</b>	<b>401,061</b>

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

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

### Material accounting policy information

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

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

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

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

#### Useful lives of IPPE

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

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	5 to 10	Playground equipment and other assets	5 to 50
Office furniture	5 to 20	Benches, seats etc.	10 to 30
Computer equipment	5 to 10		
Vehicles	5 to 20	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 20	Buildings: masonry	50 to 100
Other plant and equipment	5 to 75	Buildings: other	15 to 50
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	80 to 100	Drains	80 to 100
Bores	20 to 80	Culverts	50 to 100
Reticulation pipes: PVC	70 to 100	Flood control structures	80 to 100
Reticulation pipes: other	25 to 110		
Pumps and telemetry	15 to 75		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	15 to 40	Bulk earthworks	infinite
Sealed roads: structure	20 to 100	Swimming pools	50 to 70
Unsealed roads	10 to 30	Other open space/recreational assets	10 to 100
Bridge: concrete	80 to 300	Other infrastructure	50 to 100
Bridge: other	50 to 80		
Road pavements	60 to 120		
Kerb, gutter and footpaths	40 to 100		

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

#### Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 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 Surplus 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.

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

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

### **Crown reserves**

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

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

## C2 Liabilities of Council

### C2-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	2,120	–	1,590	–
Accrued expenses:				
– Borrowings	1	–	2	–
– Other expenditure accruals	–	–	2	–
Other	84	–	80	–
Prepaid rates	389	–	383	–
<b>Total payables</b>	<b>2,594</b>	<b>–</b>	<b>2,057</b>	<b>–</b>

#### Material accounting policy information

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

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

## C2-2 Contract Liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Grants and contributions received in advance:</b>				
Unexpended capital grants (to construct Council controlled assets)	6,593	-	7,385	-
<b>Total grants received in advance</b>	<b>6,593</b>	<b>-</b>	<b>7,385</b>	<b>-</b>
<b>Total contract liabilities</b>	<b>6,593</b>	<b>-</b>	<b>7,385</b>	<b>-</b>

### Significant changes in contract liabilities

Deposits were received in advance from the Federal Government for the upgrade and construction of roads and footpaths and construction and reseal of aerodrome taxiway. Construction works to these assets will be completed within the next 12 months.

### 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.

## C2-3 Borrowings

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured <sup>1</sup>	1,120	2,570	1,270	3,683
<b>Total borrowings</b>	<b>1,120</b>	<b>2,570</b>	<b>1,270</b>	<b>3,683</b>

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

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

### (a) Changes in liabilities arising from financing activities

\$ '000	2023 Opening Balance	Cash flows	2024 Closing balance
Loans – secured	4,953	(1,263)	3,690
<b>Total liabilities from financing activities</b>	<b>4,953</b>	<b>(1,263)</b>	<b>3,690</b>

\$ '000	2022 Opening Balance	Cash flows	2023 Closing balance
Loans – secured	4,848	105	4,953
<b>Total liabilities from financing activities</b>	<b>4,848</b>	<b>105</b>	<b>4,953</b>

## C2-3 Borrowings (continued)

**(b) Financing arrangements**

\$ '000	2024	2023
<b>Total facilities</b>		
Credit cards/purchase cards	100	60
<b>Total financing arrangements</b>	<b>100</b>	<b>60</b>
<b>Undrawn facilities</b>		
– Credit cards/purchase cards	100	60
<b>Total undrawn financing arrangements</b>	<b>100</b>	<b>60</b>

**Additional financing arrangements information****Breaches and defaults**

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

**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.



## C2-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	565	–	511	–
Long service leave	1,014	54	866	46
Other leave	32	–	28	–
ELE on-costs	5	–	6	–
<b>Total employee benefit provisions</b>	<b>1,616</b>	<b>54</b>	<b>1,411</b>	<b>46</b>

### 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	–	567
	<b>–</b>	<b>567</b>

### Description of and movements in provisions

#### 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.

## C2-5 Provisions

\$ '000	2024	2024	2023	2023
	Current	Non-Current	Current	Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	2,674	–	2,018
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>2,674</b>	<b>–</b>	<b>2,018</b>
<b>Total provisions</b>	<b>–</b>	<b>2,674</b>	<b>–</b>	<b>2,018</b>

## C2-5 Provisions (continued)

### Description of and movements in provisions

\$ '000	Asset remediation	Total
<b>2024</b>		
At beginning of year	2,018	2,018
Unwinding of discount	656	656
Total other provisions at end of year	<b>2,674</b>	<b>2,674</b>
<b>2023</b>		
At beginning of year	1,969	1,969
Unwinding of discount	49	49
Total other provisions at end of year	<b>2,018</b>	<b>2,018</b>

### Nature and purpose of provisions

Landfill and tip assets.

#### Asset remediation

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

#### Self-insurance

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

### Material accounting policy information

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

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

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

### Asset remediation – tips and quarries

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

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

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

## C3 Reserves

### C3-1 Nature and purpose of reserves

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#### **IPPE Revaluation reserve**

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

## D Council structure

### D1 Results by fund

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

#### D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
<b>Income from continuing operations</b>			
Rates and annual charges	8,241	860	1,314
User charges and fees	1,076	1,651	313
Interest and investment revenue	1,233	22	137
Other revenues	471	1	1
Grants and contributions provided for operating purposes	11,771	358	–
Grants and contributions provided for capital purposes	8,890	608	–
Net gains from disposal of assets	165	–	–
Other income	313	–	–
<b>Total income from continuing operations</b>	<b>32,160</b>	<b>3,500</b>	<b>1,765</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	7,535	495	226
Materials and services	10,834	2,109	842
Borrowing costs	152	–	–
Depreciation, amortisation and impairment of non-financial assets	9,048	286	301
Other expenses	980	–	–
<b>Total expenses from continuing operations</b>	<b>28,549</b>	<b>2,890</b>	<b>1,369</b>
<b>Operating result from continuing operations</b>	<b>3,611</b>	<b>610</b>	<b>396</b>
<b>Net operating result for the year</b>	<b>3,611</b>	<b>610</b>	<b>396</b>
<b>Net operating result attributable to each council fund</b>	<b>3,611</b>	<b>610</b>	<b>396</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(5,279)</b>	<b>2</b>	<b>396</b>

#### D1-2 Statement of Financial Position by fund

##### ASSETS

##### Current assets

Cash and cash equivalents	20,656	519	7,922
Investments	(75)	75	–
Receivables	1,782	771	163
Inventories	2,643	–	–
Contract assets and contract cost assets	3,527	–	–
Other	62	–	–
<b>Total current assets</b>	<b>28,595</b>	<b>1,365</b>	<b>8,085</b>

##### Non-current assets

Inventories	5,797	–	–
Infrastructure, property, plant and equipment	342,013	29,149	29,427
Investments accounted for using the equity method	406	–	–
<b>Total non-current assets</b>	<b>348,216</b>	<b>29,149</b>	<b>29,427</b>
<b>Total assets</b>	<b>376,811</b>	<b>30,514</b>	<b>37,512</b>

## D1-2 Statement of Financial Position by fund (continued)

\$ '000	General 2024	Water 2024	Sewer 2024
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	2,594	-	-
Contract liabilities	6,593	-	-
Borrowings	1,120	-	-
Employee benefit provision	1,616	-	-
<b>Total current liabilities</b>	<b>11,923</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>			
Borrowings	2,570	-	-
Employee benefit provision	54	-	-
Provisions	2,674	-	-
<b>Total non-current liabilities</b>	<b>5,298</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>17,221</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>359,590</b>	<b>30,514</b>	<b>37,512</b>
<b>EQUITY</b>			
Accumulated surplus	148,804	10,772	11,673
Revaluation reserves	210,786	19,742	25,839
<b>Council equity interest</b>	<b>359,590</b>	<b>30,514</b>	<b>37,512</b>
<b>Total equity</b>	<b>359,590</b>	<b>30,514</b>	<b>37,512</b>

## E Risks and accounting uncertainties

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

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

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

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

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

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

The risks associated with the investments held are:

- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **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.
- **Liquidity risk** – the risk that the Council will not be able to pay its debts as and when they fall due.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers before placing any cash and investments.

#### (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 2% movement in interest rates		
– Equity / Income Statement	582	569
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

#### (b) Credit risk

Council's major receivables comprise rates, annual charges, 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 other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

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

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

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

### Credit risk profile

#### Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
<b>2024</b>				
Gross carrying amount	373	372	43	788
2023				
Gross carrying amount	376	178	26	580

#### 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	
<b>2024</b>						
Gross carrying amount	4,679	30	173	11	644	5,537
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	2.70%	0.31%
<b>ECL provision</b>	–	–	–	–	17	17
2023						
Gross carrying amount	7,018	12	19	116	699	7,864
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	2.70%	0.24%
<b>ECL provision</b>	–	–	–	–	82	82

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

### (c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
<b>2024</b>							
Payables	0.00%	–	2,594	–	–	2,594	2,594
Borrowings	0.00%	–	1,120	1,646	924	3,690	3,690
<b>Total financial liabilities</b>		<b>–</b>	<b>3,714</b>	<b>1,646</b>	<b>924</b>	<b>6,284</b>	<b>6,284</b>
<b>2023</b>							
Payables	0.00%	–	2,057	–	–	2,057	2,057
Borrowings	3.10%	–	1,270	2,512	1,171	4,953	4,953
<b>Total financial liabilities</b>		<b>–</b>	<b>3,327</b>	<b>2,512</b>	<b>1,171</b>	<b>7,010</b>	<b>7,010</b>

### Loan agreement breaches

There have been no breaches to loan agreements during the reporting year.

## 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
- Investment property

### Fair value hierarchy

All assets and liabilities measured at fair value are 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

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



## E2-1 E2-1 Fair value measurement (continued)

## Recurring fair value measurements

\$ '000	Notes	Fair value measurement hierarchy									
		Date of latest valuation		Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Infrastructure, property, plant and equipment</b>	C1-7										
Operational land		30/06/23	30/06/23	–	–	5,843	5,843	–	–	5,843	5,843
Community land		30/06/23	30/06/23	–	–	3,393	3,429	–	–	3,393	3,429
Buildings – non-specialised		30/06/23	30/06/23	–	–	–	–	3,090	3,043	3,090	3,043
Buildings – specialised		30/06/23	30/06/23	–	–	–	–	29,970	27,312	29,970	27,312
Other structures		30/06/23	30/06/23	–	–	–	–	6,047	4,266	6,047	4,266
Roads		30/06/24	30/06/20	–	–	–	–	224,830	229,528	224,830	229,528
Bridges		30/06/24	30/06/20	–	–	–	–	16,441	14,875	16,441	14,875
Footpaths		30/06/24	30/06/20	–	–	–	–	2,994	2,167	2,994	2,167
Stormwater drainage		30/06/24	30/06/20	–	–	–	–	7,906	17,061	7,906	17,061
Water supply network		30/06/22	30/06/22	–	–	–	–	29,149	26,022	29,149	26,022
Sewerage network		30/06/22	30/06/22	–	–	–	–	29,427	27,786	29,427	27,786
Swimming pools		30/06/23	30/06/23	–	–	–	–	4,555	4,453	4,555	4,453
Other open space/recreational assets		30/06/23	30/06/23	–	–	–	–	5,789	4,272	5,789	4,272
Other infrastructure		30/06/23	30/06/23	–	–	–	–	–	–	–	–
Aerodrome		30/06/24	30/06/19	–	–	–	–	13,597	5,139	13,597	5,139
<b>Total infrastructure, property, plant and equipment</b>				<b>–</b>	<b>–</b>	<b>9,236</b>	<b>9,272</b>	<b>373,795</b>	<b>365,924</b>	<b>383,031</b>	<b>375,196</b>

## E2-1 E2-1 Fair value measurement (continued)

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

### Valuation techniques

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

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

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

##### Fair Value - Valuation techniques

Class	Valuation Technique(s)	Unobservable Inputs
Plant, equipment, furniture, fittings and office equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Operational Land	Market approach	Price per square metre
Community Land	Market approach Land values obtain from NSW Valuer-General	Land value, land area, level of restriction
Buildings	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, residual value, rates per m2
Roads, Bridges & Footpaths	Cost approach	Asset condition, remaining lives using componentisation, unit rates per m2 or length
Stormwater Drainage	Cost approach	Asset condition, remaining lives, unit rates per m2 or length
Water Supply Network	Cost approach	Asset condition, remaining lives using componentisation, unit rates per m2 or length
Sewerage Network	Cost approach	Asset condition, remaining lives using componentisation, unit rates per m2 or length
Swimming Pools, Other Open Space/Recreational Assets	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, residual value, rates per m2
Other Infrastructure	Cost approach	Asset condition and remaining lives using componentisation
Aerodrome	Cost approach	Asset condition, remaining lives using componentisation

## E2-1 E2-1 Fair value measurement (continued)

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

\$ '000	IPPE	
	2024	2023
<b>Opening balance</b>	<b>365,924</b>	348,387
<b>Total gains or losses for the period</b>		
<b>Other movements</b>		
Purchases (GBV)	<b>20,205</b>	9,344
Depreciation and impairment	<b>(8,386)</b>	(6,704)
Revaluation	<b>(3,877)</b>	14,897
<b>Closing balance</b>	<b>373,866</b>	365,924

### 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.

### (i) Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

Member councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The scheme's most recent full actuarial review indicated that the net assets of the scheme were not sufficient to meet the accrued benefits of the schemes defined benefit member category with member councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme is a defined benefit plan that has been deemed to be a "multi-employer fund" for the purposes of AASB 119 Employee Benefits and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

Member councils are treated as Pooled Employers for the purpose of AASB119. 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 standard 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 for the year ended 30 June 2024 (increasing to 9.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to member's defined benefits.

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

The adequacy of contributions is assessed at each triennial actuarial investigation, the next which is due effective 30 June 2024, and monitored annually between triennials.

As stated 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.

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

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

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

## E3-1 Contingencies (continued)

The plan is a defined benefit plan. However, 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). As such, there is not sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note B3-1 for the year ending 30 June 2024 was -\$5,649.83.

The last valuation of the scheme was performed by Mr Richard Boyfield FIAA (AFS Licence # 411770) as at 30 June 2023.

Council's expected contribution to the Fund for the next annual reporting period is \$11,310.98.

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

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

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

The 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% per annum for FY 23/24 2.5% per annum thereafter

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 will be completed by December 2024.

Council's additional lump sum contribution per annum of 0.06% of the total additional lump sum contributions for all Pooled Employers (\$20m for each year from 1 January 2022 to 31 December 2024) provides an indication of the level of participation of that employer compared with other employers in the Pooled Employer sub group.

### (ii) Statewide Limited

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

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

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

### (iii) StateCover Limited

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

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

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

## E3-1 Contingencies (continued)

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

### 2. Other liabilities

#### (iv) 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.

## F People and relationships

### F1 Related party disclosures

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

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

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

\$ '000	2024	2023
<b>Compensation:</b>		
Short-term benefits	1,097	1,086
Post-employment benefits	297	262
<b>Total</b>	<b>1,394</b>	<b>1,348</b>

#### Other transactions with KMP and their related parties

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

Nature of the transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions
\$ '000			
<b>2024</b>			
Office Supplies	-	-	-
<b>2023</b>			
Office Supplies	-	-	-

#### 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	99	109
Other Councillors' expenses (including Mayor)	33	36
<b>Total</b>	<b>160</b>	<b>173</b>

### F1-3 Other related parties

\$ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions
<b>2024</b>				
<b>Library Services</b>	3	<b>383</b>	–	30 days
2023				
Library Services	3	354	–	30 days

- 3 Council has joined with Western Plains Regional Council and Warrumbungle Shire Council to form a Joint Venture arrangement called Macquarie Regional Library. Council contributes a proportion of the costs of the entity and receives a share of profits and net assets.



## F2 Other relationships

### F2-1 Audit fees

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

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

Audit and review of financial statements	82	70
<b>Total Auditor-General remuneration</b>	<b>82</b>	<b>70</b>

## G Other matters

### G1-1 Statement of Cash Flows information

#### Reconciliation of Operating Result

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>4,617</b>	7,495
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	9,635	7,727
(Gain) / loss on disposal of assets	(165)	(210)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	1	–
Share of net (profits)/losses of associates/joint ventures using the equity method	(32)	(13)
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(87)	1,651
Increase / (decrease) in provision for impairment of receivables	–	(4)
(Increase) / decrease of inventories	(340)	(255)
(Increase) / decrease of other current assets	(21)	9
(Increase) / decrease of contract asset	2,023	(929)
Increase / (decrease) in payables	530	26
Increase / (decrease) in accrued interest payable	(1)	(2)
Increase / (decrease) in other accrued expenses payable	(2)	(191)
Increase / (decrease) in other liabilities	10	(130)
Increase / (decrease) in contract liabilities	(792)	6,160
Increase / (decrease) in employee benefit provision	213	(357)
Increase / (decrease) in other provisions	656	49
<b>Net cash flows from operating activities</b>	<b>16,245</b>	<b>21,026</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Sewerage and water infrastructure	965	640
Buildings	118	105
Road infrastructure	2,512	10,552
Sports & Recreation	133	765
Other	4,211	1,417
<b>Total commitments</b>	<b>7,939</b>	<b>13,479</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	7,939	13,479
<b>Total payable</b>	<b>7,939</b>	<b>13,479</b>

## G3-1 Events occurring after the reporting date

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Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

## G4 Statement of developer contributions as at 30 June 2024

### G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
<b>S7.12 levies – under a plan</b>	322	248	–	–	–	(262)	–	308	–
<b>Total S7.11 and S7.12 revenue under plans</b>	322	248	–	–	–	(262)	–	308	–
S64 contributions	581	–	–	–	–	–	–	581	–
<b>Total contributions</b>	<b>903</b>	<b>248</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(262)</b>	<b>–</b>	<b>889</b>	<b>–</b>

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.

### S7.12 Levies – under a plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
<b>S7.12 LEVIES – UNDER A PLAN</b>									
Drainage	10	3	–	–	–	–	–	13	–
Roads	8	23	–	–	–	–	–	31	–
Open space	26	–	–	–	–	–	–	26	–
Community facilities	278	222	–	–	–	(262)	–	238	–
<b>Total</b>	<b>322</b>	<b>248</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(262)</b>	<b>–</b>	<b>308</b>	<b>–</b>

## G5 Statement of performance measures

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

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022		Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(5,107)</b>	<b>(18.45)%</b>	1.79%	0.58%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>27,679</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>15,550</b>	<b>41.83%</b>	49.09%	45.97%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>37,177</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>20,550</b>	<b>3.86x</b>	4.52x	4.59x	> 1.50x
Current liabilities less specific purpose liabilities	<b>5,330</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>4,680</b>	<b>3.31x</b>	6.43x	4.57x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>1,415</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>1,058</b>	<b>9.36%</b>	7.28%	6.43%	< 10.00%
Rates and annual charges collectable	<b>11,308</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>29,097</b>	<b>14.94 months</b>	17.11 months	2.88 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<b>1,948</b>				

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

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

## G5-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(23.91)%</b>	(2.80)%	<b>0.07%</b>	12.80%	<b>22.44%</b>	39.58%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>35.26%</b>	41.79%	<b>72.40%</b>	88.68%	<b>100.00%</b>	100.00%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>3.86x</b>	4.52x	∞	∞	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>2.61x</b>	5.27x	∞	∞	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	<b>11.58%</b>	9.06%	<b>0.00%</b>	0.00%	<b>0.00%</b>	0.00%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>10.60 months</b>	14.68 months	∞	3.30 months	∞	94.63 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note 23a above.

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

## Narromine Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2024

#### Independent Auditor's Reports:

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On the Financial Statements (Sect 417 [2])

#### **Independent Auditor's Report**

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).



## Narromine Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2024

#### Independent Auditor's Reports: (continued)

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#### On the Financial Statements (Sect 417 [3])

#### **Independent Auditor's Report**

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

# Narromine Shire Council

## SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2024

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*To enhance our Shire's image, lifestyle and environment  
through effective leadership, community involvement and  
commitment to service.*



## Narromine Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

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## Narromine Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

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

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

- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government *Code of Accounting Practice and Financial Reporting*,
- Sections 3 and 4 of the NSW Department of Planning and Environment, *Water's Regulatory and assurance framework for local water utilities*.

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

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

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

**Signed in accordance with a resolution of Council made on 13 September 2023.**

Cr Craig Davies  
**Mayor**  
13 September 2023

Cr Dawn Collins  
**Councillor**  
13 September 2023

Jane Redden  
**General Manager**  
13 September 2023

Barry Bonthuys  
**Responsible Accounting Officer**  
13 September 2023

## Narromine Shire Council

## Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
<b>Income from continuing operations</b>		
Access charges	860	849
User charges	1,630	1,465
Fees	21	54
Interest and investment income	22	92
Grants and contributions provided for operating purposes	358	94
Other income	1	–
<b>Total income from continuing operations</b>	<b>2,892</b>	<b>2,554</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	495	439
Materials and services	2,109	1,607
Depreciation, amortisation and impairment	286	181
<b>Total expenses from continuing operations</b>	<b>2,890</b>	<b>2,227</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>2</b>	<b>327</b>
Grants and contributions provided for capital purposes	608	220
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>610</b>	<b>547</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>610</b>	<b>547</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(1)	(82)
<b>Surplus (deficit) after tax</b>	<b>609</b>	<b>465</b>
<b>Plus accumulated surplus</b>	<b>14,034</b>	<b>13,487</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	1	82
<b>Closing accumulated surplus</b>	<b>14,644</b>	<b>14,034</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>1.1%</b>
<b>Subsidy from Council</b>	<b>1,251</b>	<b>841</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	610	465
Less: capital grants and contributions (excluding developer contributions)	(608)	(220)
<b>Surplus for dividend calculation purposes</b>	<b>2</b>	<b>245</b>
<b>Potential dividend calculated from surplus (50%)</b>	<b>1</b>	<b>123</b>

## Narromine Shire Council

### Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
<b>Income from continuing operations</b>		
Access charges	1,314	1,236
User charges	298	553
Liquid trade waste charges	15	22
Interest and investment income	137	83
Other income	1	1
<b>Total income from continuing operations</b>	<b>1,765</b>	<b>1,895</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	226	184
Materials and services	842	715
Depreciation, amortisation and impairment	301	246
<b>Total expenses from continuing operations</b>	<b>1,369</b>	<b>1,145</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>396</b>	<b>750</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>396</b>	<b>750</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>396</b>	<b>750</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(99)	(188)
<b>Surplus (deficit) after tax</b>	<b>297</b>	<b>562</b>
<b>Plus accumulated surplus</b>	<b>12,104</b>	<b>11,354</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	99	188
<b>Closing accumulated surplus</b>	<b>12,500</b>	<b>12,104</b>
<b>Return on capital %</b>	<b>1.3%</b>	<b>2.6%</b>
<b>Subsidy from Council</b>	<b>869</b>	<b>406</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	297	562
<b>Surplus for dividend calculation purposes</b>	<b>297</b>	<b>562</b>
<b>Potential dividend calculated from surplus (50%)</b>	<b>149</b>	<b>281</b>

## Narromine Shire Council

### Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	519	563
Investments	75	–
Receivables	771	576
<b>Total current assets</b>	<b>1,365</b>	<b>1,139</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	29,149	29,048
<b>Total non-current assets</b>	<b>29,149</b>	<b>29,048</b>
<b>Total assets</b>	<b>30,514</b>	<b>30,187</b>
<b>Net assets</b>	<b>30,514</b>	<b>30,187</b>
<b>EQUITY</b>		
Accumulated surplus	10,772	11,977
Revaluation reserves	19,742	18,210
<b>Total equity</b>	<b>30,514</b>	<b>30,187</b>

## Narromine Shire Council

### Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	7,922	7,089
Receivables	163	378
<b>Total current assets</b>	<b>8,085</b>	<b>7,467</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	29,427	28,757
<b>Total non-current assets</b>	<b>29,427</b>	<b>28,757</b>
<b>Total assets</b>	<b>37,512</b>	<b>36,224</b>
<b>Net assets</b>	<b>37,512</b>	<b>36,224</b>
<b>EQUITY</b>		
Accumulated surplus	11,673	11,876
Revaluation reserves	25,839	24,348
<b>Total equity</b>	<b>37,512</b>	<b>36,224</b>



## Note – Material accounting policy information

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these SPFS 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 (NSW), the *Local Government (General) Regulation 2005*, 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, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the NCP.

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 NCP 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, return 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)

##### Narromine Shire Council Water Supply

Comprising the whole of the operations and net assets of the water supply activities of Council servicing the towns of Narromine, Trangie, and Tomingley.

##### Narromine Shire Council Sewerage Service

Comprising the whole of the operations and net assets of the sewerage reticulation and treatment activities of Council servicing the towns of Narromine and Trangie.

#### Category 2

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

none

### 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

## Note – Material accounting policy information (continued)

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

### Notional rate applied (%)

Corporate income tax rate – **25%** (21/22 25%)

Land tax – the first \$969,000 of combined land values attracts **0%**. For the combined land values in excess of \$969,000 up to \$5,925,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$5,925,000 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 section 4 of Department of Planning and Environment (DPE) – Water's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

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

Achievement of substantial compliance to sections 3 and 4 of DPE – Water's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

### Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate. For the 2022-23 income year companies that are base rate entities must apply the lower 25% company tax rate.

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

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

### Local government rates and charges

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

### Loan and debt guarantee fees

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

#### (i) Subsidies

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

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

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

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

## Note – Material accounting policy information (continued)

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### (iii) Dividends

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

A local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with section 4 of DPE - Water's regulatory and assurance framework 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 2023 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with section 4 of DPE – Water's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DPE – Water.

## Narromine Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

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# Narromine Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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*To enhance our Shire's image, lifestyle and environment  
through effective leadership, community involvement and  
commitment to service.*



## Narromine Shire Council

### Special Schedules

for the year ended 30 June 2024

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## Narromine Shire Council

## Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	6,237	6,498
Plus or minus adjustments <sup>2</sup>	b	10	39
<b>Notional general income</b>	c = a + b	<b>6,247</b>	<b>6,537</b>
<b>Permissible income calculation</b>			
Percentage increase	d	3.70%	4.50%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	231	294
<b>Sub-total</b>	g = (c + e + f)	<b>6,478</b>	<b>6,831</b>
Plus (or minus) last year's carry forward total	h	16	(4)
<b>Sub-total</b>	j = (h + i)	<b>16</b>	<b>(4)</b>
<b>Total permissible income</b>	k = g + j	<b>6,494</b>	<b>6,827</b>
Less notional general income yield	l	6,498	6,826
<b>Catch-up or (excess) result</b>	m = k - l	<b>(4)</b>	<b>1</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	-	<b>1</b>

**Notes**

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

## Permissible income for general rates

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## Narromine Shire Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance <sup>a</sup>	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					
<b>Buildings</b>	Buildings	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	33,060	–	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>33,060</b>	<b>–</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Other structures</b>	Other structures	–	–	–	–	6,047	–	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6,047</b>	<b>–</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Roads</b>	Roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sealed roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Unsealed roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Bridges	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Footpaths	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other road assets	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	244,265	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other road assets (incl. bulk earth works)	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>244,265</b>	<b>–</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
<b>Water supply network</b>	Water supply network	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	29,149	–	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>29,149</b>	<b>–</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Sewerage network</b>	Sewerage network	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	29,427	–	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>29,427</b>	<b>–</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Stormwater drainage</b>	Stormwater drainage	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	7,906	–	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,906</b>	<b>–</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Open space / recreational assets</b>	Swimming pools	–	–	–	–	10,344	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other Open Space Recreational	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10,344</b>	<b>–</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

## Narromine Shire Council

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

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance <sup>a</sup>	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					
Other infrastructure assets	Other	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	-	-	-	-	-	-	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
	<b>Total – all assets</b>	-	-	-	-	<b>360,198</b>	-	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

(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

## Narromine Shire Council

## Report on infrastructure assets as at 30 June 2024

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2024	2024	2023	2022	
<b>Buildings and infrastructure renewals ratio <sup>1</sup></b>					
Asset renewals <sup>1</sup>	—	0.00%	104.69%	181.21%	> 100.00%
Depreciation, amortisation and impairment	8,121				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	—	0.00%	1.98%	1.80%	< 2.00%
Net carrying amount of infrastructure assets	367,013				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	—	∞	84.72%	67.96%	> 100.00%
Required asset maintenance	—				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	—	∞	1.56%	1.44%	
Gross replacement cost	—				

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

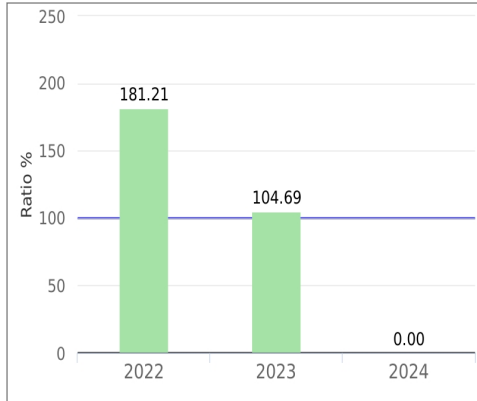
(1) Excludes WIP

(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.

# Narromine Shire Council

## Report on infrastructure assets as at 30 June 2024

### Buildings and infrastructure renewals ratio



**Buildings and infrastructure renewals ratio**

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

Commentary on result	
23/24 ratio	0.00%

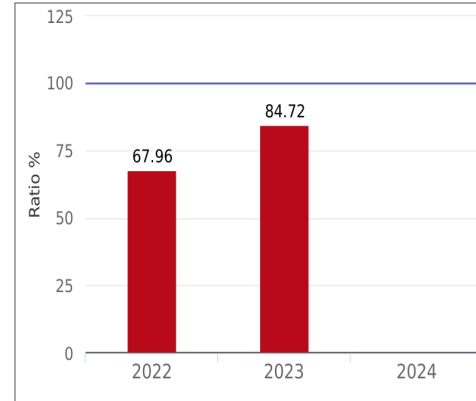
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Asset maintenance ratio



**Asset maintenance ratio**

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

Commentary on result	
23/24 ratio	∞

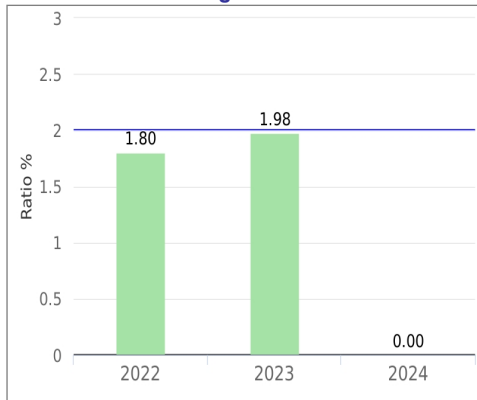
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Infrastructure backlog ratio



**Infrastructure backlog ratio**

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

Commentary on result	
23/24 ratio	0.00%

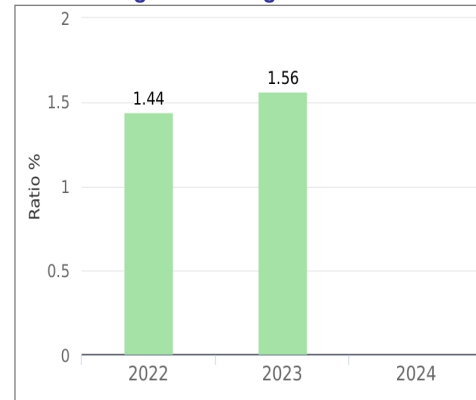
Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Cost to bring assets to agreed service level



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

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

Commentary on result	
23/24 ratio	∞

## Narromine 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	
<b>Buildings and infrastructure renewals ratio <sup>1</sup></b>							
Asset renewals <sup>1</sup>							
Depreciation, amortisation and impairment	0.00%	112.01%	0.00%	0.00%	0.00%	0.00%	> 100.00%
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.00%	2.20%	0.00%	0.00%	0.00%	1.28%	< 2.00%
<b>Asset maintenance ratio</b>							
Actual asset maintenance							
Required asset maintenance	∞	78.33%	∞	112.92%	∞	92.82%	> 100.00%
<b>Cost to bring assets to agreed service level</b>							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	∞	1.74%	∞	0.00%	∞	1.00%	

(1) Excludes WIP

(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.