

# Tenterfield Shire Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*"Quality Nature, Quality Heritage and Quality Lifestyle"*



# Tenterfield Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*"Quality Nature, Quality Heritage and Quality Lifestyle"*



# Tenterfield Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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### Overview

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

247 Rouse Street  
Tenterfield NSW 2372

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

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

# Tenterfield 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 23 October 2024.



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Bronwyn Petrie  
Mayor  
23 October 2024



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Greg Sauer  
Deputy Mayor  
23 October 2024



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Hein Basson  
General Manager  
23 October 2024



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Roy Jones  
Responsible Accounting Officer  
23 October 2024

## Tenterfield Shire Council

## Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
	<b>Income from continuing operations</b>			
13,927	Rates and annual charges	B2-1	14,181	11,871
2,843	User charges and fees	B2-2	3,116	2,935
551	Other revenues	B2-3	826	805
8,692	Grants and contributions provided for operating purposes	B2-4	18,670	19,727
355	Grants and contributions provided for capital purposes	B2-4	12,516	33,671
121	Interest and investment income	B2-5	1,850	1,066
–	Other income	B2-6	155	258
26,489	<b>Total income from continuing operations</b>		<b>51,314</b>	<b>70,333</b>
	<b>Expenses from continuing operations</b>			
9,360	Employee benefits and on-costs	B3-1	7,396	8,349
4,754	Materials and services	B3-2	9,794	11,764
921	Borrowing costs	B3-3	998	963
9,738	Depreciation, amortisation and impairment of non-financial assets	B3-4	8,177	8,727
1,759	Other expenses	B3-5	689	790
281	Net loss from the disposal of assets	B4-1	5,340	2,534
26,813	<b>Total expenses from continuing operations</b>		<b>32,394</b>	<b>33,127</b>
(324)	<b>Operating result from continuing operations</b>		<b>18,920</b>	<b>37,206</b>
(324)	<b>Net operating result for the year attributable to Council</b>		<b>18,920</b>	<b>37,206</b>
(679)	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>6,404</b>	<b>3,535</b>

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

## Tenterfield Shire Council

## Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>Net operating result for the year – from Income Statement</b>		<b>18,920</b>	<b>37,206</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	<b>16,704</b>	41,282
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-8	<b>396</b>	1,299
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>17,100</b>	<b>42,581</b>
<b>Total other comprehensive income for the year</b>		<b>17,100</b>	<b>42,581</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b>36,020</b>	<b>79,787</b>

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

## Tenterfield Shire Council

## Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	67,484	34,891
Investments	C1-2	1,000	–
Receivables	C1-4	3,054	3,604
Inventories	C1-5	119	221
Contract assets and contract cost assets	C1-6	2,490	14,249
<b>Total current assets</b>		<b>74,147</b>	<b>52,965</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment (IPPE)	C1-7	603,077	581,546
Right of use assets	C2-1	206	264
<b>Total non-current assets</b>		<b>603,283</b>	<b>581,810</b>
<b>Total assets</b>		<b>677,430</b>	<b>634,775</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	7,505	5,877
Contract liabilities	C3-2	10,778	4,716
Lease liabilities	C2-1	56	54
Borrowings	C3-3	987	950
Employee benefit provisions	C3-4	1,236	1,240
Provisions	C3-5	1,940	1,678
<b>Total current liabilities</b>		<b>22,502</b>	<b>14,515</b>
<b>Non-current liabilities</b>			
Lease liabilities	C2-1	137	193
Borrowings	C3-3	19,141	20,128
Provisions	C3-5	828	1,137
<b>Total non-current liabilities</b>		<b>20,106</b>	<b>21,458</b>
<b>Total liabilities</b>		<b>42,608</b>	<b>35,973</b>
<b>Net assets</b>		<b>634,822</b>	<b>598,802</b>
<b>EQUITY</b>			
Accumulated surplus		243,381	224,461
IPPE revaluation reserve	C4-1	391,441	374,341
<b>Council equity interest</b>		<b>634,822</b>	<b>598,802</b>
<b>Total equity</b>		<b>634,822</b>	<b>598,802</b>

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

## Tenterfield Shire Council

## Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		224,461	374,341	598,802	187,255	331,760	519,015
<b>Opening balance</b>		<b>224,461</b>	<b>374,341</b>	<b>598,802</b>	<b>187,255</b>	<b>331,760</b>	<b>519,015</b>
Net operating result for the year		18,920	–	18,920	37,206	–	37,206
<b>Restated net operating result for the period</b>		<b>18,920</b>	<b>–</b>	<b>18,920</b>	<b>37,206</b>	<b>–</b>	<b>37,206</b>
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	16,704	16,704	–	41,282	41,282
– Impairment (loss) reversal relating to IPP&E	C1-7	–	396	396	–	1,299	1,299
<b>Other comprehensive income</b>		<b>–</b>	<b>17,100</b>	<b>17,100</b>	<b>–</b>	<b>42,581</b>	<b>42,581</b>
<b>Total comprehensive income</b>		<b>18,920</b>	<b>17,100</b>	<b>36,020</b>	<b>37,206</b>	<b>42,581</b>	<b>79,787</b>
<b>Closing balance at 30 June</b>		<b>243,381</b>	<b>391,441</b>	<b>634,822</b>	<b>224,461</b>	<b>374,341</b>	<b>598,802</b>

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



## Tenterfield Shire Council

## Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
13,869	Rates and annual charges		13,852	11,876
2,786	User charges and fees		2,995	3,110
71	Interest received		1,799	1,034
7,164	Grants and contributions		48,705	38,706
42	Bonds, deposits and retentions received		46	112
549	Other		5,029	5,044
<i>Payments:</i>				
(9,367)	Payments to employees		(7,421)	(8,673)
(4,636)	Payments for materials and services		(10,023)	(15,290)
(969)	Borrowing costs		(924)	(713)
(1,759)	Other		(1,263)	(970)
7,750	<b>Net cash flows from operating activities</b>	G1-1	<b>52,795</b>	<b>34,236</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Sale of real estate assets		–	45
2,610	Proceeds from sale of IPPE		–	206
<i>Payments:</i>				
–	Acquisition of term deposits		(1,000)	–
(8,782)	Payments for IPPE		(18,197)	(38,876)
(50)	Purchase of intangible assets		–	–
(6,222)	<b>Net cash flows from investing activities</b>		<b>(19,197)</b>	<b>(38,625)</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
–	Proceeds from borrowings		–	3,100
<i>Payments:</i>				
(950)	Repayment of borrowings		(950)	(871)
–	Principal component of lease payments		(55)	(56)
(950)	<b>Net cash flows from financing activities</b>		<b>(1,005)</b>	<b>2,173</b>
578	<b>Net change in cash and cash equivalents</b>		<b>32,593</b>	<b>(2,216)</b>
28,607	Cash and cash equivalents at beginning of year		34,891	37,107
29,185	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>67,484</b>	<b>34,891</b>
–	plus: Investments on hand at end of year	C1-2	1,000	–
29,185	<b>Total cash, cash equivalents and investments</b>		<b>68,484</b>	<b>34,891</b>

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

# Tenterfield Shire Council

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# Tenterfield 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 23 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

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

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

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note B5-1 – Material budget variations

and are clearly marked.

#### **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. Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

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

#### **Significant judgements in applying the Council's accounting policies**

- i. Impairment of receivables – refer Note C1-3.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

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

#### **The Consolidated Fund**

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

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

## A1-1 Basis of preparation (continued)

- General purpose operations
- Tenterfield Water service
- Tenterfield Sewerage service
- Stormwater Management Fund
- Waste Management Fund

Due to their immaterial value and nature, the following committees, entities and operations have been excluded from consolidation:

- Sir Henry Parkes Memorial Management Committee (Joint Committee);
- Tenterfield Saleyards Advisory Committee;
- Aboriginal Advisory Committee;
- Heritage Advisory Committee;
- ANZAC Centenary Steering Committee; and
- Disability, Inclusion and Access Advisory Committee.

### The Trust Fund

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

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

### Goods and Services Tax (GST)

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

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

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

### Volunteer services

Council does not recognise services provided by volunteers in its income statement due to the immateriality and unjustifiable cost of trying to reliably capture and assign a value to the many services volunteers in our community provide.

### 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 (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2024 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

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

### New accounting standards adopted during the year

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

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

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

## A1-1 Basis of preparation (continued)

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

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

## B Financial Performance

### B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Functions or activities</b>										
Civic Office	8	(3)	275	297	(267)	(300)	8	(3)	475	464
Organisation and Leadership	–	–	768	838	(768)	(838)	–	–	–	9
Community Development	52	20	26	345	26	(325)	52	20	832	818
Economic Growth and Tourism	346	2,322	553	745	(207)	1,577	343	2,307	4,217	3,674
Theatre and Museum Complex	34	110	173	364	(139)	(254)	6	4	489	348
Finance and Technology	12,408	11,045	552	481	11,856	10,564	4,155	5,278	48,655	18,532
Corporate and Governance	5	3	708	717	(703)	(714)	–	–	443	438
Workforce Development	252	299	1,087	1,186	(835)	(887)	39	47	–	–
Library Services	93	291	494	466	(401)	(175)	91	283	41	62
Emergency Services	432	448	977	650	(545)	(202)	283	448	1,245	1,106
Asset Management and Resourcing	–	1	321	613	(321)	(612)	–	–	4,214	3,402
Commercial Works	201	135	105	119	96	16	–	–	–	–
Environmental Management	117	237	269	346	(152)	(109)	109	232	48	39
Planning and Regulation	740	701	404	428	336	273	443	388	1,358	556
Plant, Fleet and Equipment	39	50	236	(319)	(197)	369	–	–	6,381	6,906
Buildings and Amenities	768	372	1,166	1,036	(398)	(664)	520	155	19,069	19,031
Livestock Saleyards	148	(17)	173	159	(25)	(176)	–	(162)	2,402	1,838
Parks, Gardens and Open Space	332	322	1,101	1,024	(769)	(702)	192	194	13,802	14,212
Swimming Complex	–	–	242	213	(242)	(213)	–	–	1,527	1,230
Stormwater and Drainage	99	92	123	155	(24)	(63)	2	3	5,125	5,148
Transport Network	22,856	36,167	14,618	14,958	8,238	21,209	22,690	36,099	463,717	458,388
Sewerage Services	3,253	3,052	1,914	2,371	1,339	681	30	13	32,135	29,857
Waste Management	4,290	3,648	2,591	3,047	1,699	601	540	152	17,711	14,834
Water Supply	4,841	11,038	3,518	2,888	1,323	8,150	1,683	7,940	53,544	53,883
<b>Total functions and activities</b>	<b>51,314</b>	<b>70,333</b>	<b>32,394</b>	<b>33,127</b>	<b>18,920</b>	<b>37,206</b>	<b>31,186</b>	<b>53,398</b>	<b>677,430</b>	<b>634,775</b>

## B1-2 Components of functions or activities

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

### Civic Office

Corporate affairs and relations; the governance framework; overall corporate performance and reporting; community advocacy; mayoral, councillor and committee support; and media and external communications.

### Organisation and Leadership

Collaboration with other organisations and governments; continual improvement; overall strategic direction of the administrative arm; community engagement; administrative support; service integration and corporate advertising.

### Community Development

Community engagement, development of partnerships, indigenous affairs, inclusiveness, accessible services, supporting diversity and cultural events.

### Economic Growth and Tourism

Community prosperity, tourism, connectivity, partnering, promotion and livability. The Office of the Chief Executive directly oversees these outcomes.

### Theatre and Museum Complex

Sir Henry Parkes School of Art; cultural diversity, events and art activities; youth engagement; volunteering; and festivals.

### Finance and Technology

Information technology; financial sustainability and advise; investments; financial capacity; procurement compliance; regulatory and statutory compliance; business systems; property strategy, overall management and register, land mapping service (GIS).

### Corporate and Governance

Statutory reporting, business processes and integration; procurement compliance; audit; community involvement; customer service; governance; information technology and information management; insurance, risk and business continuity; registers and records management, legal services and election support.

### Workforce Development

Workplace health and wellbeing, planning and culture; workers compensation; workforce performance; training; recruitment, selection and retention; and internal communications.

### Library Services

Home services; vision impaired; review and updating collections; exchanges; internet and Wi Fi access; accessible technology; exhibitions; online training and resources; research and reference services; and the management of corporate art and memorabilia.

### Emergency Services

Integrating land use policies to support emergency management; disaster management; review of emergency management plans; inter-agency communication and collaboration; and rural addressing.

### Asset Management and Resourcing

Review, investigation, survey, design, development and project management; asset investigation, planning, policy formulation and management (both as a bureau service to whole organisation and for transport infrastructure).

### Commercial Works

Private works management, benchmarking, offsetting costs through creating synergies.

### Environmental Management

Education; noxious plants; feral pests (advocacy); illegal dumping and pollution; and roads & footpath regulatory enforcement.



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

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### Planning and Regulation

Development planning, controls, assessment and certification; regulation of premises; built environment; urban design; land use data, mapping and reporting; building and assessment advice; heritage; domestic animals; public health and pollution.

### Plant, Fleet and Equipment

Effective provision and management of plant, fleet, equipment, store and depots; and tendering and procurement.

### Buildings and Amenities

Energy management and conservation, asset planning and maintenance scheduling; building and amenities utilisation, income generation and administration.

### Livestock Saleyards

Planning, development, maintenance, operations and administration of the Saleyards.

### Parks, Gardens and Open Space

Consultation, planning, development; increasing patronage; amenity; maintenance and operations; public art; cycleways; public trees; sportsgrounds (active and passive); cleanliness and administration.

### Swimming Complex

Service provision; regulatory compliance; planning; supervision of patrons; and management.

### Stormwater and Drainage

Ongoing management and improvement of all stormwater infrastructure, gross pollutant traps, natural urban waterways and erosion control apparatus.

### Transport Network

Sustainable management and improvement of all infrastructure used to facilitate transportation: vehicular, aviation, pedestrian and cyclists; car parking; quarries; delineation, line marking, signage and lighting; regulatory compliance; emergency response and on-call; traffic committee administration; and risk mitigation.

### Sewerage Services

Ongoing catchment, transportation, and treatment; monitoring, reporting, environmental compliance and emergency management; trade waste and commercial; fees and charges; public education and administration.

### Waste Management

Ongoing and sustainably managing waste: reduction; recycling; landfill remediation and development; and public education.

### Water Supply

Ongoing water catchment, storage, treatment, distribution, monitoring, regulating, reporting, compliance, charging and administration.

## B2 Sources of income

### B2-1 Rates and annual charges

	2024 \$ '000	2023 \$ '000
<b>Ordinary rates</b>		
Residential	3,019	2,145
Farmland	3,401	2,361
Mining	14	10
Business	482	335
Less: pensioner rebates (mandatory)	(132)	(122)
<b>Rates levied to ratepayers</b>	<b>6,784</b>	<b>4,729</b>
Pensioner rate subsidies received	74	66
<b>Total ordinary rates</b>	<b>6,858</b>	<b>4,795</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	1,297	1,184
Stormwater management services	72	72
Water supply services	1,407	1,552
Sewerage services	2,838	2,685
Waste management services (non-domestic)	228	207
Waste management facility charge	1,573	1,474
Less: pensioner rebates (mandatory)	(203)	(216)
<b>Annual charges levied</b>	<b>7,212</b>	<b>6,958</b>
Pensioner annual charges subsidies received:		
– Water	29	29
– Sewerage	26	26
– Domestic waste management	56	63
<b>Total annual charges</b>	<b>7,323</b>	<b>7,076</b>
<b>Total rates and annual charges</b>	<b>14,181</b>	<b>11,871</b>
<b>Timing of revenue recognition for rates and annual charges</b>		
Rates and annual charges recognised at a point in time (2)	14,181	11,871
<b>Total rates and annual charges</b>	<b>14,181</b>	<b>11,871</b>

Council has used 2023 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

	Timing	2024 \$ '000	2023 \$ '000
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>			
Water supply services	1	1,653	1,494
Sewerage services	1	202	174
Waste management services (non-domestic)	1	315	328
Trade waste	1	28	24
<b>Total specific user charges</b>		<b>2,198</b>	<b>2,020</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Inspection services	2	17	17
Planning and building regulation	2	262	280
Private works – section 67	2	201	135
Section 603 certificates	2	29	23
Companion animals	2	7	4
Local government and health act fees	2	9	9
<b>Total fees and charges – statutory/regulatory</b>		<b>525</b>	<b>468</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>			
Aerodrome	2	–	1
Cemeteries	2	136	112
Saleyards	2	148	146
Tourism	2	2	15
Cinema	2	6	50
Library	2	1	8
Museum and theatre	2	5	42
Service installation	2	53	49
Other	2	42	24
<b>Total fees and charges – other</b>		<b>393</b>	<b>447</b>
<b>Total other user charges and fees</b>		<b>918</b>	<b>915</b>
<b>Total user charges and fees</b>		<b>3,116</b>	<b>2,935</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		2,198	2,020
User charges and fees recognised at a point in time (2)		918	915
<b>Total user charges and fees</b>		<b>3,116</b>	<b>2,935</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, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged the fee is recognised on a straight-line basis over the expected life of the membership.

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

## B2-3 Other revenues

	Notes	Timing	2024 \$ '000	2023 \$ '000
Diesel rebate		2	39	49
Recycling income (non-domestic)		2	81	63
Insurance rebates		2	50	–
Rural fire service program reimbursements		2	149	–
Sale of surplus material		2	–	1
Training reimbursement		2	163	225
Effect from de-recognition of remediation provision	C3-5	2	127	65
Other		2	217	402
<b>Total other revenue</b>			<b>826</b>	<b>805</b>

### Timing of revenue recognition for other revenue

Other revenue recognised over time (1)			–	–
Other revenue recognised at a point in time (2)			826	805
<b>Total other revenue</b>			<b>826</b>	<b>805</b>

### Material accounting policy information for other revenue

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

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

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

## B2-4 Grants and contributions

		Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
	Timing				
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	2	283	1,117	–	–
Financial assistance – local roads component	2	91	522	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	2	3,872	4,161	–	–
Financial assistance – local roads component	2	1,852	2,076	–	–
<b>Amount recognised as income during current year</b>					
		<b>6,098</b>	<b>7,876</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Water supplies	1	–	43	1,535	7,730
Bushfire and emergency services	2	283	311	–	–
Community centres	1	–	–	66	31
Economic development	2	–	124	–	–
Environmental programs	2	5	20	–	–
Heritage and cultural	1,2	31	240	–	82
Library	2	88	64	3	219
LIRS subsidy	2	7	11	–	–
Noxious weeds	1,2	109	207	–	–
Recreation and culture	2	4	8	966	2,344
Community development	2	52	20	–	–
Street lighting	2	35	34	–	–
Saleyards	2	–	–	–	(162)
Waste management	2	–	–	487	122
Disaster recovery	2	4,616	4,143	4,528	66
Transport (roads to recovery)	2	1,044	1,044	–	–
Transport (other roads and bridges funding)	1,2	4,497	3,782	4,361	22,795
Other councils – joint works/services	1	103	125	–	–
Transport for NSW contributions (regional roads, block grant)	2	1,656	1,625	–	–
FBT contributions	2	39	47	–	–
Waste management services	2	3	3	–	–
<b>Total special purpose grants and non-developer contributions – cash</b>					
		<b>12,572</b>	<b>11,851</b>	<b>11,946</b>	<b>33,227</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>					
		<b>12,572</b>	<b>11,851</b>	<b>11,946</b>	<b>33,227</b>
<b>Total grants and non-developer contributions</b>					
		<b>18,670</b>	<b>19,727</b>	<b>11,946</b>	<b>33,227</b>
<b>Comprising:</b>					
– Commonwealth funding		6,386	17,677	822	4,789
– State funding		12,284	2,050	11,124	28,438
		<b>18,670</b>	<b>19,727</b>	<b>11,946</b>	<b>33,227</b>

## B2-4 Grants and contributions (continued)

## Developer contributions

	Notes	Timing	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>						
G4						
<b>Cash contributions</b>						
S 7.11 – contributions towards amenities/services		2	–	–	503	374
S 64 – water supply contributions		2	–	–	36	57
S 64 – sewerage service contributions		2	–	–	31	13
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>570</b>	<b>444</b>
<b>Total developer contributions</b>			<b>–</b>	<b>–</b>	<b>570</b>	<b>444</b>
<b>Total contributions</b>			<b>–</b>	<b>–</b>	<b>570</b>	<b>444</b>
<b>Total grants and contributions</b>			<b>18,670</b>	<b>19,727</b>	<b>12,516</b>	<b>33,671</b>
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time (1)			–	168	6,209	7,761
Grants and contributions recognised at a point in time (2)			18,670	19,559	6,307	25,910
<b>Total grants and contributions</b>			<b>18,670</b>	<b>19,727</b>	<b>12,516</b>	<b>33,671</b>

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

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

Notes	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
<b>Grants</b>				
Unspent grants at 1 July	4,585	2,546	4,811	11,946
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	14,986	4,567	934	569
<b>Add:</b> grants received for the provision of goods and services in a future period	–	–	14,471	4,479
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(4,567)	(2,528)	(969)	(693)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	–	–	(4,479)	(11,490)
<b>Unspent grants at 30 June</b>	<b>15,004</b>	<b>4,585</b>	<b>14,768</b>	<b>4,811</b>
<b>Contributions</b>	G4			
Unspent contributions at 1 July	–	–	870	470
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	596	400
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
<b>Unspent contributions at 30 June</b>	<b>–</b>	<b>–</b>	<b>1,466</b>	<b>870</b>

### 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 may vary according to the agreement. 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.

## B2-4 Grants and contributions (continued)

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

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

### Developer contributions

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

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

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

### Other grants and contributions

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

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

## B2-5 Interest and investment income

	2024 \$ '000	2023 \$ '000
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	94	70
– Cash and investments	1,756	996
<b>Total interest and investment income (losses)</b>	<b>1,850</b>	<b>1,066</b>

## B2-6 Other income

	2024 \$ '000	2023 \$ '000
<b>Rental income</b>		
<b>Other lease income</b>		
Council owned property	155	164
<b>Total other lease income</b>	<b>155</b>	<b>164</b>
<b>Total rental income</b>	<b>155</b>	<b>164</b>
IMF Settlement Income	–	94
<b>Total other</b>	<b>–</b>	<b>94</b>
<b>Total other income</b>	<b>155</b>	<b>258</b>



## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

	2024	2023
	\$ '000	\$ '000
Salaries and wages	5,997	6,969
Employee leave entitlements (ELE)	1,170	1,384
Superannuation	749	823
Workers' compensation insurance	246	222
Fringe benefit tax (FBT)	30	37
Other	14	47
<b>Total employee costs</b>	<b>8,206</b>	<b>9,482</b>
Less: capitalised costs	(810)	(1,133)
<b>Total employee costs expensed</b>	<b>7,396</b>	<b>8,349</b>

## B3-2 Materials and services

	Notes	2024 \$ '000	2023 \$ '000
Raw materials and consumables		4,936	3,110
Contractor and consultancy costs		2,861	6,810
Audit Fees	F2-1	84	61
Councillor and Mayoral fees and associated expenses	F1-2	178	175
Advertising		21	44
Cleaning		46	42
Electricity and heating		333	238
Insurance		656	592
Postage		24	39
Printing and stationery		19	17
Street lighting		115	98
Subscriptions and publications		81	89
Telephone and communications		177	192
Travel expenses		5	13
Training costs (other than salaries and wages)		37	95
Other expenses		170	106
– Legal expenses: planning and development		–	1
– Legal expenses: other		25	36
Other		26	6
<b>Total materials and services</b>		<b>9,794</b>	<b>11,764</b>
<b>Total materials and services</b>		<b>9,794</b>	<b>11,764</b>

### B3-3 Borrowing costs

	Notes	2024 \$ '000	2023 \$ '000
<b>(i) Interest bearing liability costs</b>			
Interest on leases		8	7
Interest on loans		870	840
<b>Total interest bearing liability costs</b>		<b>878</b>	<b>847</b>
<b>Total interest bearing liability costs expensed</b>		<b>878</b>	<b>847</b>
<b>(ii) Other borrowing costs</b>			
– Remediation liabilities	C3-5	120	116
<b>Total other borrowing costs</b>		<b>120</b>	<b>116</b>
<b>Total borrowing costs expensed</b>		<b>998</b>	<b>963</b>

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

	Notes	2024 \$ '000	2023 \$ '000
<b>Depreciation and amortisation</b>			
Plant and equipment		697	776
Office equipment		61	55
Furniture and fittings		3	3
Land improvements (depreciable)		41	39
<b>Infrastructure:</b>	C1-7		
– Buildings		587	1,016
– Other structures		191	182
– Roads		3,488	3,189
– Bridges		1,093	1,046
– Footpaths		56	47
– Stormwater drainage		115	108
– Water supply network		870	866
– Sewerage network		593	547
– Swimming pools		28	27
– Other open space/recreational assets		208	169
Right of use assets	C2-1	59	16
<b>Other assets:</b>			
– Library books		28	32
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C1-7	227	812
– Quarry assets	C1-7	8	16
<b>Total gross depreciation and amortisation costs</b>		<b>8,353</b>	<b>8,946</b>
Less: capitalised costs		(176)	(219)
<b>Total depreciation and amortisation costs</b>		<b>8,177</b>	<b>8,727</b>
<b>Impairment / revaluation decrement of IPPE</b>			
<b>Infrastructure:</b>	C1-7		
– Roads		(396)	(1,299)
– Bulk earthworks		–	–
<b>Total gross IPPE impairment / revaluation decrement costs</b>		<b>(396)</b>	<b>(1,299)</b>
Amounts taken through revaluation reserve	C1-7	396	1,299
<b>Total IPPE impairment / revaluation decrement costs charged to Income Statement</b>		<b>–</b>	<b>–</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>8,177</b>	<b>8,727</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. Useful lives are included in Note C1-6 for IPPE assets and Note C1-7 for intangible assets.

Depreciation is capitalised where in-house assets have contributed to new assets.

#### Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are 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

### B3-4 Depreciation, amortisation and impairment of non-financial assets (continued)

which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

### B3-5 Other expenses

	2024 \$ '000	2023 \$ '000
<b>Other</b>		
Grants funded donations, contributions and assistance to other organisations (incl. Section 356)	40	250
Council funded donations, contributions and assistance to other organisations (incl. Section 356)	132	42
Emergency services levy (includes FRNSW, SES, and RFS levies)	517	498
<b>Total other</b>	<b>689</b>	<b>790</b>
<b>Total other expenses</b>	<b>689</b>	<b>790</b>

## B4 Gains or losses

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

	Notes	2024 \$ '000	2023 \$ '000
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Proceeds from disposal – property		–	1,116
Less: carrying amount of property assets sold/written off		(83)	(962)
<b>Gain (or loss) on disposal</b>		<b>(83)</b>	<b>154</b>
<b>Gain (or loss) on disposal of plant and equipment</b>			
Non-cash income from trade-in – plant and equipment	C1-7	1,669	2,170
Less: carrying amount of plant and equipment assets sold/written off		(1,925)	(2,242)
<b>Gain (or loss) on disposal</b>		<b>(256)</b>	<b>(72)</b>
<b>Gain (or loss) on disposal of infrastructure</b>			
Less: carrying amount of infrastructure assets sold/written off	C1-7	(5,001)	(2,629)
<b>Gain (or loss) on disposal</b>		<b>(5,001)</b>	<b>(2,629)</b>
<b>Gain (or loss) on disposal of real estate assets held for sale</b>			
Proceeds from disposal – real estate assets	C1-5	–	45
Less: carrying amount of real estate assets sold/written off		–	(32)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>13</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(5,340)</b>	<b>(2,534)</b>

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 30 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Revenues</b>				
<b>Rates and annual charges</b>	13,927	14,181	254	2% <b>F</b>
<b>User charges and fees</b>	2,843	3,116	273	10% <b>F</b>
<b>Other revenues</b>	551	826	275	50% <b>F</b>
Council received additional training reimbursement income of \$158K in addition to the budgeted amount. Council accounted for \$149K for RFS reimbursement relating to October 2023 bushfire (which was not budgeted as part of June adopted budget).				
<b>Operating grants and contributions</b>	8,692	18,670	9,978	115% <b>F</b>
Council received \$4.30 Million in November 2023 as part of Regional Emergency Road Repair Fund Program. Council further signed for a Tripartite Agreement with NSW Transport to received advance payments for Disaster Recovery Works DRFA 1012, which resulted in approximately net increase of \$5.3 Million in operating grants revenue.				
<b>Capital grants and contributions</b>	355	12,516	12,161	3,426% <b>F</b>
Significant portion of the capital grants income in 2024 comprises of revenue recognised on grant funded projects delivered in 2024 funds for which were receipted in 2023 financial year. Additionally Council was in receipt of advance payment for Dumaresq Bridge as part of the Tripartite Agreement- this resulted in Council receiving approximately \$8.7 Million in June 2024.				
<b>Interest and investment revenue</b>	121	1,850	1,729	1,429% <b>F</b>
Due to significant increase of unseprnt grant related funds at year end as well as due to interest rates being kept high.				
<b>Other income</b>	-	155	155	∞ <b>F</b>
Income from various council leased buildings not budgeted as part of original budget.				

## B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	9,360	7,396	1,964	21% <b>F</b>
Council had a moratorium on recruitment for over 12 months. As council worked its way through the revised organisational structure the original budget was kept as per earlier adopted org structure. Council new organisational structure has been adopted in FY 24/25.				
<b>Materials and services</b>	4,754	9,794	(5,040)	(106)% <b>U</b>
Due to flood recovery works.				
<b>Borrowing costs</b>	921	998	(77)	(8)% <b>U</b>
<b>Depreciation, amortisation and impairment of non-financial assets</b>	9,738	8,177	1,561	16% <b>F</b>
Mostly due to drop in depreciation for buildings as a result of a detailed componentisation of assets in previous year during comprehensive revaluation.				
<b>Other expenses</b>	1,759	689	1,070	61% <b>F</b>
Reduction in actual due to reduction in service levels due to moratorium on recruitment.				
<b>Net losses from disposal of assets</b>	281	5,340	(5,059)	(1,800)% <b>U</b>
This is a paper-based effect of write-off of undepreciated amount of disposed or impaired assets. It is hard to budget.				
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	7,750	52,795	45,045	581% <b>F</b>
Council received \$4.30 Million in November 2023 as part of Regional Emergency Road Repair Fund Program. Council further signed for a Tripartite Agreement with NSW Transport to received advance payments for Disaster Recovery Works DRFA 1012, which resulted in approximately net increase of \$5.3 Million in operating grants revenue.				
<b>Cash flows from investing activities</b>	(6,222)	(19,197)	(12,975)	209% <b>U</b>
In line with the increased capital grants income trend.				
<b>Cash flows from financing activities</b>	(950)	(1,005)	(55)	6% <b>U</b>



## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
<b>Cash assets</b>		
Cash on hand and at bank	55,415	28,509
Cash equivalent assets		
– Deposits at call	12,000	6,000
Trust account	69	382
<b>Total cash and cash equivalents</b>	<b>67,484</b>	<b>34,891</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	67,484	34,891
<b>Balance as per the Statement of Cash Flows</b>	<b>67,484</b>	<b>34,891</b>

## C1-2 Financial investments

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>Debt securities at amortised cost</b>				
Short term deposits	1,000	-	-	-
<b>Total</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial investments</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>68,484</b>	<b>-</b>	<b>34,891</b>	<b>-</b>

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

	2024 \$ '000	2023 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>68,484</b>	<b>34,891</b>
Less: Externally restricted cash, cash equivalents and investments	<b>(52,188)</b>	<b>(28,078)</b>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>16,296</b>	<b>6,813</b>
<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	10,572	4,587
Specific purpose unexpended grants – water fund	207	124
<b>External restrictions – included in liabilities</b>	<b>10,779</b>	<b>4,711</b>
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants (recognised as revenue) – general fund (including waste and stormwater)	18,868	4,530
Specific purpose unexpended grants (recognised as revenue) – water fund	18	44
Developer contributions – general (including waste and stormwater)	1,251	722
Developer contributions – water fund	130	94
Developer contributions – sewer fund	85	54
RFS reserves	107	111
Water fund	2,348	1,211
Sewer fund	7,724	6,764
Domestic waste management	9,771	8,464
Stormwater management	1,038	991
Trust fund	69	382
<b>External restrictions – other</b>	<b>41,409</b>	<b>23,367</b>
<b>Total external restrictions</b>	<b>52,188</b>	<b>28,078</b>

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.

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

	<b>2024</b>	2023
	<b>\$ '000</b>	\$ '000

**(b) Internal allocations**

<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>16,296</b>	6,813
Less: Internally restricted cash, cash equivalents and investments	<b>(7,595)</b>	(5,500)
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>8,701</b>	1,313

**Internal allocations**

At 30 June, Council has internally allocated funds to the following:

Plant and vehicle replacement	<b>850</b>	–
Employees leave entitlement	<b>805</b>	–
FAG Road Component (Advanced)	<b>1,852</b>	–
Special projects infrastructure	<b>2,500</b>	5,500
SRV money unspent 2014	<b>1,048</b>	–
SRV money unspent 2023	<b>439</b>	–
Saleyard specific purpose	<b>101</b>	–
<b>Total internal allocations</b>	<b>7,595</b>	5,500

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

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	720	-	391	-
Interest and extra charges	111	-	88	-
User charges and fees	919	-	707	-
Private works	75	-	83	-
Accrued revenues				
– Interest on investments	54	-	26	-
Government agency receivables	574	-	272	-
Net GST receivable	656	-	1,037	-
Other debtors	-	-	1,055	-
<b>Total</b>	<b>3,109</b>	<b>-</b>	<b>3,659</b>	<b>-</b>
<b>Less: provision for impairment</b>				
Other debtors	(55)	-	(55)	-
<b>Total provision for impairment – receivables</b>	<b>(55)</b>	<b>-</b>	<b>(55)</b>	<b>-</b>
<b>Total net receivables</b>	<b>3,054</b>	<b>-</b>	<b>3,604</b>	<b>-</b>

	2024 \$ '000	2023 \$ '000
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	55	55
<b>Balance at the end of the year</b>	<b>55</b>	<b>55</b>

## C1-4 Receivables (continued)

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

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 60 days past due has seen a significant increase in credit risk.

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

## C1-5 Inventories

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>(i) Inventories at cost</b>				
Stores and materials	119	-	221	-
<b>Total inventories at cost</b>	<b>119</b>	<b>-</b>	<b>221</b>	<b>-</b>
<b>Total inventories</b>	<b>119</b>	<b>-</b>	<b>221</b>	<b>-</b>

### (i) Other disclosures

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Notes				

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

#### Movements:

Real estate assets at beginning of the year	-	-	32	-
- WDV of sales (expense)	-	-	(32)	-
<b>Total real estate for resale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## C1-6 Contract assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Contract assets	2,490	-	14,249	-
<b>Total contract assets</b>	<b>2,490</b>	<b>-</b>	<b>14,249</b>	<b>-</b>

### Contract assets

Contract Asset (AASB 15)	103	-	170	-
Grant Contract Asset (AASB 1058 - asset exemption)	2,181	-	9,297	-
Accrued Income (AASB 1058)	206	-	4,782	-
<b>Total contract assets</b>	<b>2,490</b>	<b>-</b>	<b>14,249</b>	<b>-</b>

### Significant changes in contract assets

#### Contract Assets relating to work for external parties (AASB 15)

No significant changes - consistent with prior year.

#### Grant Contract Assets - work related to infrastructure grants (AASB 1058 - Asset Exemption)

Drop due to receipt of funds for works performed on capital projects in previous year, such as, for example:

- 1) Mt Lindesay Upgrade - received \$1M
- 2) Fixing Local Roads - received \$1M
- 3) Building Better Region Funds Infrastructure Projects - received \$1M
- 4) BLERF - 0737 - Improve Mt Lindesay Road - received \$2.6M
- 5) LRCI - received \$1.5M

#### Accrued Income - not specific or not enforceable grants (AASB 1058)

Main reason for a drop of accrued income balance was due to receipt of \$2.3M DRFA funds for flood recovery works on AGRN 1012.



## 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>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment reversal (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	46,079	–	46,079	1,253	3,317	(79)	–	–	(44,549)	–	–	–	6,022	–	6,022
Plant and equipment	16,299	(8,102)	8,197	1,839	359	(1,925)	(697)	–	–	–	–	–	16,116	(8,344)	7,772
Office equipment	770	(499)	271	–	–	–	(61)	–	4	–	–	–	773	(559)	214
Furniture and fittings	155	(145)	10	–	3	–	(3)	–	194	–	–	–	351	(147)	204
<b>Land:</b>															
– Crown land - managed by council	1,765	–	1,765	–	–	–	–	–	–	–	–	–	1,765	–	1,765
– Crown land - devolved to council	2,970	–	2,970	–	–	–	–	–	–	–	–	–	2,970	–	2,970
– Operational land	7,220	–	7,220	–	–	–	–	–	–	–	–	238	7,458	–	7,458
– Community land	1,793	–	1,793	–	–	–	–	–	–	–	–	–	1,793	–	1,793
– Land under roads (post 30/6/08)	13	–	13	–	–	–	–	–	–	–	–	–	13	–	13
Land improvements – depreciable	2,054	(788)	1,266	–	154	–	(41)	–	2,121	–	–	40	4,396	(856)	3,540
<b>Infrastructure:</b>															
– Buildings	38,779	(10,414)	28,365	133	369	(83)	(587)	–	1,775	–	–	1,930	43,620	(11,717)	31,903
– Other structures	5,734	(2,458)	3,276	89	85	(65)	(191)	–	158	–	–	100	6,164	(2,712)	3,452
– Roads	319,906	(82,874)	237,032	3,782	913	(2,477)	(3,488)	396	22,576	–	–	5,299	329,248	(65,216)	264,032
– Bridges	104,064	(44,599)	59,465	4,818	–	(1,738)	(1,093)	–	3,803	–	–	1,884	111,756	(44,619)	67,137
– Footpaths	4,449	(1,169)	3,280	17	93	(16)	(56)	–	139	–	(9)	–	4,757	(1,309)	3,448
– Bulk earthworks (non-depreciable)	113,018	(1,393)	111,625	3	115	–	–	–	7,605	–	–	4,111	124,986	(1,527)	123,459
– Stormwater drainage	9,685	(5,543)	4,142	2	8	(1)	(115)	–	6	–	–	27	9,722	(5,653)	4,069
– Water supply network	71,245	(33,183)	38,062	996	385	(520)	(870)	–	5,501	–	–	1,884	81,023	(35,585)	45,438
– Sewerage network	34,403	(12,896)	21,507	518	–	(78)	(593)	–	124	–	–	1,060	36,556	(14,018)	22,538
– Swimming pools	1,614	(1,257)	357	–	7	–	(28)	–	–	–	–	11	1,673	(1,327)	346
– Other open space/recreational assets	5,324	(1,149)	4,175	173	353	(26)	(208)	–	543	–	–	129	6,440	(1,299)	5,141
<b>Other assets:</b>															
– Library books	167	(126)	41	–	–	–	(28)	–	–	–	–	–	167	(154)	13
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>															
– Quarry assets	114	(55)	59	–	–	–	(8)	–	–	(15)	–	–	99	(64)	35
– Tip assets	2,661	(2,085)	576	–	–	–	(227)	–	–	(33)	–	–	2,627	(2,312)	315
<b>Total infrastructure, property, plant and equipment</b>	<b>790,281</b>	<b>(208,735)</b>	<b>581,546</b>	<b>13,623</b>	<b>6,161</b>	<b>(7,008)</b>	<b>(8,294)</b>	<b>396</b>	<b>–</b>	<b>(48)</b>	<b>(9)</b>	<b>16,713</b>	<b>800,495</b>	<b>(197,418)</b>	<b>603,077</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 <sup>2</sup>			Asset movements during the reporting period								At 30 June 2023		
	Gross carrying amount <sup>2</sup>	Accumulated depreciation and impairment <sup>2</sup>	Net carrying amount <sup>2</sup>	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals <sup>2</sup>	Depreciation expense	Impairment reversal (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount <sup>2</sup>	Accumulated depreciation and impairment <sup>2</sup>	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	22,978	–	22,978	6,818	21,175	–	–	–	(4,892)	–	–	46,079	–	46,079
Plant and equipment	16,709	(7,732)	8,977	2,164	68	(2,242)	(776)	–	–	–	–	16,299	(8,102)	8,197
Office equipment	770	(444)	326	–	–	–	(55)	–	–	–	–	770	(499)	271
Furniture and fittings	155	(142)	13	–	–	–	(3)	–	–	–	–	155	(145)	10
<b>Land:</b>														
– Operational land	4,649	–	4,649	–	–	(962)	–	–	–	–	3,534	7,220	–	7,220
– Community land	1,673	–	1,673	–	–	–	–	–	–	–	120	1,793	–	1,793
– Crown land - managed by council	1,647	–	1,647	–	–	–	–	–	–	–	118	1,765	–	1,765
– Crown land - devolved to council	2,772	–	2,772	–	–	–	–	–	–	–	198	2,970	–	2,970
– Land under roads (post 30/6/08)	13	–	13	–	–	–	–	–	–	–	–	13	–	13
Land improvements – depreciable	1,917	(711)	1,206	–	16	–	(39)	–	23	–	60	2,054	(788)	1,266
<b>Infrastructure:</b>														
– Buildings	39,295	(21,442)	17,853	–	92	–	(1,016)	–	1,438	–	9,999	38,779	(10,414)	28,365
– Other structures	5,416	(2,155)	3,261	–	–	–	(182)	–	42	–	156	5,734	(2,458)	3,276
– Roads	298,409	(76,886)	221,523	3,333	1,610	(2,052)	(3,189)	1,299	1,592	–	12,916	319,906	(82,874)	237,032
– Bridges	98,066	(41,718)	56,348	909	–	(476)	(1,046)	–	459	–	3,270	104,064	(44,599)	59,465
– Footpaths	3,726	(1,057)	2,669	–	503	–	(47)	–	–	–	155	4,449	(1,169)	3,280
– Bulk earthworks (non-depreciable)	103,704	(1,393)	102,311	859	1,629	–	–	–	693	–	6,133	113,018	(1,393)	111,625
– Stormwater drainage	8,993	(5,039)	3,954	–	–	–	(108)	–	–	–	296	9,685	(5,543)	4,142
– Water supply network	66,057	(30,328)	35,729	301	–	(38)	(866)	–	258	–	2,686	71,245	(33,183)	38,062
– Sewerage network	31,622	(11,524)	20,098	–	157	(61)	(547)	–	352	–	1,507	34,403	(12,896)	21,507
– Swimming pools	1,535	(1,169)	366	–	–	–	(27)	–	–	–	17	1,614	(1,257)	357
– Other open space/recreational assets	3,397	(931)	2,466	–	1,727	(2)	(169)	–	35	–	117	5,324	(1,149)	4,175
<b>Other assets:</b>														
– Library books	167	(94)	73	–	–	–	(32)	–	–	–	–	167	(126)	41
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>														
– Tip assets	3,440	(1,273)	2,167	–	–	–	(812)	–	–	(780)	–	2,661	(2,085)	576
– Quarry assets	152	(40)	112	–	–	–	(16)	–	–	(38)	–	114	(55)	59
<b>Total infrastructure, property, plant and equipment</b>	<b>717,262</b>	<b>(204,078)</b>	<b>513,184</b>	<b>14,384</b>	<b>26,977</b>	<b>(5,833)</b>	<b>(8,930)</b>	<b>1,299</b>	<b>–</b>	<b>(818)</b>	<b>41,282</b>	<b>790,281</b>	<b>(208,735)</b>	<b>581,546</b>

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

(2) Restated - see Note G4-1

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

### Material accounting policy information

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

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

When infrastructure, property, plant and equipment are acquired by Council for nil or consideration significantly less than fair value, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated unless it was acquired to be controlled by the council for a specified period of time. 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>Water and sewer assets</b>	Years
Office equipment	10	Water - Mains	80 to 90
Office furniture	10 to 20	Water - Pumping Stations	30 to 80
Computer equipment	4	Water Dam	100
Plants - Light vehicles	1	Water - Reservoirs	40 to 80
Plants - Heavy plant/road making equipment	10	Water - Treatment Works	30 to 80
Other plant and equipment	10	Sewerage - Ancilliary	30 to 50
		Sewerage - Pumping Stations	30
		Sewerage - Treatment Works	30 to 70
		Sewerage - Mains	70 to 210
<b>Transportation assets</b>		<b>Stormwater assets</b>	
Sealed roads: surface	30	Drains	80
Sealed roads: pavement base	50		
Sealed roads: pavement sub-base	Infinite	<b>Buildings</b>	
Unsealed roads surface:		Buildings	15 to 75
- depreciable component	25		
- non-depreciable component	Infinite	<b>Other infrastructure assets</b>	
Bulk earthworks	Infinite	Swimming pools	50
Bridge: concrete	100	Other open space/ recreational assets	10 to 100
Bridge: timber	80		
Kerb, gutter and footpaths	80		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. As at 30 June 2023 only vehicle assets had residual values.

Depreciation starts in the year following the year of acquisition of an asset.

### Land under roads

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

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

### Crown reserves

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

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

## C2 Leasing activities

### C2-1 Council as a lessee

Information relating to the leases in place and associated balances and transactions is provided below.

#### Buildings

Council leases land for operational purposes. The land leases contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

#### Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

#### (a) Right of use assets

	Office and IT equipment \$ '000	Land \$ '000	Total \$ '000
<b>2024</b>			
Opening balance at 1 July	154	110	264
Depreciation charge	(51)	(7)	(58)
<b>Balance at 30 June</b>	<b>103</b>	<b>103</b>	<b>206</b>
<b>2023</b>			
Opening balance at 1 July	9	117	126
Additions to right-of-use assets	154	–	154
Depreciation charge	(9)	(7)	(16)
<b>Balance at 30 June</b>	<b>154</b>	<b>110</b>	<b>264</b>

#### (b) Lease liabilities

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Lease liabilities	56	137	54	193
<b>Total lease liabilities</b>	<b>56</b>	<b>137</b>	<b>54</b>	<b>193</b>

## C2-1 Council as a lessee (continued)

### (c) (i) The maturity analysis

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

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per Statement of Financial Position \$ '000
<b>2024</b>					
Cash flows	62	81	78	221	193
<b>2023</b>					
Cash flows	62	134	88	284	247

### (d) Income Statement

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

	2024 \$ '000	2023 \$ '000
Interest on lease liabilities	8	7
Depreciation of right of use assets	59	16
	<b>67</b>	<b>23</b>

### (e) Statement of Cash Flows

	2024 \$ '000	2023 \$ '000
Total cash outflow for leases	62	62
	<b>62</b>	<b>62</b>

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

Council has a lease at significantly below market for land and building which is used for School of Arts.

The lease is for 80 years and requires payments of a maximum amount of \$1 per year. The use of the right-to-use asset is restricted by the lessor to specified community services which Council must provide, these services are detailed in the lease. Council does not believe that this lease is material from a statement of financial position or performance perspective.

### Material accounting policy information

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

#### **Exceptions to lease accounting**

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets (below \$10,000). Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **Leases at significantly below market value / concessionary leases**

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

## C2-2 Council as a lessor

### Operating leases

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

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

	2024	2023
	\$ '000	\$ '000

#### (i) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	155	164
<b>Total income relating to operating leases for Council assets</b>	<b>155</b>	<b>164</b>

#### (iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	155	164
1–2 years	155	164
2–3 years	155	164
3–4 years	155	164
4–5 years	155	164
> 5 years	155	164
<b>Total undiscounted lease payments to be received</b>	<b>930</b>	<b>984</b>

## C3 Liabilities of Council

### C3-1 Payables

	<b>2024</b>	<b>2024</b>	2023	2023
	<b>Current</b>	<b>Non-current</b>	Current	Non-current
	<b>\$ '000</b>	<b>\$ '000</b>	\$ '000	\$ '000
Goods and services	<b>6,669</b>	–	4,305	–
Goods and services – accruals	–	–	308	–
Accrued expenses:				
– Borrowings	<b>228</b>	–	274	–
– Salaries and wages	<b>166</b>	–	187	–
Advances	<b>7</b>	–	7	–
Security bonds, deposits and retentions	<b>342</b>	–	296	–
Other	<b>24</b>	–	118	–
Trust account	<b>69</b>	–	382	–
<b>Total payables</b>	<b>7,505</b>	<b>–</b>	<b>5,877</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

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

## C3-2 Contract Liabilities

Notes	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>Grants and contributions received in advance:</b>				
Unexpended capital grants (to construct Council controlled assets) (i)	10,778	-	4,716	-
<b>Total grants received in advance</b>	<b>10,778</b>	<b>-</b>	<b>4,716</b>	<b>-</b>
<b>Total contract liabilities</b>	<b>10,778</b>	<b>-</b>	<b>4,716</b>	<b>-</b>

### Notes

(i) Council has received funding to construct assets to be controlled by the council under Stronger Country Communities Funding and Drought Stimulus Package grant agreements. The funds received are under enforceable contracts which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

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

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

	2024 \$ '000	2023 \$ '000
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	4,716	11,490
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>4,716</b>	<b>11,490</b>

### Significant changes in contract liabilities

Increase in contract liability balance is due to receipt of funds which have not been fully spent by 30 June 2024 for the following projects:

- 1) DRFA AGRN960 EPAR Bruxner Way - Bridge 7325 Dumaresq River Overflow Channel GEN - \$4M unspent;
- 2) FLR00104 - Paddys Flat Road South, Tabulam - \$1M unspent;
- 3) Betterment of Molesworth St Bridge - \$1M unspent.



### C3-3 Borrowings

	<b>2024</b>	<b>2024</b>	2023	2023
	<b>Current</b>	<b>Non-current</b>	Current	Non-current
	<b>\$ '000</b>	<b>\$ '000</b>	\$ '000	\$ '000
Loans – secured <sup>1</sup>	<b>987</b>	<b>19,141</b>	950	20,128
<b>Total borrowings</b>	<b>987</b>	<b>19,141</b>	<b>950</b>	<b>20,128</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 Note E1-1.

## C3-3 Borrowings (continued)

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

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	21,078	(950)	–	–	–	–	20,128
Lease liability (Note C2-1b)	247	(54)	–	–	–	–	193
<b>Total liabilities from financing activities</b>	<b>21,325</b>	<b>(1,004)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>20,321</b>

	2022		Non-cash movements				2023
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	18,849	(871)	3,100	–	–	–	21,078
Lease liability (Note C2-1b)	149	56	42	–	–	–	247
<b>Total liabilities from financing activities</b>	<b>18,998</b>	<b>(815)</b>	<b>3,142</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>21,325</b>

## (b) Financing arrangements

	2024 \$ '000	2023 \$ '000
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**Total facilities**

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

Credit cards/purchase cards	50	50
Standby credit facilities	5,000	5,000
<b>Total financing arrangements</b>	<b>5,050</b>	<b>5,050</b>

**Drawn facilities**

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	5	–
<b>Total drawn financing arrangements</b>	<b>5</b>	<b>–</b>

**Undrawn facilities**

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

– Credit cards/purchase cards	45	10
– Standby credit facilities	5,000	5,000
<b>Total undrawn financing arrangements</b>	<b>5,045</b>	<b>5,010</b>

### C3-4 Employee benefit provisions

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Annual leave	621	–	623	–
Long service leave	615	–	617	–
<b>Total employee benefit provisions</b>	<b>1,236</b>	<b>–</b>	<b>1,240</b>	<b>–</b>

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

	2024 \$ '000	2023 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	832	837
	<b>832</b>	<b>837</b>

#### Material accounting policy information

##### Long-term employee benefit obligations

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

## C3-5 Provisions

	2024 Current \$ '000	2024 Non-Current \$ '000	2023 Current \$ '000	2023 Non-Current \$ '000
<b>Other provisions</b>				
Workers compensation	43	–	34	–
<b>Sub-total – other provisions</b>	<b>43</b>	<b>–</b>	<b>34</b>	<b>–</b>
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	1,897	828	1,644	1,137
<b>Sub-total – asset remediation/restoration</b>	<b>1,897</b>	<b>828</b>	<b>1,644</b>	<b>1,137</b>
<b>Total provisions</b>	<b>1,940</b>	<b>828</b>	<b>1,678</b>	<b>1,137</b>

## Description of and movements in provisions

	Other provisions		
	Workers compensation \$ '000	Asset remediation \$ '000	Total \$ '000
<b>2024</b>			
At beginning of year	34	2,781	2,815
Unwinding of discount	–	120	120
Effect of de-recognition of provision through profit and loss (Note B2-3)	–	(128)	(128)
Remeasurement effect through asset (Note C1-6)	–	(48)	(48)
Other	9	–	9
<b>Total other provisions at end of year</b>	<b>43</b>	<b>2,725</b>	<b>2,768</b>
<b>2023</b>			
At beginning of year	32	3,548	3,580
Unwinding of discount	–	116	116
Effect of de-recognition of provision through profit and loss (Note B2-3)	–	(65)	(65)
Remeasurement effect through asset (Note C1-6)	–	(818)	(818)
Other	2	–	2
<b>Total other provisions at end of year</b>	<b>34</b>	<b>2,781</b>	<b>2,815</b>

## Nature and purpose of provisions

### Asset remediation

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

### Material accounting policy information

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

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

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

### Asset remediation – tips and quarries

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

### C3-5 Provisions (continued)

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during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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

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

## C4 Reserves

### C4-1 Nature and purpose of reserves

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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

	<b>General 2024 \$ '000</b>	<b>Water 2024 \$ '000</b>	<b>Sewer 2024 \$ '000</b>
<b>Income from continuing operations</b>			
Rates and annual charges	10,036	1,354	2,791
User charges and fees	1,148	1,717	251
Interest and investment income	1,655	50	145
Other revenues	809	8	9
Grants and contributions provided for operating purposes	18,503	141	26
Grants and contributions provided for capital purposes	10,914	1,571	31
Other income	155	–	–
<b>Total income from continuing operations</b>	<b>43,220</b>	<b>4,841</b>	<b>3,253</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	6,569	516	311
Materials and services	7,654	1,364	776
Borrowing costs	663	215	120
Depreciation, amortisation and impairment of non-financial assets	6,651	898	628
Other expenses	689	–	–
Net losses from the disposal of assets	4,737	525	78
<b>Total expenses from continuing operations</b>	<b>26,963</b>	<b>3,518</b>	<b>1,913</b>
<b>Operating result from continuing operations</b>	<b>16,257</b>	<b>1,323</b>	<b>1,340</b>
<b>Net operating result for the year</b>	<b>16,257</b>	<b>1,323</b>	<b>1,340</b>
<b>Net operating result attributable to each council fund</b>	<b>16,257</b>	<b>1,323</b>	<b>1,340</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>5,343</b>	<b>(248)</b>	<b>1,309</b>

## D1-2 Statement of Financial Position by fund

	<b>General 2024 \$ '000</b>	<b>Water 2024 \$ '000</b>	<b>Sewer 2024 \$ '000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	56,972	2,703	7,809
Investments	1,000	–	–
Receivables	1,635	1,156	263
Inventories	119	–	–
Contract assets and contract cost assets	1,927	563	–
<b>Total current assets</b>	<b>61,653</b>	<b>4,422</b>	<b>8,072</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	524,840	53,978	24,259
Right of use assets	206	–	–
<b>Total non-current assets</b>	<b>525,046</b>	<b>53,978</b>	<b>24,259</b>
<b>Total assets</b>	<b>586,699</b>	<b>58,400</b>	<b>32,331</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	7,085	364	56
Income received in advance	(5)	5	–
Contract liabilities	10,571	207	–
Lease liabilities	56	–	–
Borrowings	646	224	117
Employee benefit provision	1,236	–	–
Provisions	1,940	–	–
<b>Total current liabilities</b>	<b>21,529</b>	<b>800</b>	<b>173</b>
<b>Non-current liabilities</b>			
Lease liabilities	137	–	–
Borrowings	12,436	5,361	1,344
Provisions	828	–	–
<b>Total non-current liabilities</b>	<b>13,401</b>	<b>5,361</b>	<b>1,344</b>
<b>Total liabilities</b>	<b>34,930</b>	<b>6,161</b>	<b>1,517</b>
<b>Net assets</b>	<b>551,769</b>	<b>52,239</b>	<b>30,814</b>
<b>EQUITY</b>			
Accumulated surplus	201,996	25,436	15,949
Revaluation reserves	349,773	26,803	14,865
<b>Council equity interest</b>	<b>551,769</b>	<b>52,239</b>	<b>30,814</b>
<b>Total equity</b>	<b>551,769</b>	<b>52,239</b>	<b>30,814</b>



## D2 Interests in other entities

### D2-1 Subsidiaries, joint arrangements and associates not recognised

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#### **North West Weight of Loads Committee (NWWLC)**

Council joined the North West Weight of Loads Committee (NWWLC) in March 2021. The NWWLC is a joint venture between the Council of the Shire of Moree Plains, the Council of the Shire of Narrabri, the Western Plains Regional Council, the Council of the Shire of Glen Innes Severn, the Council of the Shire of Gunnedah, the Council of the Shire of Tenterfield, the Council of the Shire of Inverell and the Council of the Shire of Warrumbungle.

Council's interest in the group capital is 12.5% which has no control or significant influence over the group's activity. The principal activity of the NWWLC is the checking and enforcement of load weights carried by heavy vehicles on roads within the above named Council boundaries.

Tenterfield Shire Council's member contribution to the NWWLC in 2024 financial year was zero (2023: zero).

For the period ended 30 June 2024 NWWLC's net operating income attributable to Tenterfield Shire Council was \$28,723.75 (2023: \$4,377.58).

## 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 Council.

Council's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with 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 and performance of the portfolio as required by local government regulations.

NSW 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 receivables, loans, investments and financial liabilities approximates the carrying amount.

The risks associated with the financial instruments held are:

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

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

#### (a) Market risk – interest rate and price risk

	2024 \$ '000	2023 \$ '000
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	483	135

#### (b) Credit risk

Council's receivables for the purposes of credit risk exposure comprise two categories:

1) Category 1: rates and annual charges (including interests on outstanding rates); statutory entitlements (GST receivable); government grants and subsidies; accrued grants income; and interest on investments.

2) Category 2: user charges and fees; private works; other debtors.

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

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

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

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

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

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

### Credit risk profile

#### Receivables – Category 1

##### Rates and annual charges (including interest on overdue rates debtors)

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.

##### Government grants, subsidies, GST receivable

Credit risk on this type of debtors is negligible due to allocation of the funds to the council for the whole period of fund agreements, absence of evidence of default of the Australian Government in the past, currently and in the future and timely payments made by the government.

##### Interest on investments

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.

##### Contract Assets

This class of assets comprises of accrued income under various government grants. Credit risk on this type of accruals is negligible due to allocation of the funds to the council for the whole period of fund agreements, absence of evidence of default of the Australian Government in the past, currently and in the future and timely payments made by the government.

	Not yet overdue \$ '000	overdue rates and annual charges < 5 years \$ '000	≥ 5 years \$ '000	Total \$ '000
<b>2024</b>				
Gross carrying amount - Receivables (AASB 9)	720	–	–	720
Contract Assets (AASB 15 and AASB 1058)	2,490	–	–	2,490
<b>2023</b>				
Gross carrying amount - Receivables (AASB 9)	391	–	–	391
Contract Assets (AASB 15 and AASB 1058)	14,249	–	–	14,249

#### Receivables - Category 2

##### Fees and charges, Private works and other debtors

Council applies the simplified approach for Category 2 debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, Category 2 debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2024 is determined as follows. The expected credit losses incorporate forward-looking information.

	Not yet overdue \$ '000	0 - 30 days \$ '000	Overdue debts			Total \$ '000
			31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
<b>2024</b>						
Gross carrying amount	4,513	8	5	250	–	4,776
Expected loss rate (%)	0.04%	5.00%	15.00%	20.90%	0.00%	1.16%
ECL provision	2	–	1	52	–	55
<b>2023</b>						
Gross carrying amount	3,005	8	5	250	–	3,268
Expected loss rate (%)	0.00%	10.00%	15.00%	21.38%	0.00%	1.68%
ECL provision	–	1	1	53	–	55

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

### (c) Liquidity risk

Payables, lease liability and borrowings are both subject to liquidity risk – 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 maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. 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 (for lease liability maturity analysis refer to Note C2-1) and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
<b>2024</b>							
Payables	0.00%	342	7,163	–	–	7,505	7,505
Loans	4.63%	–	1,867	6,888	19,957	28,712	20,128
<b>Total financial liabilities</b>		<b>342</b>	<b>9,030</b>	<b>6,888</b>	<b>19,957</b>	<b>36,217</b>	<b>27,633</b>
<b>2023</b>							
Payables	0.00%	296	5,581	–	–	5,877	5,877
Loans	4.63%	–	1,695	8,754	19,957	30,406	21,078
<b>Total financial liabilities</b>		<b>296</b>	<b>7,276</b>	<b>8,754</b>	<b>19,957</b>	<b>36,283</b>	<b>26,955</b>

## E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

\$ '000	Notes	Fair value measurement hierarchy							
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
<b>Infrastructure, property, plant and equipment</b>	C1-7								
Plant and equipment	30/06/18	30/06/18	–	–	7,803	8,197	7,803	8,197	
Office equipment	30/06/16	30/06/16	–	–	214	271	214	271	
Furniture and fittings	30/06/16	30/06/16	–	–	204	10	204	10	
Crown land	30/06/21	30/06/21	–	–	4,735	4,735	4,735	4,735	
Land – operational	30/06/23	30/06/23	7,458	7,220	–	–	7,458	7,220	
Land – community	30/06/21	30/06/21	–	–	1,793	1,793	1,793	1,793	
Land under roads	30/06/14	30/06/14	–	–	13	13	13	13	
Land improvements – depreciated	30/06/21	30/06/21	–	–	3,540	1,266	3,540	1,266	
Buildings	30/06/23	30/06/23	–	–	31,903	28,365	31,903	28,365	
Other structures	30/06/21	30/06/21	–	–	3,452	3,276	3,452	3,276	
Roads	30/06/24	30/06/19	–	–	264,032	237,032	264,032	237,032	
Bulk earthworks	30/06/21	30/06/19	–	–	123,459	111,625	123,459	111,625	
Footpaths	30/06/24	30/06/19	–	–	3,448	3,280	3,448	3,280	
Bridges	30/06/24	30/06/19	–	–	67,137	59,465	67,137	59,465	
Stormwater assets	30/06/24	30/06/19	–	–	4,069	4,142	4,069	4,142	
Water supply assets	30/06/22	30/06/22	–	–	45,438	38,062	45,438	38,062	
Sewerage network	30/06/22	30/06/22	–	–	22,538	21,507	22,538	21,507	
Swimming pools	30/06/21	30/06/21	–	–	346	357	346	357	
Open space and recreation	30/06/21	30/06/21	–	–	5,141	4,175	5,141	4,175	
Library books	30/06/21	30/06/21	–	–	13	41	13	41	
Tip assets	30/06/22	30/06/22	–	–	315	576	315	576	
Quarry assets	30/06/22	30/06/22	–	–	35	59	35	59	
<b>Total infrastructure, property, plant and equipment</b>			<b>7,458</b>	<b>7,220</b>	<b>589,628</b>	<b>528,247</b>	<b>597,086</b>	<b>535,467</b>	

### 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:

## E2-1 Fair value measurement (continued)

### Infrastructure, property, plant and equipment (IPPE)

#### Crown Land

All valuations of Crown Land are based upon the land valuations issued by the Valuer - General. Crown Land was valued as at 30 June 2021 using the 1 July 2019 VG valuation data. There has been no change to the valuation process during the reporting period.

#### Community Land

All valuations of Community Land are based upon the land valuations issued by the Valuer - General. Community Land was valued as at 30 June 2021. There has been no change to the valuation process during the reporting period.

#### Operational Land

The valuation of Operational Land has been based upon relevant sales in the area. In certain locations there was a lack of appropriate comparable sales evidence and in these instances the closest comparable sales and factors relating the land parcels geographic, land use and zoning were also taken into consideration. The last valuation was undertaken at 30 June 2023 by APV Valuers & Asset Management. There has been no change to the valuation process during the reporting period.

#### Other Structures, Swimming Pools and Open Space & Recreation Assets

The valuation process involved current replacement cost approach. Unobservable inputs such as replacement cost, asset condition and useful life required extensive professional judgement. The unobservable inputs place this class of asset at Level 3. The last valuation was undertaken on 30 June 2021 by APV Valuers and Asset Management Pty Ltd. There has been no change to the valuation process during the reporting period.

#### Plant & Equipment, Office Equipment, Furniture & Fittings and Library Books

Plant & Equipment, Furniture & Fittings, Library Books and Office Equipment are valued at cost but disclosed at fair value in the Notes of the financial statements. It is assumed that the carrying amount of these asset classes is approximate fair value. Assets include graders, motor vehicles, mowers, chainsaws, computers, tables, chairs, lighting, library books and resources. The key unobservable input is the condition of the assets. There has been no change to the valuation process during the reporting period.

#### Buildings

Buildings assets are valued externally. Council engaged APV Valuers & Asset Management to perform a comprehensive valuation of buildings assets as at 30 June 2023.

Most of the Council's buildings are specialised by nature and were valued utilising the cost approach. The approach estimated the replacement cost of each building and componentising of significant parts of specific buildings with different useful lives and taking into account a range of factors. Where the unit rates could be supported by market evidence, Level 2 inputs were utilised. Other inputs (such as estimates useful life, asset condition and componentisation) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets have been valued utilising Level 3 inputs.

There were no changes in valuation technique from prior year.

#### Water supply and Sewerage network assets

Due to specialised nature of the assets all water and sewer network assets were valued using cost approach with the Level 3 input dominating the valuation. As a result, this class of assets is always valued externally with sufficient regularity to ensure carrying amount of the assets is not materially different to fair value. Council engaged independent professional valuer, Australis Asset Advisory Group, to perform a comprehensive revaluation of its water and sewerage supply network assets as at 30 June 2022.

Valuer applied significant judgement in determining following inputs into the valuation process: unit rates, condition assessment and obsolescence, useful life. The valuation technique has not changed from previous year.

#### Transportation assets

Transportation assets is a valuation class of asset for the purposes of AASB 13 *Fair Value Measurement* which combines following classes of assets from Note C1-6: roads, bridges, footpaths, bulk earthworks, stormwater drainage.

## E2-1 Fair value measurement (continued)

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This valuation relies on key unobservable inputs such as unit rates, condition ratings, useful life. The key unobservable inputs and no active market place these assets categories at Level 3. The last valuation was undertaken on 30 June 2024 by AVR Consulting.

### Remediation Assets for Tips and Quarries

Restoration, cell capping, leachate collection and site closures have been recognised as significant costs for the remediation assets. In particular, the closing of a landfill site will include preparation, final cell capping, site re-vegetation and leachate management. The key unobservable inputs are discount rate, estimated costs, legislative requirements, and timing of remediation and indexation of labour costs. Council engaged an external independent valuation firm (Australis) to update critical estimates related to rehabilitation of a tip and used internal expertise to update critical estimates for remediation of quarries on 30 June 2022.

### Fair value measurements using significant unobservable inputs (level 3)

There were no movements between levels of hierarchy during the year. The operational land level of hierarchy was adjusted to Level 2 retrospectively. For schedule of changes in values please refer to Note C1-6.

### Highest and best use

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

## E3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

##### (i) Defined benefit superannuation contribution plans

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

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

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

##### *Description of the funding arrangements.*

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

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

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

\* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

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

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

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

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

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

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



## E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$47,230.74. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$33,569.26.

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

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

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

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

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

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

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

\* Plus promotional increases

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

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

### (ii) Statewide Limited

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

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

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

### (iii) StateCover Limited

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

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

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

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

## E3-1 Contingencies (continued)

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### (iv) Other guarantees

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

## E3-1 Contingencies (continued)

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### 2. Other liabilities

#### (i) Third party claims

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

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

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

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

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

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

### ASSETS NOT RECOGNISED

#### (i) Land under roads

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

#### (ii) Infringement notices/fines

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

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

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

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

## 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:

	<b>2024</b>	2023
	<b>\$ '000</b>	\$ '000
<b>Compensation:</b>		
Short-term benefits	<b>615</b>	977
Post-employment benefits	<b>57</b>	81
Interim general manager contract	<b>145</b>	–
<b>Total</b>	<b>817</b>	<b>1,058</b>

## F1-2 Councillor and Mayoral fees and associated expenses

	2024 \$ '000	2023 \$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	28	25
Councillors' fees	117	113
Other Councillors' expenses (including Mayor)	33	37
<b>Total</b>	<b>178</b>	<b>175</b>

## F2 Other relationships

### F2-1 Audit fees

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

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

##### (i) Audit and other assurance services

Audit and review of financial statements

	84	61
<b>Remuneration for audit and other assurance services</b>	<b>84</b>	<b>61</b>
<b>Total Auditor-General remuneration</b>	<b>84</b>	<b>61</b>
<b>Total audit fees</b>	<b>84</b>	<b>61</b>

## G Other matters

### G1-1 Statement of Cash Flows information

#### Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
<b>Net operating result from Income Statement</b>	<b>18,920</b>	<b>37,206</b>
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	8,177	8,727
(Gain) / loss on disposal of assets	5,340	2,534
Net effect from de-recognition of remediation provision	–	(65)
Unwinding of discount rates on reinstatement provisions	120	116
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	550	327
(Increase) / decrease of inventories	102	73
(Increase) / decrease of contract asset	11,759	(8,702)
Increase / (decrease) in payables	2,364	1,261
Increase / (decrease) in accrued interest payable	(46)	134
Increase / (decrease) in other accrued expenses payable	(21)	(3)
Increase / (decrease) in other liabilities	(361)	(70)
Increase / (decrease) in contract liabilities	6,062	(7,005)
Increase / (decrease) in employee benefit provision	(4)	(299)
Increase / (decrease) in other provisions	(167)	2
<b>Net cash flows from operating activities</b>	<b>52,795</b>	<b>34,236</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

	2024 \$ '000	2023 \$ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Water Supply	1,996	279
Waste Management	3,504	222
Roads	9,965	2,350
Parks	5	16
Buildings	75	49
Other	37	820
<b>Total commitments</b>	<b>15,582</b>	<b>3,736</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	15,582	3,736
<b>Total payable</b>	<b>15,582</b>	<b>3,736</b>
<b>Sources for funding of capital commitments:</b>		
Unrestricted general funds	578	201
Future grants and contributions	2,765	2,112
Externally restricted reserves	3,854	254
Internally restricted reserves	8,385	1,169
<b>Total sources of funding</b>	<b>15,582</b>	<b>3,736</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. No other matters have arisen subsequent to balance date that would require these financial statements to be amended

## G4 Statement of developer contributions

### G4-1 Summary of developer contributions

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Expenditure during year and transfers to unrestricted \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
Drainage	7	2	–	–	–	–	–	9	–
Roads	457	388	–	–	11	–	–	856	–
New multi-residential development	107	3	–	–	5	–	–	115	–
Open space	7	5	–	–	–	–	–	12	–
Community facilities	19	13	–	–	1	–	–	33	–
Emergency services	36	27	–	–	1	–	–	64	–
Waste management	66	50	–	–	2	–	–	118	–
Other	19	15	–	–	1	–	–	35	–
<b>S7.11 contributions – under a plan</b>	<b>718</b>	<b>503</b>	<b>–</b>	<b>–</b>	<b>21</b>	<b>–</b>	<b>–</b>	<b>1,242</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>718</b>	<b>503</b>	<b>–</b>	<b>–</b>	<b>21</b>	<b>–</b>	<b>–</b>	<b>1,242</b>	<b>–</b>
S64 contributions	152	66	–	–	6	–	–	224	–
<b>Total contributions</b>	<b>870</b>	<b>569</b>	<b>–</b>	<b>–</b>	<b>27</b>	<b>–</b>	<b>–</b>	<b>1,466</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.

## G4-2 Developer contributions by plan

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Expenditure during year and transfers to unrestricted \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2024 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
<b>CONTRIBUTION PLAN NUMBER 2013</b>									
Drainage	7	2	-	-	-	-	-	9	-
Roads	457	388	-	-	11	-	-	856	-
New multi-residential development	107	3	-	-	5	-	-	115	-
Open space	7	5	-	-	-	-	-	12	-
Community facilities	19	13	-	-	1	-	-	33	-
Emergency services	36	27	-	-	1	-	-	64	-
Waste management	66	50	-	-	2	-	-	118	-
Other	19	15	-	-	1	-	-	35	-
<b>Total</b>	<b>718</b>	<b>503</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>1,242</b>	<b>-</b>

## G5 Statement of performance measures

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

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2024	2024	2023	2022	
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>11,744</b>	<b>30.27%</b>	16.55%	12.81%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>38,798</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>20,128</b>	<b>39.23%</b>	24.08%	32.79%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>51,314</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>19,695</b>	<b>1.95x</b>	2.73x	1.95x	> 1.50x
Current liabilities less specific purpose liabilities	<b>10,125</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>20,919</b>	<b>10.44x</b>	8.34x	9.02x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>2,003</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>831</b>	<b>5.63%</b>	3.86%	4.01%	< 10.00%
Rates and annual charges collectable	<b>14,754</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>68,484</b>	<b>39.82 months</b>	15.76 months	22.77 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<b>1,720</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>33.07%</b>	16.58%	<b>(7.58)%</b>	11.28%	<b>40.63%</b>	21.98%	> 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>31.94%</b>	19.29%	<b>64.64%</b>	27.81%	<b>98.25%</b>	98.72%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>1.95x</b>	2.73x	<b>5.53x</b>	5.28x	<b>46.66x</b>	17.28x	> 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>12.93x</b>	10.40x	<b>3.23x</b>	3.57x	<b>9.36x</b>	6.06x	> 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 <sup>4</sup>	<b>5.28%</b>	3.21%	<b>6.90%</b>	5.41%	<b>6.26%</b>	5.00%	< 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>112.86 months</b>	14.00 months	<b>14.21 months</b>	8.88 months	<b>7.69 months</b>	45.81 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(4) Water and sewer rates and annual charges outstanding ratios were adjusted for 2023 financial year

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

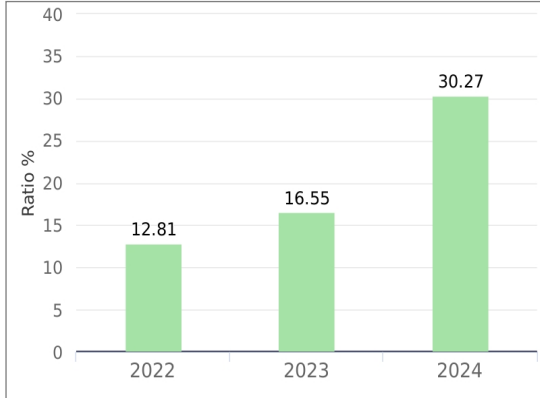
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

**End of the audited financial statements**

## H Additional Council disclosures (unaudited)

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

#### 1. Operating performance ratio



#### Purpose of operating performance ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 30.27%

The ratio of 30.27% is higher than the benchmark of >0.00% and higher than last year ratio FY 2022-23 of 16.55%. This is mainly due to increase in revenue by rates of \$1.8 Million due to Special Rate Variation, Advance payment of FAG of approximately \$5.8Million. Council also reduced its Employee cost by \$1.1 Million. Councils received less Capital Grants and Contributions compared to previous year, which impacts the ratio.

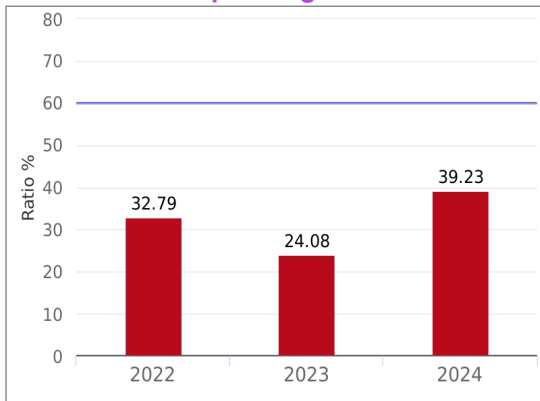
Benchmark: — > 0.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



#### Purpose of own source operating revenue ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 39.23%

Council ratio of 39.23% is below the benchmark ratio (>60.00%) in the FY 2023-24. However it improved significantly compared to previous year which had a ratio of 24.08%. This was due to an increased rates revenue as a result of a successful IPART application for Special Rate Variation which approved 43% rates increase (including rate peg) for 2023-24.

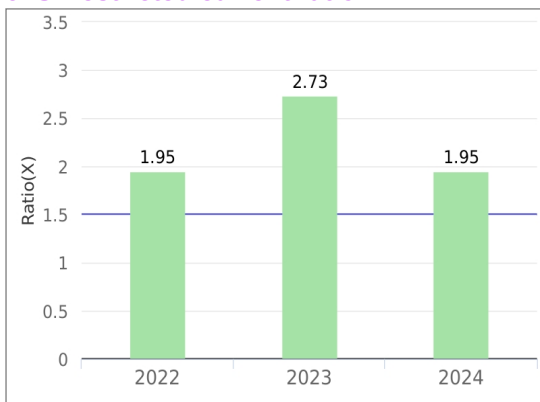
Benchmark: — > 60.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

#### 3. Unrestricted current ratio



#### Purpose of unrestricted current ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 1.95x

Council ratio of 1.95x is above the benchmark of (1.50x) and slightly lower than previous year ratio of 2.73x. Council continues to address its unrestricted funds and maintain good governance over its working capital to ensure the ratio is above the benchmark.

Benchmark: — > 1.50x

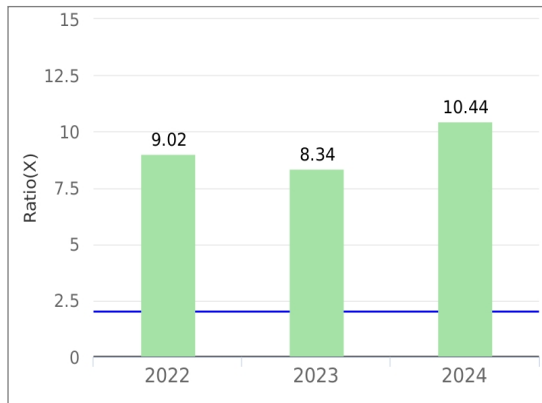
Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

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

### 4. Debt service cover ratio



#### Purpose of debt service cover ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 10.44x

Council continues to maintain its ratio above the benchmark of (>2.00x). Council ratio has improved over last FY ratio of 8.34x. This is mainly due to no new loans were taken out in the Financial Year. Council increased its revenue based by generation an additional \$1.8 Million in rate revenue post Special Rate Variation.

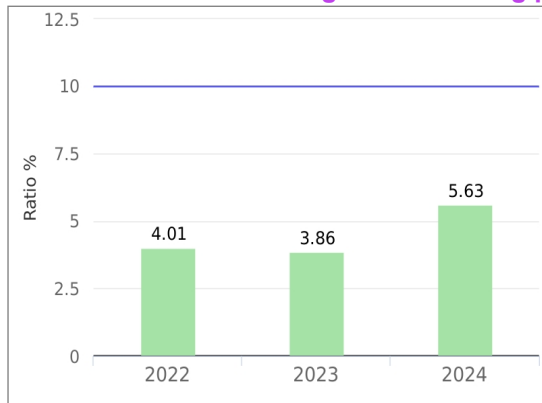
Benchmark: — > 2.00x

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### 5. Rates and annual charges outstanding percentage



#### Purpose of rates and annual charges outstanding percentage

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

#### Commentary on 2023/24 result

2023/24 ratio 5.63%

Council ratio of 5.63% is well within the benchmark of (<10%). This is slightly higher than LY ratio of 3.86%. Council continues to monitor this ratio and has policies in place to assist ratepayers.

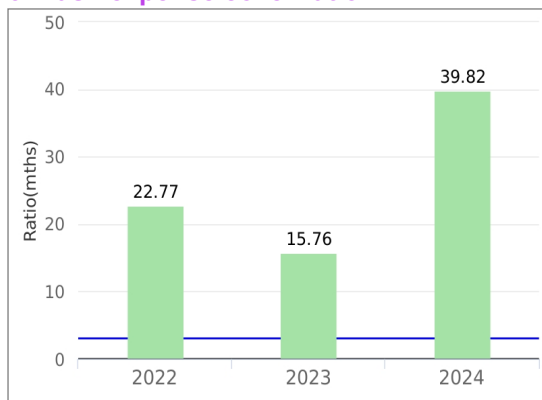
Benchmark: — < 10.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### 6. Cash expense cover ratio



#### Purpose of cash expense cover ratio

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

#### Commentary on 2023/24 result

2023/24 ratio 39.82 months

Council ratio of 40.00 months is well above the benchmark of (>3 months). This is predominately due to council being in receipt of grants and contribution for both operational and capital purposes.

Benchmark: — > 3.00months

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark



## H1-2 Council information and contact details

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**Principal place of business:**

247 Rouse Street  
Tenterfield NSW 2372

**Contact details****Mailing Address:**

PO Box 214  
Tenterfield NSW 2372

**Telephone:** 02 6736 6000

**Facsimile:** 02 6736 6005

**Opening hours:**

9:00am - 4:30pm  
Monday to Friday

**Internet:** [www.tenterfield.nsw.gov.au](http://www.tenterfield.nsw.gov.au)

**Email:** [council@tenterfield.nsw.gov.au](mailto:council@tenterfield.nsw.gov.au)

**Officers****General Manager**

Hein Basson

**Responsible Accounting Officer**

Roy Jones

**Public Officer**

Roy Jones

**Auditors**

Audit Office of New South Wales  
GPO Box 12  
SYDNEY NSW 2001

**Elected members****Mayor**

Bronwyn Petrie

**Councillors**

John Macnish (Deputy Mayor)

Peter Petty

Tim Bonner

Tom Peters

Peter Murphy

Kim Rhodes

Greg Sauer

Geoff Nye

**Other information**

**ABN:** 85 010 810 083



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

To the Councillors of Tenterfield Shire Council

### **Opinion**

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

In my opinion:

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

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

### **Basis for Opinion**

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

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

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

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

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

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

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

### **Other Information**

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

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

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

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

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

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

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

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



Furqan Yousuf  
Delegate of the Auditor-General for New South Wales

25 October 2024  
SYDNEY

Cr Bronwyn Petrie  
Mayor  
Tenterfield Shire Council  
PO Box 214  
TENTERFIELD NSW 2372

Contact: Furqan Yousuf  
Phone no: 02 9275 7470  
Our ref: R008-2124742775-7346

25 October 2024

Dear Mayor

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

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

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

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

## INCOME STATEMENT

### Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	14.2	11.9	↑ 19.5
Grants and contributions revenue	31.2	53.4	↓ 41.6
Operating result from continuing operations	18.9	37.2	↓ 49.1
Net operating result before capital grants and contributions	6.4	3.5	↑ 81.2

Rates and annual charges revenue (\$14.2 million) increased by \$2.3 million (19.5 per cent) in 2023–24 due to the approved special rate variation increase of 43 per cent.

Grants and contributions revenue (\$31.2 million) decreased by \$22.2 million (41.6 per cent) in 2023–24. This was mainly due to decrease of:

- \$18.4 million in transport capital grants, as significant work was completed on the Mt Lindsay Road project in the previous financial year
- \$6.2 million in water supply capital grants relating to the new water treatment plant
- \$1.8 million in grants received for financial assistance (FAG) due to receiving 85 per cent of the financial assistance grants for 2024-25 in advance (100 per cent in 2022-23)
- \$1.8 million capital grant for the Mountain bike trail head project received in the previous financial year.

The above decreases were partially offset by:

- combined increase of \$5.7 million in disaster recovery and transport operational funding mainly relating to the Regional Emergency Road Repair Fund.

Council’s operating result from continuing operations (\$18.9 million including depreciation, amortisation and impairment expense of \$8.2 million) was \$18.3 million lower than the 2022–23 result. This was mainly due to decrease in grants and contributions revenue during the year.

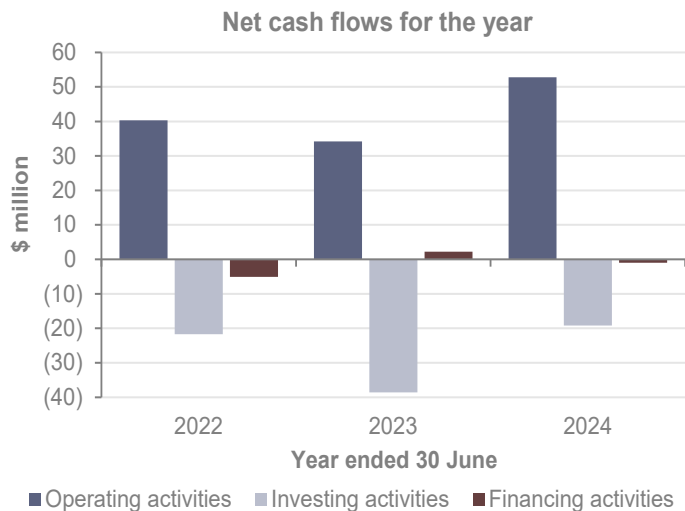
The net operating result before capital grants and contributions (surplus of \$6.4 million) was \$2.9 million higher than the 2022–23 result.

## STATEMENT OF CASH FLOWS

Cash from operating activities increased by \$18.6 million, mainly due to an increase in receipt of capital grant funding where works were completed in the previous financial year and a decrease in payments for materials and services as Council did less operational works on the infrastructure asset network this financial year.

Cash outflows from investing activities decreased by \$19.4 million due less spend on asset additions and renewals during the year.

Cash from financing activities decreased by \$3.2 million mainly due to no new borrowings during the year compared to \$3 million proceeds from borrowing in the previous year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>68.5</b>	<b>34.9</b>	Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council's externally restricted balances comprise mainly of specific purpose unexpended grants (general fund), water funds, sewer funds and domestic waste management.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	52.2	28.1	Internal allocations are determined by council policies or decisions, which are subject to change.
• Internal allocations	7.6	5.5	At 30 June 2024 Council holds \$8.7 million in cash after restrictions, cash equivalents and investments (2022-23: \$1.3 million).

### Debt

At 30 June 2024, Council had:

- \$20.1 million in secured loans (\$21.1 million in 2022-23)
- \$5.0 million in approved overdraft facility with Nil drawn down
- \$50,000 in credit card facility with \$5,000 used.

# PERFORMANCE

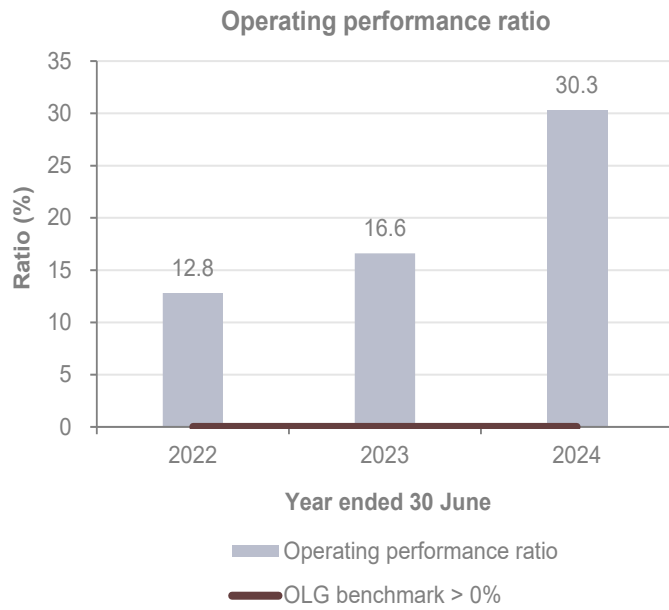
## Performance measures

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

### Operating performance ratio

Council exceeded the benchmark for the current reporting period.

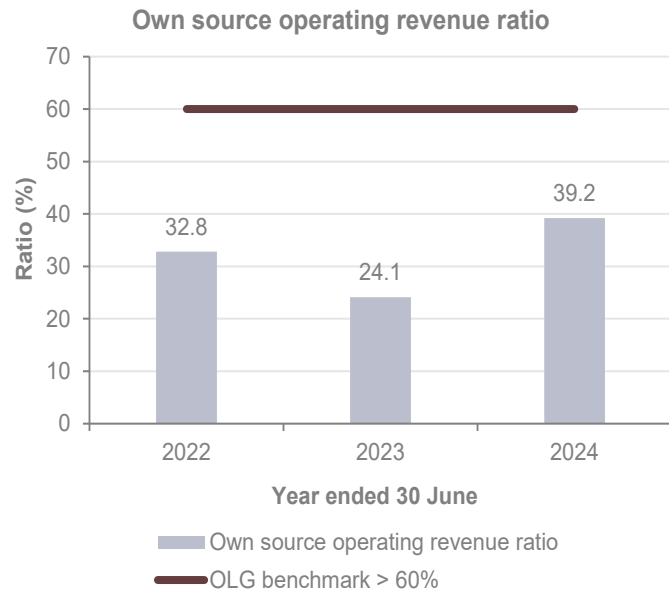
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



### Own source operating revenue ratio

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

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

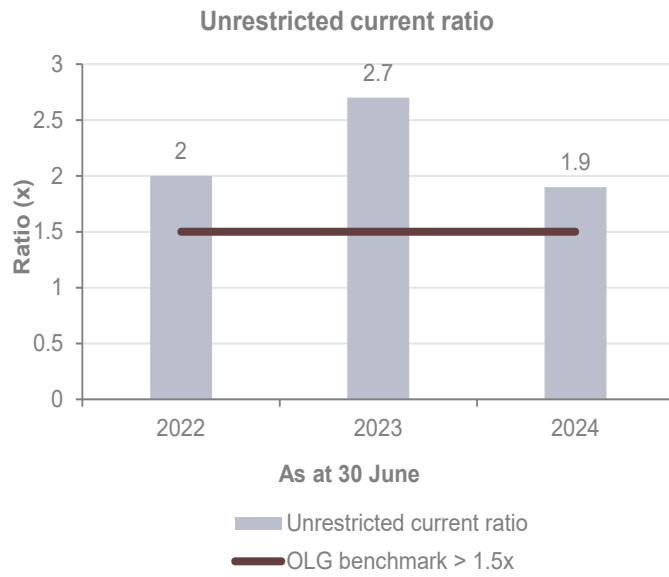




### Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

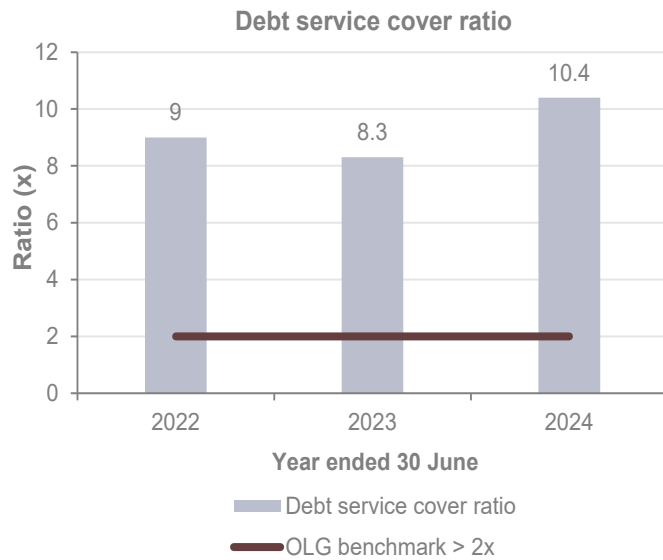
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

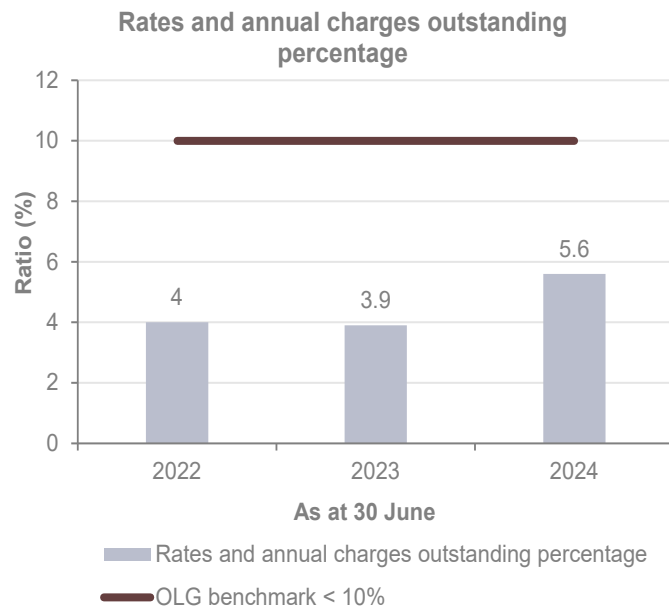
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



### Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

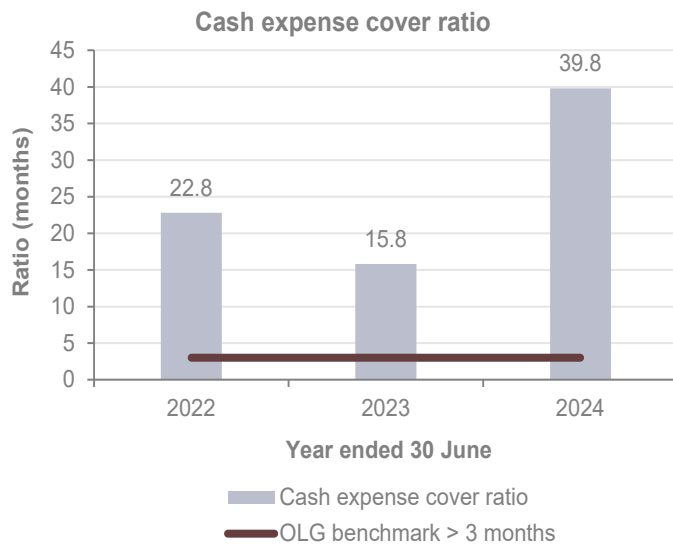
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



### Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



### Infrastructure, property, plant and equipment renewals

Council renewed \$12.4 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on renewals of Bruxner Way Bridge and Mt. Lindsay Road. A further \$2.8 million was spent on new assets during the year.

## OTHER MATTERS

### Legislative compliance

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

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



Furqan Yousuf  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

# Tenterfield Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*"Quality Nature, Quality Heritage and Quality Lifestyle"*



Contents	Page
<b>Statement by Councillors and Management</b>	<b>3</b>
<b>Special Purpose Financial Statements:</b>	
Income Statement of water supply business activity	4
Income Statement of sewerage business activity	5
Statement of Financial Position of water supply business activity	6
Statement of Financial Position of sewerage business activity	7
<b>Note – Material accounting policy information</b>	<b>8</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>11</b>

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### Background

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

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

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

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

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

## Tenterfield 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:

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

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

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

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

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



Bronwyn Petrie

**Mayor**

23 October 2024



Greg Sauer

**Deputy Mayor**

23 October 2024



Hein Basson

**General Manager**

23 October 2024



Roy Jones

**Responsible Accounting Officer**

23 October 2024

## Tenterfield Shire Council

## Income Statement of water supply business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>Income from continuing operations</b>		
Access charges	1,354	1,498
User charges	1,653	1,494
Fees	64	38
Interest and investment income	50	35
Grants and contributions provided for operating purposes	141	183
Other income	8	6
<b>Total income from continuing operations</b>	<b>3,270</b>	<b>3,254</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	516	464
Borrowing costs	215	255
Materials and services	1,364	1,234
Depreciation, amortisation and impairment	898	896
Loss on de-recognition of assets	525	38
<b>Total expenses from continuing operations</b>	<b>3,518</b>	<b>2,887</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(248)</b>	<b>367</b>
Grants and contributions provided for capital purposes	1,571	7,787
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,323</b>	<b>8,154</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,323</b>	<b>8,154</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(92)
<b>Surplus (deficit) after tax</b>	<b>1,323</b>	<b>8,062</b>
<b>Plus accumulated surplus</b>	<b>24,113</b>	<b>15,959</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	–	92
<b>Closing accumulated surplus</b>	<b>25,436</b>	<b>24,113</b>
<b>Return on capital %</b>	<b>(0.1)%</b>	<b>1.2%</b>
<b>Subsidy from Council</b>	<b>2,354</b>	<b>1,422</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,323	8,062
Less: capital grants and contributions (excluding developer contributions)	(1,571)	(7,787)
<b>Surplus for dividend calculation purposes</b>	<b>–</b>	<b>275</b>
<b>Potential dividend calculated from surplus</b>	<b>–</b>	<b>138</b>

## Tenterfield Shire Council

## Income Statement of sewerage business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>Income from continuing operations</b>		
Access charges	2,791	2,638
User charges	202	174
Liquid trade waste charges	28	24
Fees	21	28
Interest and investment income	145	108
Grants and contributions provided for operating purposes	26	26
Other income	9	41
<b>Total income from continuing operations</b>	<b>3,222</b>	<b>3,039</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	311	324
Borrowing costs	120	128
Materials and services	776	1,273
Depreciation, amortisation and impairment	628	585
Net loss from the disposal of assets	78	61
<b>Total expenses from continuing operations</b>	<b>1,913</b>	<b>2,371</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,309</b>	<b>668</b>
Grants and contributions provided for capital purposes	31	13
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,340</b>	<b>681</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,340</b>	<b>681</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(327)	(167)
<b>Surplus (deficit) after tax</b>	<b>1,013</b>	<b>514</b>
<b>Plus accumulated surplus</b>	<b>14,609</b>	<b>13,928</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	327	167
<b>Closing accumulated surplus</b>	<b>15,949</b>	<b>14,609</b>
<b>Return on capital %</b>	<b>5.9%</b>	<b>3.4%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>136</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,013	514
Less: capital grants and contributions (excluding developer contributions)	(31)	(13)
<b>Surplus for dividend calculation purposes</b>	<b>982</b>	<b>501</b>
<b>Potential dividend calculated from surplus</b>	<b>491</b>	<b>251</b>



## Tenterfield Shire Council

## Statement of Financial Position of water supply business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Contract assets and contract cost assets	563	2,236
Cash and cash equivalents	2,703	1,473
Receivables	1,156	749
<b>Total current assets</b>	<b>4,422</b>	<b>4,458</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	53,978	50,857
<b>Total non-current assets</b>	<b>53,978</b>	<b>50,857</b>
<b>Total assets</b>	<b>58,400</b>	<b>55,315</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	207	124
Payables	364	501
Income received in advance	5	5
Borrowings	224	215
<b>Total current liabilities</b>	<b>800</b>	<b>845</b>
<b>Non-current liabilities</b>		
Borrowings	5,361	5,585
<b>Total non-current liabilities</b>	<b>5,361</b>	<b>5,585</b>
<b>Total liabilities</b>	<b>6,161</b>	<b>6,430</b>
<b>Net assets</b>	<b>52,239</b>	<b>48,885</b>
<b>EQUITY</b>		
Accumulated surplus	25,436	24,113
Revaluation reserves	26,803	24,772
<b>Total equity</b>	<b>52,239</b>	<b>48,885</b>

## Tenterfield Shire Council

### Statement of Financial Position of sewerage business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	7,809	6,818
Receivables	263	214
<b>Total current assets</b>	<b>8,072</b>	<b>7,032</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	24,259	23,177
<b>Total non-current assets</b>	<b>24,259</b>	<b>23,177</b>
<b>Total assets</b>	<b>32,331</b>	<b>30,209</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	56	299
Borrowings	117	108
<b>Total current liabilities</b>	<b>173</b>	<b>407</b>
<b>Non-current liabilities</b>		
Borrowings	1,344	1,461
<b>Total non-current liabilities</b>	<b>1,344</b>	<b>1,461</b>
<b>Total liabilities</b>	<b>1,517</b>	<b>1,868</b>
<b>Net assets</b>	<b>30,814</b>	<b>28,341</b>
<b>EQUITY</b>		
Accumulated surplus	15,949	14,609
Revaluation reserves	14,865	13,732
<b>Total equity</b>	<b>30,814</b>	<b>28,341</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 special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993 (Act)*, the *Local Government (General) Regulation 2022 (Regulation)* and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1

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

##### a. Tenterfield Shire Water Supplies

Water supply system servicing the towns of Tenterfield, Urbenville and Jennings.

##### b. Tenterfield Shire Sewerage Services

Sewerage reticulation and treatment system servicing the towns of Tenterfield and Jennings.

#### Category 2

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

Nil

### Taxation equivalent charges

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

#### Notional rate applied (%)

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

## Note – Material accounting policy information (continued)

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

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

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

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

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

### Income tax

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

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

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 25% is the equivalent company tax rate prevalent at reporting date.

### 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.

#### (iii) Dividends

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

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

## Note – Material accounting policy information (continued)

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



## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### Tenterfield Shire Council

To the Councillors of Tenterfield Shire Council

### Opinion

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

The Declared Business Activities of the Council are:

- Water supply
- Sewerage.

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

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

### Basis for Opinion

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

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

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

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

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

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

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

## **Emphasis of Matter - Basis of Accounting**

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

## **Other Information**

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

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

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

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

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

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

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

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



Furqan Yousuf  
Delegate of the Auditor-General for New South Wales

25 October 2024  
SYDNEY



# Tenterfield Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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*"Quality Nature, Quality Heritage and Quality Lifestyle"*



# Tenterfield Shire Council

## Special Schedules

for the year ended 30 June 2024

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## Tenterfield Shire Council

## Permissible income for general rates

	Notes	Calculation 2023/24 \$ '000	Calculation 2024/25 \$ '000
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	4,852	6,933
Plus or minus adjustments <sup>2</sup>	b	—	(13)
<b>Notional general income</b>	c = a + b	<b>4,852</b>	<b>6,920</b>
<b>Permissible income calculation</b>			
Percentage increase	d	43.00%	5.70%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	2,086	394
<b>Sub-total</b>	g = (c + e + f)	<b>6,938</b>	<b>7,314</b>
Plus (or minus) last year's carry forward total	h	(12)	(7)
<b>Sub-total</b>	j = (h + i)	<b>(12)</b>	<b>(7)</b>
<b>Total permissible income</b>	k = g + j	<b>6,926</b>	<b>7,307</b>
Less notional general income yield	l	6,933	7,341
<b>Catch-up or (excess) result</b>	m = k - l	<b>(7)</b>	<b>(33)</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>(7)</b>	<b>(33)</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.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Tenterfield Shire Council

To the Councillors of Tenterfield Shire Council

### Opinion

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

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

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

### Basis for Opinion

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

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

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

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

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

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

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

### Emphasis of Matter - Basis of Accounting

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

## Other Information

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

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

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

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

## Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



Furqan Yousuf  
Delegate of the Auditor-General for New South Wales

25 October 2024  
SYDNEY

## Tenterfield Shire Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard		Estimated cost to bring assets to agreed level of service set by Council	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				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000			\$ '000	1	2	3	4
Buildings	Other	–	147	144	144	144	31,903	43,619	13.4%	42.0%	40.5%	3.7%	0.4%
	<b>Sub-total</b>	<b>–</b>	<b>147</b>	<b>144</b>	<b>144</b>	<b>144</b>	<b>31,903</b>	<b>43,619</b>	<b>13.4%</b>	<b>42.0%</b>	<b>40.5%</b>	<b>3.7%</b>	<b>0.4%</b>
Other structures	Other structures	427	362	147	147	147	3,452	6,165	16.3%	14.0%	45.3%	18.4%	6.0%
	<b>Sub-total</b>	<b>427</b>	<b>362</b>	<b>147</b>	<b>147</b>	<b>147</b>	<b>3,452</b>	<b>6,165</b>	<b>16.3%</b>	<b>14.0%</b>	<b>45.3%</b>	<b>18.4%</b>	<b>6.0%</b>
Roads	Roads	4,924	8,697	2,796	2,796	2,796	264,039	329,245	63.8%	12.7%	16.5%	4.3%	2.7%
	Bridges	2,222	11,888	36	36	36	67,129	111,775	14.4%	29.0%	33.6%	12.3%	10.7%
	Footpaths	20	–	–	–	–	3,447	4,758	34.4%	37.9%	25.6%	2.1%	0.0%
	Bulk earthworks	579	1,331	–	–	–	123,461	124,987	98.5%	0.0%	0.4%	0.0%	1.1%
	<b>Sub-total</b>	<b>7,745</b>	<b>21,916</b>	<b>2,832</b>	<b>2,832</b>	<b>2,832</b>	<b>458,076</b>	<b>570,765</b>	<b>61.5%</b>	<b>13.3%</b>	<b>16.4%</b>	<b>4.9%</b>	<b>3.9%</b>
Water supply network	Water supply	7,839	15,091	561	561	561	45,438	81,008	19.5%	52.3%	4.7%	4.9%	18.6%
	<b>Sub-total</b>	<b>7,839</b>	<b>15,091</b>	<b>561</b>	<b>561</b>	<b>561</b>	<b>45,438</b>	<b>81,008</b>	<b>19.5%</b>	<b>52.3%</b>	<b>4.7%</b>	<b>4.9%</b>	<b>18.6%</b>
Sewerage network	Sewerage network	757	1,015	370	370	370	22,538	36,554	18.0%	35.1%	36.5%	7.6%	2.8%
	<b>Sub-total</b>	<b>757</b>	<b>1,015</b>	<b>370</b>	<b>370</b>	<b>370</b>	<b>22,538</b>	<b>36,554</b>	<b>18.0%</b>	<b>35.1%</b>	<b>36.5%</b>	<b>7.6%</b>	<b>2.8%</b>
Stormwater drainage	Stormwater drainage	1,438	2,781	7	7	7	4,069	9,699	1.0%	26.7%	35.4%	8.2%	28.7%
	<b>Sub-total</b>	<b>1,438</b>	<b>2,781</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>4,069</b>	<b>9,699</b>	<b>1.0%</b>	<b>26.7%</b>	<b>35.4%</b>	<b>8.2%</b>	<b>28.7%</b>
Open space / recreational assets	Swimming pools	505	1,326	48	48	48	353	1,674	1.0%	3.6%	4.4%	11.8%	79.2%
	Open Space & Recreation	173	257	319	319	319	5,134	6,440	62.4%	21.7%	8.1%	3.9%	3.9%
	<b>Sub-total</b>	<b>678</b>	<b>1,583</b>	<b>367</b>	<b>367</b>	<b>367</b>	<b>5,487</b>	<b>8,114</b>	<b>49.7%</b>	<b>18.0%</b>	<b>7.3%</b>	<b>5.5%</b>	<b>19.5%</b>
<b>Total – all assets</b>		<b>18,884</b>	<b>42,895</b>	<b>4,428</b>	<b>4,428</b>	<b>4,428</b>	<b>570,963</b>	<b>755,924</b>	<b>50.8%</b>	<b>20.4%</b>	<b>17.9%</b>	<b>5.1%</b>	<b>5.8%</b>

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

#### Infrastructure asset condition assessment 'key'

<b>1 Excellent/very good</b>	No work required (normal maintenance)	<b>4 Poor</b>	Renewal required
<b>2 Good</b>	Only minor maintenance work required	<b>5 Very poor</b>	Urgent renewal/upgrading required
<b>3 Satisfactory</b>	Maintenance work required		

## Tenterfield 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>	<b>11,784</b>	<b>172.46%</b>	207.22%	42.77%	> 100.00%
Depreciation, amortisation and impairment	<b>6,833</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>18,884</b>	<b>3.27%</b>	4.27%	5.35%	< 2.00%
Net carrying amount of infrastructure assets	<b>576,985</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>4,428</b>	<b>100.00%</b>	100.00%	100.00%	> 100.00%
Required asset maintenance	<b>4,428</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>42,895</b>	<b>5.67%</b>	4.90%	3.03%	
Gross replacement cost	<b>755,924</b>				

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

(1) Includes renewal works in Work In Progress (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.



## Tenterfield 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	<b>191.25%</b>	253.85%	<b>114.48%</b>	73.79%	<b>87.35%</b>	36.20%	> 100.00%
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	<b>2.02%</b>	3.20%	<b>17.25%</b>	19.23%	<b>3.36%</b>	2.49%	< 2.00%
<b>Asset maintenance ratio</b>							
Actual asset maintenance							
Required asset maintenance	<b>100.00%</b>	100.00%	<b>100.00%</b>	100.00%	<b>100.00%</b>	100.00%	> 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	<b>4.20%</b>	3.33%	<b>18.63%</b>	20.06%	<b>2.78%</b>	0.87%	

(1) Includes renewal works in Work In Progress (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.