

Bland Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2024



Bland Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Bland Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

6-10 Shire Street
West Wyalong NSW 2671

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

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

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

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

Bland Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Bland Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 10 September 2024.



Brian Monaghan
Mayor
10 September 2024



Anthony Lord
Councillor
10 September 2024



Grant Baker
General Manager
10 September 2024



Leesa Bryant
Responsible Accounting Officer
10 September 2024

Bland Shire Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
10,938	Rates and annual charges	B2-1	10,825	10,323
2,682	User charges and fees	B2-2	1,333	1,411
499	Other revenues	B2-3	545	874
8,994	Grants and contributions provided for operating purposes	B2-4	23,919	17,211
12,201	Grants and contributions provided for capital purposes	B2-4	12,073	6,516
210	Interest and investment income	B2-5	3,763	1,727
574	Other income	B2-6	1,060	292
36,098	Total income from continuing operations		53,518	38,354
Expenses from continuing operations				
8,434	Employee benefits and on-costs	B3-1	8,651	7,371
22,503	Materials and services	B3-2	10,510	13,742
233	Borrowing costs	B3-3	243	(31)
7,664	Depreciation, amortisation and impairment of non-financial assets	B3-4	8,250	7,409
1,070	Other expenses	B3-5	532	680
2,000	Net loss from the disposal of assets	B4-1	2,185	1,468
41,904	Total expenses from continuing operations		30,371	30,639
(5,806)	Operating result from continuing operations		23,147	7,715
(5,806)	Net operating result for the year attributable to Council		23,147	7,715
–	Net operating result for the year before grants and contributions provided for capital purposes		11,074	1,199

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

Bland Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		23,147	7,715
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	30,691	36,586
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-6	–	(1,943)
Other comprehensive income – joint ventures and associates	D2-2	233	–
Total items which will not be reclassified subsequently to the operating result		30,924	34,643
Total other comprehensive income for the year		30,924	34,643
Total comprehensive income for the year attributable to Council		54,071	42,358

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

Bland Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	13,396	10,380
Investments	C1-2	72,700	52,204
Receivables	C1-4	2,759	2,047
Inventories	C1-5	1,964	1,183
Total current assets		90,819	65,814
Non-current assets			
Investments	C1-2	2,000	20,000
Receivables	C1-4	71	115
Infrastructure, property, plant and equipment (IPPE)	C1-6	439,228	399,413
Investment property	C1-7	2,049	1,271
Investments accounted for using the equity method	D2-2,D2-3	233	–
Other		198	198
Total non-current assets		443,779	420,997
Total assets		534,598	486,811
LIABILITIES			
Current liabilities			
Payables	C3-1	973	3,304
Contract liabilities	C3-2	7,704	12,468
Borrowings	C3-3	93	93
Employee benefit provisions	C3-4	2,568	2,462
Provisions	C3-5	830	–
Total current liabilities		12,168	18,327
Non-current liabilities			
Payables	C3-1	162	159
Borrowings	C3-3	500	600
Employee benefit provisions	C3-4	2	2
Provisions	C3-5	6,569	6,596
Total non-current liabilities		7,233	7,357
Total liabilities		19,401	25,684
Net assets		515,197	461,127
EQUITY			
Accumulated surplus		204,160	180,780
IPPE revaluation reserve	C4-1	311,037	280,346
Council equity interest		515,197	461,126
Total equity		515,197	461,126

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

Bland Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		180,780	280,346	461,126	173,065	245,703	418,768
Restated opening balance		180,780	280,346	461,126	173,065	245,703	418,768
Net operating result for the year		23,147	–	23,147	7,715	–	7,715
Net operating result for the period		23,147	–	23,147	7,715	–	7,715
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment		–	30,691	30,691	–	36,586	36,586
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-6	–	–	–	–	(1,943)	(1,943)
Joint ventures and associates	D2-2	233	–	233	–	–	–
Other comprehensive income		233	30,691	30,924	–	34,643	34,643
Total comprehensive income		23,380	30,691	54,071	7,715	34,643	42,358
Closing balance at 30 June		204,160	311,037	515,197	180,780	280,346	461,126

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

Bland Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
10,938	Rates and annual charges		10,843	10,486
2,682	User charges and fees		1,538	1,522
210	Interest received		2,771	811
21,195	Grants and contributions		31,222	29,657
–	Bonds, deposits and retentions received		4	–
1,073	Other		943	1,148
<i>Payments:</i>				
(8,434)	Payments to employees		(8,545)	(7,660)
(24,703)	Payments for materials and services		(12,352)	(11,060)
(33)	Borrowing costs		(243)	(36)
(1,070)	Other		(260)	(645)
1,858	Net cash flows from operating activities	G1-1	25,921	24,223
Cash flows from investing activities				
<i>Receipts:</i>				
29,000	Redemption of term deposits		29,000	–
1,000	Sale of real estate assets		67	71
375	Proceeds from sale of IPPE		677	611
<i>Payments:</i>				
–	Purchase of investments		(231)	(22)
(31,000)	Acquisition of term deposits		(31,496)	(9,504)
–	Purchase of investment property		–	(17)
(20,000)	Payments for IPPE		(20,041)	(8,878)
(1,107)	Purchase of real estate assets		(780)	–
(21,732)	Net cash flows used in investing activities		(22,804)	(17,739)
Cash flows from financing activities				
<i>Payments:</i>				
(100)	Repayment of borrowings		(100)	(100)
(100)	Net cash flows used in financing activities		(100)	(100)
(19,974)	Net change in cash and cash equivalents		3,017	6,384
10,379	Cash and cash equivalents at beginning of year		10,379	3,995
(9,595)	Cash and cash equivalents at end of year	C1-1	13,396	10,379
70,000	plus: Investments on hand at end of year	C1-2	74,700	72,204
60,405	Total cash, cash equivalents and investments		88,096	82,583

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

Bland 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 10 September 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

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

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables

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

- (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-forProfit Entities* - refer to Notes B2-2 - B2-4.

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Sewerage service

A1-1 Basis of preparation (continued)

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (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 other assets 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

Bland Shire Council is fortunate to have community minded individuals volunteering for Council in several service areas including, but not limited to the library, children's services, aged care services and community services. The volunteer services have not been recognised in these financial statements given that Council is not in a position to purchase these services had they not been provided voluntarily and the fair value is going to be an unreliable measure. This treatment of volunteer services is acceptable under AASB 1058.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

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

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

New accounting standards adopted during the year

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

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Our People	1,058	853	7,365	6,430	(6,307)	(5,577)	2,658	1,652	546	231
Our Places	35,187	22,985	20,697	22,153	14,490	832	27,620	22,009	456,156	418,141
Our Leadership	16,615	14,370	1,801	1,747	14,814	12,623	452	–	712	285
Our Prosperity	658	147	508	309	150	(162)	484	66	76,009	68,154
Other	–	–	–	–	–	–	4,778	–	1,175	–
Total functions and activities	53,518	38,355	30,371	30,639	23,147	7,716	35,992	23,727	534,598	486,811

B1-2 Components of functions or activities

Our People

Ensure health and support services address the needs of the community. Partner with organisations to strengthen community health and safety. Nurture a strong sense of community and enrich the cultural life of the residents. Ensure services are accessible for all residents.

Our Places

Work in partnership with key stakeholders to provide equitable access to Council's road infrastructure, services and facilities. Manage waste and recycling to improve the utilisation of existing resources, including exploring new technologies. Manage water and sewerage resources. Ensure that public places and facilities are well maintained and easily accessible. Develop, implement and monitor appropriate programs, plans and budgets for the effective and efficient management of Council's assets and infrastructure.

Our Leadership

To provide quality leadership, governance and management to develop strong community partnerships. Provide opportunities for all stakeholders to contribute to Council's decision making. Lead the community. Develop and maintain a framework of plans and policies that ensures open and transparent Council information.

Our Prosperity

Work with our communities and businesses to use our resources in a sustainable way for the future of the Bland Shire. Promote the Shire as a place to do business. Visitors and tourists are welcomed.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	Timing	2024	2023
Ordinary rates			
Residential	2	1,373	1,317
Farmland	2	4,496	4,329
Mining	2	1,061	1,024
Business	2	544	524
Less: pensioner rebates (mandatory)	2	(60)	(62)
Rates levied to ratepayers		7,414	7,132
Pensioner rate subsidies received	2	36	37
Total ordinary rates		7,450	7,169
Special rates			
Sewerage services	2	1,954	1,760
Stormwater levies	2	58	58
Rates levied to ratepayers		2,012	1,818
Total special rates		2,012	1,818
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)			
Domestic waste management services	2	1,054	1,033
Waste management services (non-domestic)	2	315	309
Less: pensioner rebates (mandatory)	2	(45)	(47)
Annual charges levied		1,324	1,295
Pensioner annual charges subsidies received:			
– Sewerage	2	17	18
– Domestic waste management	2	22	23
Total annual charges		1,363	1,336
Total rates and annual charges		10,825	10,323

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

Material accounting policy information

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

B2-2 User charges and fees

\$ '000	Timing	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)			
Domestic waste management services	2	466	537
Sewerage services	2	103	103
Waste management services (non-domestic)	2	81	44
Total specific user charges		650	684
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Planning and building regulation	2	156	159
Private works – section 67	2	26	49
Registration fees	2	34	8
Section 603 certificates	2	17	17
Other		5	–
Total fees and charges – statutory/regulatory		238	233
(ii) Fees and charges – other (incl. general user charges (per s608))			
Aerodrome	2	4	2
Aged care	2	71	92
Cemeteries	2	103	115
Child care	2	101	124
Leaseback fees – Council vehicles	2	45	45
Transport for NSW works (state roads not controlled by Council)	2	–	3
Saleyards	2	20	22
Community amenities	2	49	62
Community development	2	2	7
Drainage diagrams	2	2	5
Libraries	2	5	4
Parks and gardens	2	–	2
Public health	2	43	11
Total fees and charges – other		445	494
Total other user charges and fees		683	727
Total user charges and fees		1,333	1,411
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		1,333	1,411
Total user charges and fees		1,333	1,411

Material accounting policy information

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

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

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

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

B2-3 Other revenues

\$ '000	Timing	2024	2023
Rental income – investment property	2	94	66
Fines	2	4	2
Commissions and agency fees	2	–	1
Diesel rebate	2	107	60
Insurance claims recoveries	2	32	154
Sales – general	2	7	10
Donations	2	1	1
Paid parental leave	2	11	52
Staff contributions	2	27	3
WHS incentive	2	32	30
Other	2	230	495
Total other revenue		545	874

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	–	–
Other revenue recognised at a point in time (2)		874
Total other revenue		874

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	318	1,443	–	–
Financial assistance – local roads component	2	207	936	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	5,377	5,921	–	–
Financial assistance – local roads component	2	3,486	3,838	–	–
Other					
Other grants	2	–	–	1,326	–
Amount recognised as income during current year		9,388	12,138	1,326	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Community care	2	43	7	–	–
Community centres	2	261	232	–	–
Community services	2	96	280	–	–
Childrens services	2	1,383	1,482	–	–
Library	2	80	78	–	–
Economic development	2	–	–	–	50
Tourism	2	114	15	–	–
Recreation and culture	1	–	–	307	643
Bushfire and emergency services	2	54	47	–	–
Noxious weeds	2	123	–	–	–
Street lighting	2	34	30	–	–
Storm/flood damage	2	1,175	13	–	–
Transport (roads to recovery)	2	–	–	4,346	–
Transport (other roads and bridges funding)	2	10,587	871	1,037	1,074
Transport for NSW contributions (regional roads, block grant)	2	–	–	1,128	1,106
Fixing Local Roads	1	–	–	266	491
Stronger Country Communities - Council Projects	1	–	–	–	–
Stronger Country Communities - Community Projects	1	–	–	–	19
Resources for Regions Council Projects	1	–	1,326	805	211
Resources for Regions Community Projects	1	–	232	1,033	–
Local Roads & Community Infrastructure - Council Projects	1	–	–	1,521	2,056
Local Roads & Community Infrastructure - Community Projects	1	–	150	–	50
Showground Stimulus Program - Community Projects	2	–	–	48	600
RNSW Reconnecting Regional NSW	2	48	–	–	–
Drought Communities	1	200	27	–	–
Other specific grants	2	53	9	194	158
Other contributions	2	9	–	–	–
Total special purpose grants and non-developer contributions – cash		14,260	4,799	10,685	6,458
Non-cash contributions					
Other councils – joint works/services		–	–	5	–
Total other contributions – non-cash		–	–	5	–
Total special purpose grants and non-developer contributions (tied)		14,260	4,799	10,690	6,458

B2-4 Grants and contributions (continued)

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Total grants and non-developer contributions		23,648	16,937	12,016	6,458
Comprising:					
– Other funding		23,648	16,937	12,016	6,458
		23,648	16,937	12,016	6,458

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
G4						
S 7.4 – contributions using planning agreements		2	271	274	–	–
S 7.11 – contributions towards amenities/services		2	–	–	32	48
S 64 – sewerage service contributions		2	–	–	25	10
Total developer contributions – cash			271	274	57	58
Total developer contributions			271	274	57	58
Total contributions			271	274	57	58
Total grants and contributions			23,919	17,211	12,073	6,516
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			–	–	–	–
Grants and contributions recognised at a point in time (2)			23,919	17,211	12,073	6,516
Total grants and contributions			23,919	17,211	12,073	6,516

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and contributions				
Unspent funds at 1 July	4,956	4,622	7,260	3,628
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	6,482	886	201	11,993
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(4,923)	–	(2,614)	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(4,624)	(552)	–	(8,361)
Unspent funds at 30 June	1,891	4,956	4,847	7,260
Contributions				
Unspent funds at 1 July	28	28	–	–
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
Unspent contributions at 30 June	28	28	–	–

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include evidence of the event taking place or satisfactory achievement of milestones. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

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

Developer contributions

B2-4 Grants and contributions (continued)

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	48	34
– Cash and investments	3,715	1,693
Total interest and investment income (losses)	3,763	1,727
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	48	34
General Council cash and investments	3,705	1,683
Restricted investments/funds – external:		
Sewerage fund operations	10	10
Total interest and investment income	3,763	1,727

Material accounting policy information

Interest income is recognised using the effective interest rate at the date that interest is earned. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

B2-6 Other income

\$ '000	Notes	2024	2023
Fair value increment on investment properties			
Fair value increment on investment properties		778	–
Total fair value increment on investment properties	C1-7	778	–
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		20	21
Lease income relating to variable lease payments not dependent on an index or a rate		130	131
Total Investment properties		150	152
Other lease income			
Room/Facility Hire		9	–
Other		2	3
Car Park		2	2
Ambulance Station		5	5

continued on next page ...

B2-6 Other income (continued)

\$ '000	Notes	2024	2023
Caravan Park		24	23
Staff Housing		70	87
Saleyards		20	20
Total other lease income		132	140
Total rental income	C2-2	282	292
Total other income		1,060	292

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	5,949	4,885
Travel expenses	35	26
Employee leave entitlements (ELE)	1,613	1,440
Superannuation	1,047	922
Workers' compensation insurance	221	289
Fringe benefit tax (FBT)	94	86
Training costs (other than salaries and wages)	96	63
Other	31	94
Total employee costs	9,086	7,805
Less: capitalised costs	(435)	(434)
Total employee costs expensed	8,651	7,371
Number of 'full-time equivalent' employees (FTE) at year end	105	114

Material accounting policy information

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

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

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

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		6,272	7,814
Contractor costs		1,241	3,264
Audit Fees	F2-1	82	91
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	172	185
Advertising		84	61
Bank charges		22	21
Cleaning		5	8
Computer software charges		15	23
Electricity and heating		251	245
Fire control expenses		116	72
Insurance		687	570
Office expenses (including computer expenses)		–	3
Repairs and maintenance		535	426
Street lighting		101	103
Subscriptions and publications		62	138
Telephone and communications		82	84
Tourism expenses (excluding employee costs)		–	6
Valuation fees		30	29
Child care – parent fees		238	223
Water		151	96
Printing and stationery		147	43
Other expenses		180	168
Legal expenses:			
– Legal expenses: planning and development		2	–
– Legal expenses: other		8	10
Expenses from leases of low value assets		14	59
Other		13	–
Total materials and services		10,510	13,742
Total materials and services		10,510	13,742

Material accounting policy information

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

B3-3 Borrowing costs

\$ '000	2024	2023
(i) Interest bearing liability costs		
Interest on loans	32	36
Total interest bearing liability costs	32	36
Total interest bearing liability costs expensed	32	36
(ii) Other borrowing costs		
Discount adjustments relating to movements in provisions (other than ELE)		
– Remediation liabilities	211	(67)
Total other borrowing costs	211	(67)
Total borrowing costs expensed	243	(31)

Material accounting policy information

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

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		702	699
Office equipment		130	144
Furniture and fittings		3	3
Infrastructure:	C1-6		
– Buildings – non-specialised		957	893
– Other structures		46	77
– Roads		3,950	3,387
– Bridges		488	454
– Footpaths		148	134
– Stormwater drainage		360	330
– Sewerage network		375	349
– Swimming pools		93	88
– Other open space/recreational assets		580	484
– Other infrastructure		369	365
Reinstatement, rehabilitation and restoration assets:			
– Tip and Quarry assets	C3-5,C1-6	46	2
– Sewer assets	C3-5,C1-6	3	–
– Sewer		–	–
Total depreciation and amortisation costs		8,250	7,409
Impairment / revaluation decrement of IPPE			
Infrastructure:	C1-6		
– Roads		–	1,943
Total gross IPPE impairment / revaluation decrement costs		–	1,943
Amounts taken through revaluation reserve	C1-6	–	(1,943)
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	–
Total depreciation, amortisation and impairment for non-financial assets		8,250	7,409

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 C1-6 for IPPE assets.

Impairment of non-financial assets

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of receivables			
Other		8	–
Total impairment of receivables	C1-4	8	–
Other			
Contributions/levies to other levels of government		455	607
Donations, contributions and assistance to other organisations (Section 356)		69	73
Total other		524	680
Total other expenses		532	680

Material accounting policy information

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

Impairment expenses are recognised when identified.

B4 Gains or losses

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		–	(65)
Less: carrying amount of property assets sold/written off		(161)	(127)
Gain (or loss) on disposal		(161)	(192)
Gain (or loss) on disposal of plant and equipment			
	C1-6		
Proceeds from disposal – plant and equipment		686	676
Less: carrying amount of plant and equipment assets sold/written off		(642)	(573)
Gain (or loss) on disposal		44	103
Gain (or loss) on disposal of infrastructure			
	C1-6		
Less: carrying amount of infrastructure assets sold/written off		(1,869)	(906)
Gain (or loss) on disposal		(1,869)	(906)
Gain (or loss) on disposal of real estate assets held for sale			
	C1-5		
Proceeds from disposal – real estate assets		67	71
Less: carrying amount of real estate assets sold/written off		(26)	(71)
Gain (or loss) on disposal		41	–
Gain (or loss) on disposal of investments			
	C1-2		
Less: carrying amount of investments sold/redeemed/matured		(231)	(22)
Gain (or loss) on disposal		(231)	(22)
Gain (or loss) on disposal of term deposits			
	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		29,000	–
Less: carrying amount of term deposits sold/redeemed/matured		(29,000)	–
Gain (or loss) on disposal		–	–
Other Open Space/Recreational Assets			
Proceeds from disposal – Other Open Space/Recreational Assets		(9)	–
Less: carrying amount of other open space/recreational assets sold/written off		–	(394)
Gain (or loss) on disposal		(9)	(394)
Community Land Assets			
Less: carrying amount of Community Land assets sold/written off		–	(57)
Gain (or loss) on disposal		–	(57)
Net gain (or loss) from disposal of assets		(2,185)	(1,468)

Material accounting policy information

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

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 20 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
Rates and annual charges	10,938	10,825	(113)	(1)% U
User charges and fees	2,682	1,333	(1,349)	(50)% U
In 2024 Council increased its user charges and fees budget expecting to produce more own source revenue. The amount of user charges and fees actually received was more consistent with prior years income.				
Other revenues	499	545	46	9% F
Operating grants and contributions	8,994	23,919	14,925	166% F
Council continues to budget for the Financial Assistance Grant (FAG) in the year it is due to be received until it is advised otherwise from the Federal Government. In 2024 Council received 75% of the 24/25 FAG allocation. Payment in advance of over \$6 million for RLRRP was received for works not yet completed.				
Capital grants and contributions	12,201	12,073	(128)	(1)% U
Interest and investment revenue	210	3,763	3,553	1,692% F
Interest rates increased during the 2024 financial year and that combined with a well-managed investment portfolio saw investment income increase during the year.				
Other income	574	1,060	486	85% F
Other income was consistent with prior year's actual amount and the budget with be reviewed for future years.				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Expenses				
Employee benefits and on-costs	8,434	8,651	(217)	(3)% U
Materials and services	22,503	10,510	11,993	53% F
The materials and services budget was substantially increased for the 2024 financial year due to grant funded projects. These works were not completed by June 2024.				
Borrowing costs	233	243	(10)	(4)% U
Depreciation, amortisation and impairment of non-financial assets	7,664	8,250	(586)	(8)% U
Other expenses	1,070	532	538	50% F
Other expenses are consistent with prior years actuals.				
Net losses from disposal of assets	2,000	2,185	(185)	(9)% U
Statement of cash flows				
Cash flows from operating activities	1,858	25,921	24,063	1,295% F
The additional grant income received and the additional budgeted amount for materials and services that had not been spent has positively impacted the result for 2024.				
Cash flows from investing activities	(21,732)	(22,804)	(1,072)	5% U
Cash flows from financing activities	(100)	(100)	-	0% F

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	9,223	2,050
Cash equivalent assets		
– Deposits at call	4,173	8,330
Total cash and cash equivalents	13,396	10,380

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	13,396	10,380
Balance as per the Statement of Cash Flows	13,396	10,380

Material accounting policy information

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

C1-2 Financial investments

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Debt securities at amortised cost				
Long term deposits	72,700	2,000	52,204	20,000
Total	72,700	2,000	52,204	20,000
Total financial investments	72,700	2,000	52,204	20,000
Total cash assets, cash equivalents and investments	86,096	2,000	62,584	20,000

Material accounting policy information

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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

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

Financial assets through profit or loss

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

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

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	88,096	82,584
Cash, cash equivalents and investments not subject to external restrictions	73,020	63,194
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	6,738	6,453
External restrictions – included in liabilities	6,738	6,453
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	492	460
Developer contributions – sewer fund	126	101
Specific purpose unexpended grants (recognised as revenue) – general fund	–	5,763
Sewer fund	7,720	6,613
External restrictions – other	8,338	12,937
Total external restrictions	15,076	19,390

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

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	73,020	63,194
Unrestricted and unallocated cash, cash equivalents and investments	35,427	35,347
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	1,830	1,635
Infrastructure replacement	33,467	24,016
Employees leave entitlement	1,713	1,613
Land development	583	583
Total internal allocations	37,593	27,847

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

\$ '000	2024	2023
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	35,427	35,347

C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	277	71	229	115
Interest and extra charges	242	-	196	-
User charges and fees	234	-	438	-
Accrued revenues				
– Interest on investments	1,987	-	1,041	-
Net GST receivable	118	-	242	-
Total	2,858	71	2,146	115
Less: provision for impairment				
Rates and annual charges	(84)	-	(84)	-
User charges and fees	(15)	-	(15)	-
Total provision for impairment – receivables	(99)	-	(99)	-
Total net receivables	2,759	71	2,047	115
Externally restricted receivables				
Sewerage services				
– Other	417	-	372	-
Total external restrictions	417	-	372	-
Unrestricted receivables	2,342	71	1,675	115
Total net receivables	2,759	71	2,047	115
\$ '000			2024	2023
Movement in provision for impairment of receivables				
Balance at the beginning of the year			99	99
Balance at the end of the year			99	99

C1-4 Receivables (continued)

Material accounting policy information

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

Impairment

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

When 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 30 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.

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Real estate for resale	1,617	-	863	-
Stores and materials	347	-	320	-
Total inventories at cost	1,964	-	1,183	-
Total inventories	1,964	-	1,183	-
<hr/>				
\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Total unrestricted assets	1,964	-	1,183	-
Total inventories	1,964	-	1,183	-

C1-5 Inventories (continued)

(i) Other disclosures

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(a) Details for real estate development					
Residential		100	-	30	-
Industrial/commercial		1,517	-	833	-
Total real estate for resale		1,617	-	863	-
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition costs		1,617	-	863	-
Total costs		1,617	-	863	-
Total real estate for resale		1,617	-	863	-
Movements:					
Real estate assets at beginning of the year		863	-	934	-
– Purchases and other costs		780	-	71	-
– WDV of sales (expense)	B4-1	(26)	-	(71)	-
– Less sale of property		-	-	(71)	-
Total real estate for resale		1,617	-	863	-

Material accounting policy information**Raw materials and stores, work in progress and finished goods**

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

Land held for resale

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

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

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period								At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Asset Remediation Provision	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	5,903	–	5,903	6,584	576	–	–	(7,575)	–	–	–	5,488	–	5,488
Plant and equipment	13,498	(5,583)	7,915	–	1,854	(642)	(702)	–	–	–	–	14,190	(5,765)	8,425
Office equipment	1,515	(1,268)	247	–	25	–	(130)	–	–	–	–	1,539	(1,397)	142
Furniture and fittings	109	(99)	10	–	–	–	(3)	–	–	–	–	109	(102)	7
Land:														
– Operational land	1,662	–	1,662	–	170	(682)	–	–	–	–	2,246	3,396	–	3,396
– Community land	11,326	–	11,326	–	1,243	–	–	–	–	(2,276)	–	10,293	–	10,293
Infrastructure:														
– Buildings – non-specialised	53,774	(16,872)	36,902	388	–	(161)	(957)	(119)	–	–	2,873	58,130	(19,204)	38,926
– Other structures	1,754	(678)	1,076	–	263	–	(46)	–	–	–	93	2,161	(775)	1,386
– Roads	242,966	(91,053)	151,913	7,825	–	(1,869)	(3,950)	6,194	–	–	13,275	274,292	(100,904)	173,388
– Bridges	34,609	(12,505)	22,104	474	–	–	(488)	(155)	–	–	1,092	36,666	(13,639)	23,027
– Footpaths	7,338	(2,653)	4,685	–	–	–	(148)	–	–	–	296	7,817	(2,984)	4,833
– Bulk earthworks (non-depreciable)	91,961	–	91,961	273	–	–	–	–	–	–	7,702	99,936	–	99,936
– Stormwater drainage	31,611	(11,550)	20,061	–	75	(9)	(360)	43	–	–	2,532	35,766	(13,424)	22,342
– Sewerage network	29,402	(12,560)	16,842	6	–	–	(375)	79	–	–	839	30,980	(13,589)	17,391
– Swimming pools	4,664	(1,689)	2,975	–	–	(52)	(93)	82	–	–	232	5,030	(1,886)	3,144
– Other open space/recreational assets	16,845	(6,705)	10,140	275	286	(178)	(580)	776	–	–	997	19,312	(7,596)	11,716
– Other infrastructure	18,090	(6,755)	11,335	28	33	–	(369)	675	–	–	896	20,268	(7,670)	12,598
Other assets:														
– Library books	517	(411)	106	–	–	–	–	–	–	(106)	–	–	–	–
Reinstatement, rehabilitation and restoration assets (refer C3-5):														
– Sewer treatment assets	119	(59)	60	–	–	–	(3)	–	5	–	–	161	(99)	62
– Tip and quarry assets	3,745	(1,555)	2,190	–	–	–	(46)	–	584	–	–	5,465	(2,737)	2,728
Total infrastructure, property, plant and equipment	571,408	(171,995)	399,413	15,853	4,525	(3,593)	(8,250)	–	589	(2,382)	33,073	630,999	(191,771)	439,228

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	5,413	–	5,413	6,020	691	–	–	–	(6,221)	–	5,903	–	5,903
Plant and equipment	12,786	(5,566)	7,220	–	1,969	(575)	(699)	–	–	–	13,498	(5,583)	7,915
Office equipment	2,008	(1,641)	367	–	24	–	(144)	–	–	–	1,515	(1,268)	247
Furniture and fittings	157	(144)	13	–	–	–	(3)	–	–	–	109	(99)	10
Land:													
– Operational land	1,662	–	1,662	–	–	–	–	–	–	–	1,662	–	1,662
– Community land	11,383	–	11,383	–	–	(57)	–	–	–	–	11,326	–	11,326
Infrastructure:													
– Buildings – non-specialised	49,524	(15,062)	34,462	–	184	(127)	(893)	–	1,030	2,246	53,774	(16,872)	36,902
– Other structures	1,514	(563)	951	–	–	–	(77)	–	32	128	1,754	(678)	1,076
– Roads	216,891	(77,034)	139,857	85	–	(887)	(3,387)	(1,943)	2,613	15,575	242,966	(91,053)	151,913
– Bridges	32,480	(11,313)	21,167	–	–	(19)	(454)	–	75	1,335	34,609	(12,505)	22,104
– Footpaths	6,494	(2,318)	4,176	–	–	–	(134)	–	287	356	7,338	(2,653)	4,685
– Bulk earthworks (non-depreciable)	81,826	–	81,826	–	–	–	–	–	591	9,544	91,961	–	91,961
– Stormwater drainage	29,045	(10,292)	18,753	–	–	–	(330)	–	26	1,612	31,611	(11,550)	20,061
– Sewerage network	27,298	(11,313)	15,985	–	–	–	(349)	–	–	1,206	29,402	(12,560)	16,842
– Swimming pools	4,379	(1,498)	2,881	–	–	–	(88)	–	–	182	4,664	(1,689)	2,975
– Other open space/recreational assets	14,105	(5,397)	8,708	–	–	(22)	(484)	–	664	1,274	16,845	(6,705)	10,140
– Other infrastructure	18,387	(10,253)	8,134	–	–	(394)	(365)	–	903	3,057	18,090	(6,755)	11,335
Other assets:													
– Library books	517	(411)	106	–	–	–	–	–	–	–	517	(411)	106
Reinstatement, rehabilitation and restoration assets (refer C3-5):													
– Tip assets	–	–	–	–	–	–	(2)	–	–	–	3,745	(1,555)	2,190
– Quarry assets	–	–	–	–	–	–	–	–	–	–	119	(59)	60
– Gravel pits	3,744	(1,511)	2,233	–	–	–	(2)	–	–	–	–	–	–
– Sewer treatment facilities	119	(58)	61	–	–	–	–	–	–	–	–	–	–
Total infrastructure, property, plant and equipment	519,732	(154,374)	365,358	6,105	2,868	(2,081)	(7,411)	(1,943)	–	36,515	571,408	(171,995)	399,413

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

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

Material accounting policy information

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

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

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

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

Useful lives of IPPE

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
		Stormwater assets	
Sewer assets		Drains	80 to 100
Dams and reservoirs	80 to 100	Culverts	50 to 80
Bores	20 to 40	Flood control structures	80 to 100
Reticulation pipes: PVC	70 to 80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
		Other infrastructure assets	
Transportation assets		Bulk earthworks	∞
Sealed roads: surface	20	Swimming pools	50
Sealed roads: structure	50	Other open space/recreational assets	20
Unsealed roads	20	Other infrastructure	20
Bridge: concrete	100		
Bridge: other	50		
Road pavements	60		
Kerb, gutter and footpaths	40		

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

Revaluation model

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

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

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

Land under roads

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

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

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

Crown reserves

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

Under section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed".

With regards to RFS vehicles, approaches were made by Bland Shire Council to the Bland-Temora RFS Zone for information to assist in undertaking a stocktake of equipment. A list of assets was provided for both vehicles and buildings however there were some discrepancies in relation to the values included within this documentation.

Until this issue is resolved, Council will not undertake the stocktake and not account for the RFS assets in accordance with the *Local Government Accounting Code of Practice and Financial Reporting*. As a result and in compliance with the Code, Council recognises the RFS buildings on Council controlled land, however does not recognise the vehicles.

Infrastructure, property, plant and equipment – current year impairments

\$ '000	2024	2023
(iii) Impairment losses recognised direct to equity (ARR):		
– Impairment of road assets due to flood damage	(806)	(1,943)
Total impairment losses	(806)	(1,943)
Impairment of assets – direct to equity (ARR)	(806)	(1,943)

C1-7 Investment properties

\$ '000	2024	2023
Owned investment property		
Investment property on hand at fair value	2,049	1,271
Total owned investment property	2,049	1,271
Owned investment property		
At fair value		
Opening balance at 1 July	1,271	1,254
Net gain/(loss) from fair value adjustments	778	17
Closing balance at 30 June	2,049	1,271

Material accounting policy information

Council's investment properties consist of 19 Lady Mary Drive Land and Building, Ampol Truckstop Land only and 184 Main St Land and Building.

C2 Leasing activities

C2-1 Council as a lessee

(a) Income Statement

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

\$ '000	2024	2023
Expenses relating to leases of low-value assets	14	59
	14	59

(b) Statement of Cash Flows

Total cash outflow for leases	14	59
	14	59

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

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

- Car Parks
- Barmedman Community Centre Land

The leases have varying terms and require payments of less than \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

Material accounting policy information

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

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

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

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

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

C2-1 Council as a lessee (continued)

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties for staff housing, health services, emergency services, car parks and community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E.

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

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

(i) Assets held as investment property

Investment property operating leases relate to 184 Main Street (formerly Hall & Co, now Tamara's), Caltex Truckstop and 19 Lady Mary Drive.

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

Lease income (excluding variable lease payments not dependent on an index or rate)	20	21
Lease income relating to variable lease payments not dependent on an index or a rate	130	131
Total income relating to operating leases for investment property assets	150	152

(ii) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of staff housing, health services, emergency services, caravan park and pools.

Lease income (excluding variable lease payments not dependent on an index or rate)	132	140
Total income relating to operating leases for Council assets	132	140

(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	40	42
1–2 years	22	22
2–3 years	22	22
3–4 years	22	22
4–5 years	22	22
> 5 years	22	22
Total undiscounted lease payments to be received	150	152

Material accounting policy information

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

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

C2-2 Council as a lessor (continued)

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

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

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Goods and services – operating expenditure	438	–	3,094	–
Accrued expenses:				
– Other expenditure accruals	310	–	–	–
Security bonds, deposits and retentions	5	–	1	–
Other	59	56	57	66
Prepaid rates	161	106	152	93
Total payables	973	162	3,304	159

Payables relating to restricted assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Externally restricted assets				
Sewer	–	7	–	7
Payables relating to externally restricted assets	–	7	–	7
Total payables relating to restricted assets	–	7	–	7
Total payables relating to unrestricted assets	973	155	3,304	152
Total payables	973	162	3,304	159

C3-1 Payables (continued)

Material accounting policy information

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	7,703	-	12,468	-
Total grants received in advance		7,703	-	12,468	-
Total contract liabilities		7,704	-	12,468	-

Notes

(i) Council has received funding to construct assets including sporting facilities, and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Externally restricted assets				
Unspent grants held as contract liabilities (excl. Water & Sewer)	6,738	-	6,453	-
Contract liabilities relating to externally restricted assets	6,738	-	6,453	-
Total contract liabilities relating to restricted assets	6,738	-	6,453	-
Total contract liabilities relating to unrestricted assets	966	-	6,015	-
Total contract liabilities	7,704	-	12,468	-

\$ '000	2024	2023
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	9,055	6,538
Total revenue recognised that was included in the contract liability balance at the beginning of the period	9,055	6,538

Material accounting policy information

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

C3-3 Borrowings

continued on next page ...

C3-3 Borrowings (continued)

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured ¹	93	500	93	600
Total borrowings	93	500	93	600

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

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

Borrowings relating to restricted assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Total borrowings relating to unrestricted assets	93	500	93	600
Total borrowings	93	500	93	600

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

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

C3-3 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	693	(100)	–	–	–	–	593
Total liabilities from financing activities	693	(100)	–	–	–	–	593

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	793	(100)	–	–	–	–	693
Total liabilities from financing activities	793	(100)	–	–	–	–	693

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	350	350
Credit cards/purchase cards	61	61
Total financing arrangements	411	411

Drawn facilities

Financing facilities drawn down at the reporting date are:

Undrawn facilities

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

– Bank overdraft facilities	350	350
– Credit cards/purchase cards	61	61
Total undrawn financing arrangements	411	411

Additional financing arrangements information

Breaches and defaults

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

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

Material accounting policy information

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

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

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

C3-4 Employee benefit provisions

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Annual leave	687	–	625	–
Long service leave	1,738	2	1,707	2
Other leave	9	–	8	–
ELE on-costs	134	–	122	–
Total employee benefit provisions	2,568	2	2,462	2

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,304	2,205
	2,304	2,205

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C3-5 Provisions

\$ '000	2024		2023	
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	830	6,569	–	6,596
Sub-total – asset remediation/restoration	830	6,569	–	6,596
Total provisions	830	6,569	–	6,596

Externally restricted assets

C3-5 Provisions (continued)

\$ '000	2024		2023	
	Current	Non-Current	Current	Non-Current
Sewer	–	167	–	155
Provisions relating to externally restricted assets	–	167	–	155
Total provisions relating to restricted assets	–	167	–	155
Total provisions relating to unrestricted assets	830	6,402	–	6,441
Total provisions	830	6,569	–	6,596

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

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

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	6,596	6,596
Other	803	803
Total other provisions at end of year	7,399	7,399
2023		
At beginning of year	6,663	6,663
Unwinding of discount	(67)	(67)
Total other provisions at end of year	6,596	6,596

Nature and purpose of provisions

Asset remediation

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

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.

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

Asset remediation – tips and quarries

Restoration

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

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

C3-5 Provisions (continued)

Rehabilitation

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

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost. Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

Fair value through other comprehensive income reserve (FVOCI)

Changes in the fair value of financial assets are taken through the fair value through other comprehensive income revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired.

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General ¹ 2024	Sewer 2024
Income from continuing operations		
Rates and annual charges	8,851	1,974
User charges and fees	1,205	128
Interest and investment revenue	3,748	15
Other revenues	545	–
Grants and contributions provided for operating purposes	23,919	–
Grants and contributions provided for capital purposes	12,073	–
Other income	1,060	–
Total income from continuing operations	51,401	2,117
Expenses from continuing operations		
Employee benefits and on-costs	8,529	122
Materials and services	9,682	828
Borrowing costs	243	–
Depreciation, amortisation and impairment of non-financial assets	7,854	396
Other expenses	532	–
Net losses from the disposal of assets	2,185	–
Total expenses from continuing operations	29,025	1,346
Operating result from continuing operations	22,376	771
Net operating result for the year	22,376	771
Net operating result attributable to each council fund	22,376	771
Net operating result for the year before grants and contributions provided for capital purposes	10,303	771

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

D1-2 Statement of Financial Position by fund

\$ '000	General ¹ 2024	Sewer 2024
ASSETS		
Current assets		
Cash and cash equivalents	6,858	6,538
Investments	71,392	1,308
Receivables	2,342	417
Inventories	1,964	–
Other	(486)	486
Total current assets	82,070	8,749
Non-current assets		
Investments	2,000	–
Receivables	71	–
Infrastructure, property, plant and equipment	420,629	18,599
Investments accounted for using the equity method	233	–
Investment property	2,049	–
Other	198	–
Total non-current assets	425,180	18,599
Total assets	507,250	27,348
LIABILITIES		
Current liabilities		
Payables	973	–
Contract liabilities	7,704	–
Borrowings	93	–
Employee benefit provision	2,568	–
Provisions	830	–
Total current liabilities	12,168	–
Non-current liabilities		
Payables	155	7
Borrowings	500	–
Employee benefit provision	2	–
Provisions	6,402	167
Total non-current liabilities	7,059	174
Total liabilities	19,227	174
Net assets	488,023	27,174
EQUITY		
Accumulated surplus	187,333	16,827
Revaluation reserves	300,690	10,347
Council equity interest	488,023	27,174
Total equity	488,023	27,174

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

D2 Interests in other entities

D2-1 Subsidiaries

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

\$ '000	Council's share of net assets	
	2024	2023
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Joint ventures	233	–
Total net share of interests in joint ventures and associates using the equity method – assets	233	–
Total Council's share of net assets	233	–

Net carrying amounts – Council's share

\$ '000	Place of business	Nature of relationship	Interest in ownership		2024		2023	
			2024	2023	2024	2023		
Riverina Regional Library	Riverina	Joint venture	4.9%	0.0%	233	–		
Total carrying amounts – material joint ventures					233	–		

Riverina Regional Library

Bland Shire Council is a member of the Riverina Regional Library. The Riverina Regional Library is a dynamic and responsive service which is a community focal point for the delivery of lifelong education, recreation and information needs. Other member Councils include Berrigan, Coolamon, Cootamundra-Gundagai Regional, Federation, Greater Hume, Junee, Leeton, Lockhart, Snowy Valleys, and Temora.

Material joint ventures

The following information is provided for joint ventures that are individually material to the Council. Included are the total amounts as per the joint venture financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

Relevant interests and fair values

	Interest in outputs		Proportion of voting power	
	2024	2023	2024	2023
Riverina Regional Library	4.9%	0.0%	4.9%	0.0%

Summarised financial information for joint ventures

\$ '000	Riverina Regional Library	
	2024	2023
Statement of financial position		
Current assets		
Cash and cash equivalents	3,450	–
Other current assets	21	–
Non-current assets	2,555	–
Current liabilities		

D2-2 Interests in joint arrangements (continued)

\$ '000	Riverina Regional Library	
	2024	2023
Other current liabilities	1,071	–
Non-current liabilities		
Non-current financial liabilities (excluding trade and other payables and provisions)	7	–
Net assets	4,948	–
Statement of comprehensive income		
Income	3,255	–
Interest income	13	–
Depreciation and amortisation	(954)	–
Other expenses	(2,419)	–
Profit/(loss) from continuing operations	(105)	–
Profit/(loss) for the period	(105)	–
Other comprehensive income	201	–
Total comprehensive income	96	–
Share of income – Council (%)	4.9%	0.0%
Profit/(loss) – Council (\$)	(5)	–
Total comprehensive income – Council (\$)	5	–
Summarised Statement of cash flows		
Cash flows from operating activities	1,017	–
Cash flows from investing activities	(816)	–
Net increase (decrease) in cash and cash equivalents	201	–
Reconciliation of the carrying amount		
Opening net assets (1 July)	4,852	–
Profit/(loss) for the period	(105)	–
Closing net assets	4,747	–
Council's share of net assets (%)	4.9%	0.0%
Council's share of net assets (\$)	233	–

Material accounting policy information

Bland Shire Council has been a member Council of the Riverina Regional Library (RRL) since 2015.

The financial information provided for RRL is for FY2022 as this is the latest information available at the time of Council preparing the Financial Statements.

D2-5 Subsidiaries, joint arrangements and associates not recognised

Council has not recognised the following

Goldenfields Water County Council

Council is a member of the Goldenfields Water County Council, a body corporate established under the Local Government Act 1993 (NSW) responsible for the water supply functions within the Local Government Areas of Bland, Coolamon, Junee, Temora and parts of Cootamundra-Gundagai, Hilltops and Narrandera. Council does not have control or a significant influence over the County Council and accordingly the County Council has not been consolidated in the financial statements.

Riverina Joint Organisation

Council is a member of the Riverina Joint Organisation, established under the Local Government Act 1993 (NSW) together with Coolamon Shire, Cootamundra-Gundagai Regional, Greater Hume Shire, Junee Shire, Temora Shire, Lockhart Shire and Wagga Wagga City Councils. Council does not have control or a significant influence over the joint organisation and accordingly the joint organisation has not been consolidated in the financial statements. The board of RivJO has resolved that the organisation enter a period of hiatus.

D2-5 Subsidiaries, joint arrangements and associates not recognised (continued)

Riverina Eastern Regional Organisation of Councils

Council is a member of the Riverina Eastern Regional Organisation of Councils, together with Coolamon Shire, Cootamundra-Gundagai Regional, Greater Hume Shire, Junee Shire, Temora Shire, Lockhart Shire and Goldenfields Water County Council. Council does not have control or significant influence over the organisation and accordingly the organisation has not been consolidated in the financial statements.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	13,396	10,380	19,396	10,380
Receivables	2,830	2,162	4,021	2,162
Investments				
– Debt securities at amortised cost	74,700	72,204	68,700	72,204
Total financial assets	90,926	84,746	92,117	84,746
Financial liabilities				
Payables	1,135	3,463	4,980	3,463
Loans/advances	593	693	568	693
Total financial liabilities	1,728	4,156	5,548	4,156

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and measure at amortised cost investments** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) **at fair value through profit and loss** or (ii) **at fair value through other comprehensive income** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

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

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

The risks associated with the instruments held are:

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

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

- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
<p>The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	515	461

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

(b) Credit risk

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

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	Not yet overdue	< 5 years	≥ 5 years	
2024				
Gross carrying amount	48	228	72	348
2023				
Gross carrying amount	38	306	–	344

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	2,066	268	22	71	154	2,581
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	7.99%	0.48%
ECL provision	–	–	–	–	12	12
2023						
Gross carrying amount	1,693	–	51	–	173	1,917
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	8.67%	0.78%
ECL provision	–	–	–	–	15	15

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	785	161	97	64	1,107	1,135
Borrowings	4.77%	–	100	493	–	593	593
Total financial liabilities		785	261	590	64	1,700	1,728
2023							
Payables	0.00%	1	152	86	6	245	3,463
Borrowings	2.67%	–	100	500	93	693	693
Total financial liabilities		1	252	586	99	938	4,156

E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes. AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

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

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

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

During the reporting period, Council has also completed an interim valuation to recognise the indexation on lands, roads, the sewerage network and other infrastructure.

\$ '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
Investment property									
Investment Properties		30/06/22	30/06/22	2,049	1,271	–	–	2,049	1,271
Total investment property				2,049	1,271	–	–	2,049	1,271
Infrastructure, property, plant and equipment									
	C1-6								
Plant and equipment		30/06/20	30/06/20	8,425	7,915	–	–	8,425	7,915
Office equipment		30/06/20	30/06/20	142	249	–	–	142	249
Furniture and fittings		30/06/20	30/06/20	7	10	–	–	7	10
Operational land		30/06/24	30/06/20	3,396	1,662	–	–	3,396	1,662
Community land		30/06/24	30/06/20	10,293	11,326	–	–	10,293	11,326
Land improvement – depreciable		30/06/22	30/06/22	–	–	–	–	–	–
Buildings		30/06/22	30/06/22	–	–	38,926	36,902	38,926	36,902
Other structure		30/06/22	30/06/22	–	–	1,385	1,034	1,385	1,034
Roads		30/06/20	30/06/20	–	–	172,252	151,913	172,252	151,913
Bridges		30/06/22	30/06/22	–	–	23,027	22,104	23,027	22,104
Footpath		30/06/22	30/06/22	–	–	4,833	4,685	4,833	4,685
Road – formation		30/06/22	30/06/22	–	–	99,936	91,961	99,936	91,961
Stormwater		30/06/22	30/06/22	–	–	22,342	20,061	22,342	20,061
Sewer		30/06/21	30/06/21	–	–	17,391	16,848	17,391	16,848
Library		30/06/18	30/06/18	–	–	106	106	106	106
Gravel restoration asset				–	–	–	2,232	–	2,232
Sewer restoration asset				–	–	–	60	–	60
Open Space/Recreational Assets		30/06/22	30/06/22	–	–	11,716	10,143	11,716	10,143
Swimming Pools		30/06/22	30/06/22	–	–	3,144	2,978	3,144	2,978
Other Infrastructure		30/06/23	30/06/23	–	–	12,598	11,335	12,598	11,335
Total infrastructure, property, plant and equipment				22,263	21,162	407,656	372,362	429,919	393,524

E2-1 Fair value measurement (continued)

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:

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment and Furniture & Fittings

Level 2 valuation inputs were used to value this asset category.

This asset category includes:

Plant & Equipment - e.g. motor vehicles, trucks, mowers, earthmoving equipment

Office Equipment - e.g. computer equipment

Furniture & Fittings - e.g. chairs, desks, cabinets, display systems

Operational and Community Land

Level 2 valuation inputs were used to value land. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Buildings (Residential Properties)

Residential properties fair value has been derived from sales prices of comparable properties after adjusting for property size. The most significant inputs into this valuation approach are price per square metre.

Land improvements- Depreciable

Land improvements are valued at current replacement cost. Since there are no active market and the factors cannot be observed these are classified as level 3 input categories.

Buildings

Buildings are valued by external valuers based on level 3 input factors. The unit rates based on square meter supported from market evidence. However the significant inputs are unobservable such as estimated residual value, useful life, pattern of consumption and asset condition.

Other Structure

Other structures are valued by external valuers based on level 3 input factors. The significant inputs are unobservable such as useful life, pattern of consumption and asset condition.

Roads and Aerodrome (Surface and Pavements)

Roads and Aerodrome are externally valued using Current Replacement cost approach. The level 3 inputs considered for valuing these assets are current cost of construction at the time of valuation to establish Gross replacement cost and useful life, estimated residual value, pattern of consumption and asset condition to arrive the accumulated depreciation.

Other Traffic Facilities

Other Traffic Facilities are externally valued using Current Replacement cost approach. The level 3 inputs considered for valuing these assets are current cost of construction at the time of valuation to establish Gross replacement cost and useful life, estimated residual value, pattern of consumption and asset condition to arrive the accumulated depreciation.

Earthwork (Roads and Aerodrome -Formation)

Earthwork externally valued using Current Replacement cost approach. These were valued based on the cost to build the road at the time of valuation.

E2-1 Fair value measurement (continued)

Stormwater Assets (Pipes, pits and Kerb and Gutter)

Stormwater assets are externally valued using Current Replacement cost approach. The level 3 inputs considered for valuing these assets are current cost of construction at the time of valuation to establish Gross replacement cost and useful life, estimated residual value, pattern of consumption and asset condition to arrive the accumulated depreciation.

Bridges

Bridges are externally valued using Current Replacement cost approach. The level 3 inputs considered for valuing these assets are current cost of construction at the time of valuation to establish Gross replacement cost and useful life, estimated residual value, pattern of consumption and asset condition to arrive the accumulated depreciation.

Footpaths

Footpaths are externally valued using Current Replacement cost approach. The level 3 inputs considered for valuing these assets are current cost of construction at the time of valuation to establish Gross replacement cost and useful life, estimated residual value, pattern of consumption and asset condition to arrive the accumulated depreciation.

Open Space/Recreational Assets

Open Space/Recreational Assets are externally valued using Current Replacement cost approach. The level 3 inputs considered for valuing these assets are current cost of construction at the time of valuation to establish Gross replacement cost and useful life, estimated residual value, pattern of consumption and asset condition to arrive the accumulated depreciation.

Swimming Pools

Swimming Pools are externally valued using Current Replacement cost approach. The level 3 inputs considered for valuing these assets are current cost of construction at the time of valuation to establish Gross replacement cost and useful life, estimated residual value, pattern of consumption and asset condition to arrive the accumulated depreciation.

Other Infrastructure

Other infrastructure are externally valued using Current Replacement cost approach. The level 3 inputs considered for valuing these assets are current cost of construction at the time of valuation to establish Gross replacement cost and useful life, estimated residual value, pattern of consumption and asset condition to arrive the accumulated depreciation.

Sewer

Sewer Network Assets are externally valued using Current Replacement cost approach. The level 3 inputs considered for valuing these assets are current cost of construction at the time of valuation to establish Gross replacement cost and useful life, estimated residual value, pattern of consumption and asset condition to arrive the accumulated depreciation. Sewer assets have been indexed in line with the NSW Reference Rates Manual as published by the Office of Water.

Restoration Assets

Restoration Assets were based on the cost at the time of calculation and the discount rate, CPI at the year end to calculate the amortisation cost. So these become part of level 3 input factors.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Land improvement – depreciable	Written down current replacement cost	Gross replacement cost Asset condition
Buildings	Written down current replacement cost	Gross replacement cost Asset condition Useful life Residual value
Other structure	Written down current replacement cost	Gross replacement cost Asset condition Useful life
Roads	Written down current replacement cost	Gross replacement cost Asset condition Useful life Residual value
Bridges	Written down current replacement cost	Gross replacement cost Asset condition Useful life Residual value
Footpath	Written down current replacement cost	Gross replacement cost Asset condition Useful life Residual value
Road – formation	Current replacement cost	Gross replacement cost
Stormwater	Written down current replacement cost	Gross replacement cost Asset condition Useful life Residual value
Sewer	Written down current replacement cost	Gross replacement cost Asset condition Useful life Residual value
Library	Written down current replacement cost	Gross replacement cost Useful life
Gravel restoration asset	Written down current replacement cost	Restoration cost – historic Discount rate
Sewer restoration asset	Gross replacement cost	Restoration cost – historic Discount rate
Tip restoration asset	Written down current replacement cost	Restoration cost – historic Discount rate
Other Infrastructure	Written down current replacement cost	Gross replacement cost Asset condition Useful life
Recreational Assets	Written down current replacement cost	Gross replacement cost Asset condition Useful life
Swimming Pools	Written down current replacement cost	Gross replacement cost Asset condition Useful life

E2-1 Fair value measurement (continued)

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

\$ '000	Buildings		Other structure		Roads		Bridges	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	36,902	34,462	1,034	951	151,913	139,857	22,104	21,167
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	2,754	3,276	93	160	19,469	18,188	937	1,410
Purchases (GBV)	388	184	263	–	6,689	85	474	–
Disposals (WDV)	(161)	(127)	–	–	(1,869)	(887)	–	(19)
Depreciation and impairment	(957)	(893)	(46)	(77)	(3,950)	(5,330)	(488)	(454)
Closing balance	38,926	36,902	1,344	1,034	172,252	151,913	23,027	22,104

\$ '000	Footpath		Bulk Earthworks		Stormwater Drainage		Sewerage Network	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	4,685	4,176	91,961	81,826	20,061	18,753	16,842	15,985
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	296	643	7,702	10,135	2,575	1,638	918	1,206
Purchases (GBV)	–	–	273	–	75	–	6	–
Disposals (WDV)	–	–	–	–	(9)	–	–	–
Depreciation and impairment	(148)	(134)	–	–	(360)	(330)	(375)	(349)
Closing balance	4,833	4,685	99,936	91,961	22,342	20,061	17,391	16,842

\$ '000	Library		Gravel restoration asset		Sewer restoration asset		Other infrastructure	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	106	106	2,232	2,232	60	62	11,335	8,134
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	–	–	–	(2)	1,571	3,960
Purchases (GBV)	–	–	–	–	–	–	61	–
Disposals (WDV)	–	–	–	–	–	–	–	(394)
Depreciation and impairment	–	–	–	–	–	–	(369)	(365)
Closing balance	106	106	2,232	2,232	60	60	12,598	11,335

\$ '000	Recreation asset		Swimming pool		Total	
	2024	2023	2024	2023	2024	2023
Opening balance	10,140	8,708	2,975	2,881	372,350	339,300
Transfers from/(to) another asset class	1,773	1,938	314	182	38,402	42,734
Purchases (GBV)	561	–	–	–	8,790	269
Disposals (WDV)	(178)	(22)	(52)	–	(2,269)	(1,449)
Depreciation and impairment	(580)	(484)	(93)	(88)	(7,366)	(8,504)
Closing balance	11,716	10,140	3,144	2,975	409,907	372,350

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 AASB 119 *Employee Benefits* for the following reasons:

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 8.5% 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 \$ 65,331.33. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$20,381.56. Council's expected contribution to the plan for the next annual reporting period is \$46,439.08.

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

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

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

The share of this deficit that is broadly attributed to the Council is estimated to be in the order of 0.20% as at 30 June 2024.

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

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

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

* Plus promotional increases

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

E3-1 Contingencies (continued)

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(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:

\$ '000	2024	2023
Compensation:		
Short-term benefits	795	717
Post-employment benefits	71	59
Other long-term benefits	5	5
Total	871	781

Other transactions with KMP and their related parties

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

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000						
2024						
Employee expenses relating to close family of KMP	1	41	–	Council Staff award	–	–
2023						
Employee expenses relating to close family of KMP	1	40	–	Council Staff award	–	–

1 Employee was employed by Council under the relevant pay award on an arms length basis

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	28	30
Councillors' fees	112	123
Other Councillors' expenses (including Mayor)	32	32
Total	172	185

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	62	68
Remuneration for audit and other assurance services	62	68
Total Auditor-General remuneration	62	68
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Audit and review of financial statements	-	4
Internal audit services	20	19
Remuneration for audit and other assurance services	20	23
Total remuneration of non NSW Auditor-General audit firms	20	23
Total audit fees	82	91

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	23,147	7,715
Add / (less) non-cash items:		
Depreciation and amortisation	8,250	7,409
(Gain) / loss on disposal of assets	2,185	1,468
Non-cash capital grants and contributions	(5)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	(778)	–
Unwinding of discount rates on reinstatement provisions	–	(67)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(668)	(751)
(Increase) / decrease of inventories	(27)	105
Increase / (decrease) in payables	(2,656)	2,577
Increase / (decrease) in other accrued expenses payable	310	(140)
Increase / (decrease) in other liabilities	18	126
Increase / (decrease) in contract liabilities	(4,764)	5,930
Increase / (decrease) in employee benefit provision	106	(149)
Increase / (decrease) in other provisions	803	–
Net cash flows from operating activities	25,921	24,223

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
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Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Buildings	-	64
Plant and equipment	130	65
Other infrastructure	-	493
Road infrastructure	-	5,281
Total commitments	130	5,903

These expenditures are payable as follows:

Within the next year	130	5,903
Total payable	130	5,903

Sources for funding of capital commitments:

Unrestricted general funds	-	65
Future grants and contributions	-	5,774
Internally restricted reserves	130	64
Total sources of funding	130	5,903

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
Roads	14	-	-	-	-	-	-	14	-	
Parking	7	-	-	-	-	-	-	7	-	
Open space	1	-	-	-	-	-	-	1	-	
Community facilities	436	32	-	-	-	-	-	468	-	
Other	2	-	-	-	-	-	-	2	-	
S7.11 contributions – under a plan	460	32	-	-	-	-	-	492	-	
Total S7.11 and S7.12 revenue under plans	460	32	-	-	-	-	-	492	-	
S64 contributions	101	25	-	-	-	-	-	126	-	
Total contributions	561	57	-	-	-	-	-	618	-	

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

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
CONTRIBUTION PLAN										
Roads	14	-	-	-	-	-	-	-	14	-
Parking	7	-	-	-	-	-	-	-	7	-
Open space	1	-	-	-	-	-	-	-	1	-
Community facilities	436	32	-	-	-	-	-	-	468	-
Other	2	-	-	-	-	-	-	-	2	-
Total	460	32	-	-	-	-	-	-	492	-

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	12,489	30.71%	8.38%	17.02%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	40,667				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	16,748	31.76%	38.14%	33.17%	> 60.00%
Total continuing operating revenue ¹	52,740				
3. Unrestricted current ratio					
Current assets less all external restrictions	76,840	24.58x	6.73x	49.51x	> 1.50x
Current liabilities less specific purpose liabilities	3,126				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	20,982	61.17x	145.58x	44.00x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	343				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	506	4.47%	4.20%	4.60%	< 10.00%
Rates and annual charges collectable	11,329				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	88,096	49.17	50.82	46.27	> 3.00
Monthly payments from cash flow of operating and financing activities	1,792	months	months	months	months

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

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

G5-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Sewer Indicators		Benchmark
	2024	2023	2024	2023	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	30.40%	6.94%	36.42%	30.97%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹					
2. Own source operating revenue ratio					
Total continuing operating revenue excluding capital grants and contributions ¹	28.90%	34.91%	100.00%	100.00%	> 60.00%
Total continuing operating revenue ¹					
3. Unrestricted current ratio					
Current assets less all external restrictions	24.58x	6.73x	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities					
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	57.77x	132.46x	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)					
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	5.41%	5.03%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable					
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	45.52 months	47.49 months	∞	∞	> 3.00 months
Monthly payments from cash flow of operating and financing activities					

(1) - (2) Refer to Notes at Note 24a above.

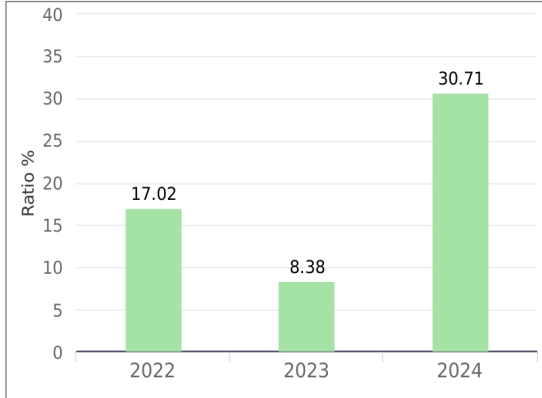
(3) General fund refers to all of Council's activities except for its sewer activities which are listed separately.

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	30.71%
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Council's operating performance ratio is well above the industry benchmark. Council must continue to monitor operational performance to maintain this result.

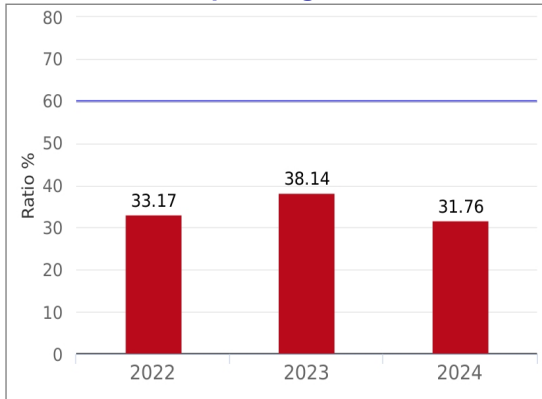
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2023/24 result

2023/24 ratio	31.76%
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Own source revenue is consistent with previous year's results. As with most rural Council's, generating own source revenue continues to be a challenge.

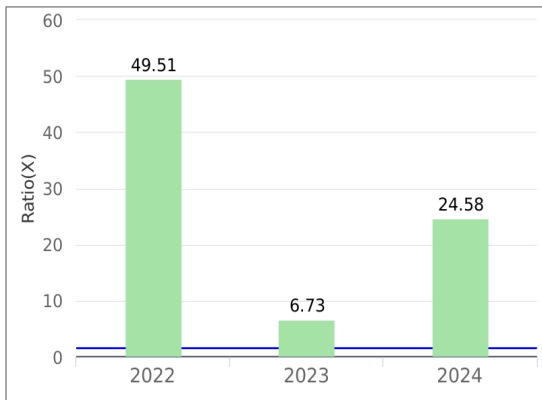
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2023/24 result

2023/24 ratio	24.58x
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Council's ratio remains above the benchmark with adequate funds available to satisfy its short-term obligations.

Benchmark: — > 1.50x

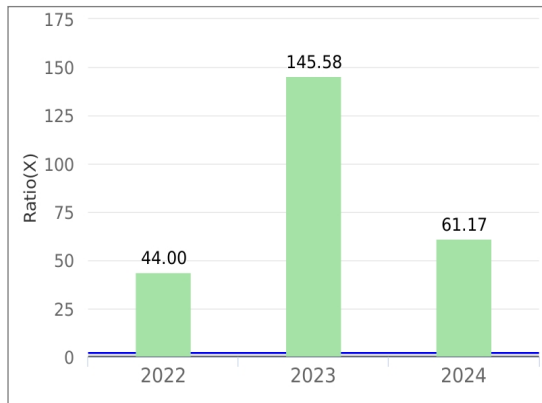
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 61.17x

Council have one loan, which was for the Holland Park Pool Upgrade, and is in a strong position to meet its loan obligations.

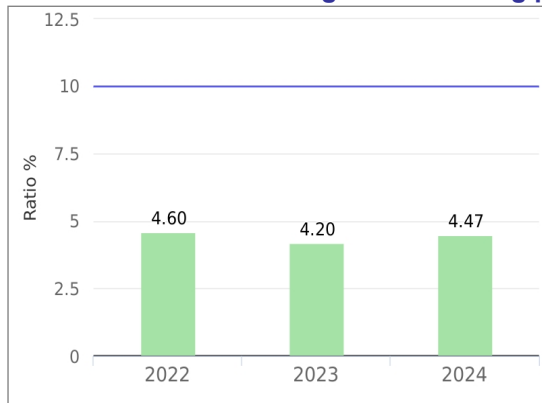
Benchmark: — > 2.00x

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 4.47%

Council staff have continued to work with debtors offering an early intervention approach. This effective communication continues to reduce the outstanding rates and annual charges amounts.

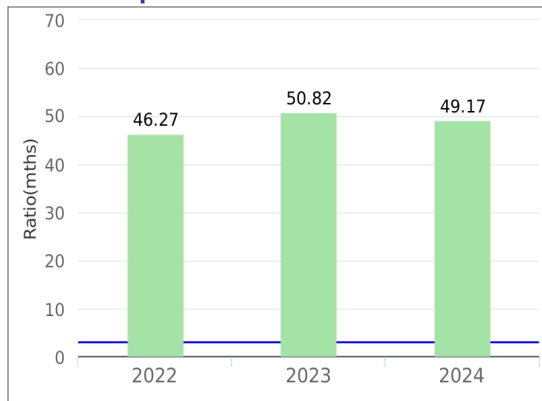
Benchmark: — < 10.00%

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 49.17 months

Efficient financial management practices have enabled Council to operate effectively in meeting its expense obligations.

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

Principal place of business:

6-10 Shire Street
West Wyalong NSW 2671

Contact details

Mailing Address:

PO Box 21
West Wyalong NSW 2671

Telephone: (02) 6972 2266

Facsimile: (02) 6972 2145

Opening hours:

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

Internet: www.blandshire.nsw.gov.au

Email: council@blandshire.nsw.gov.au

Officers

General Manager

Grant Baker

Responsible Accounting Officer

Leesa Bryant

Auditors

NSW Audit Office
Level 19
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

GPO Box 12
Sydney NSW 2001

Elected members

Mayor

Brian Monaghan

Councillors

The late Bruce Baker
Monica Clarke
Rodney Crowe
Jill Funnell
Kerry Keatley
Tony Lord
Elizabeth McGlynn
Roger Moore

Other information

ABN: 13 251 814 087



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Bland Shire Council

To the Councillors of Bland Shire Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



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

30 October 2024
SYDNEY



Brian Monaghan
 Mayor
 Bland Shire Council
 PO Box 21
 West Wyalong NSW 2671

Contact: Unaib Jeffrey
 Phone no: 02 9275 7450
 Our ref: R008-2124742775-7774

30 October 2024

Dear Mayor

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

I have audited the general purpose financial statements (GPFS) of the Bland 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	10.8	10.3	↑ 4.9
Grants and contributions revenue	36.0	23.7	↑ 51.9
Operating result from continuing operations	23.1	7.7	↑ 200.0
Net operating result before capital grants and contributions	11.1	1.2	↑ 825

Rates and annual charges revenue (\$10.8 million) increased by \$0.5 million (4.9 per cent) in 2023–24 due to rate peg increase of 3.7 per cent.

Grants and contributions revenue (\$36.0 million) increased by \$12.3 million (51.9 per cent) in 2023–24 due to:

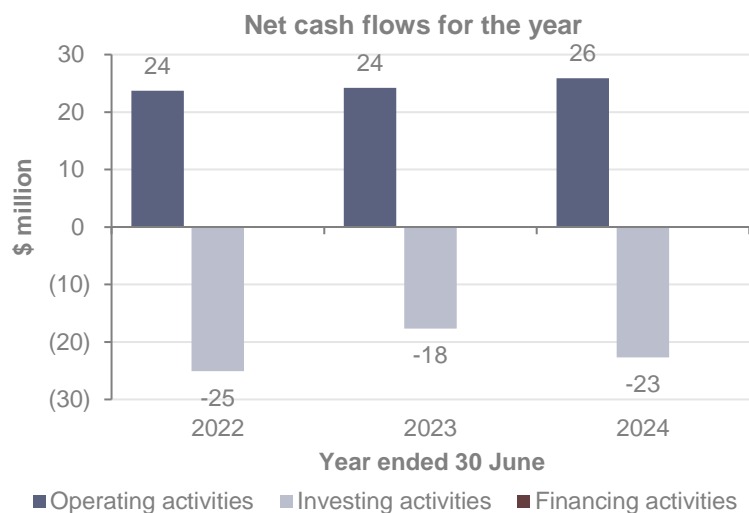
- increase of \$6 million of Regional and Local Roads Repair Program (RLRRP) grant recognised during the year
- increase of \$4.1 million of Transport (other roads and bridges funding) capital grant received during the year
- increase of \$1.2 million of storm/flood damage operating grant received for natural disasters.

Council’s operating result from continuing operations (\$23.1 million including depreciation, amortisation and impairment expense of \$8.3 million) was higher than the 2022-23 result. This is due to the increase in grants and contributions revenue recognised this year.

The net operating result before capital grants and contributions of \$11.1 million was \$9.9 million higher than the 2022–23 result. This is due to the adjustment of RLRRP funding income recognised as operating grant in 2023-24.

STATEMENT OF CASH FLOWS

- The Council's cash and cash equivalents was \$13.4 million (\$10.4 million for the year ended 30 June 2023). There was a net increase in cash and cash equivalents of \$3 million during 2023-24.
- Net cash provided by operating activities has increased by \$1.7 million. This is primarily due to an increase in interest received of \$1.2 million.
- Net cash used in investing activities has increased by \$5 million due to an increase in payments for acquisition of term deposits of \$22 million, offset by an increase in the redemption of term deposits of \$29 million.
- Net cash flows from financing activities were \$0.1 million for 2024 (2023: \$0.1 million) with no movement during the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	88.1	82.6	<ul style="list-style-type: none"> Externally restricted balances comprise mainly of developer contributions and sewer fund. The decrease of \$4.3 million is primarily due to reduction in specific purpose unexpended grant by \$5.7 million.
Restricted and allocated cash, cash equivalents and investments:			<ul style="list-style-type: none"> Internal allocations are determined by Council policies or decisions, which are subject to change. The increase of \$9.8 million in internal allocations is mainly due to a \$9.5 million increase in infrastructure replacement and \$0.2 million increase in plant and vehicle replacement.
• External restrictions	15.1	19.4	
• Internal allocations	37.6	27.8	
• Unrestricted	35.4	35.4	

Debt

At 30 June 2024, Council had \$0.6 million in secured loans (\$0.7 million in 2022-23).

PERFORMANCE

Performance measures

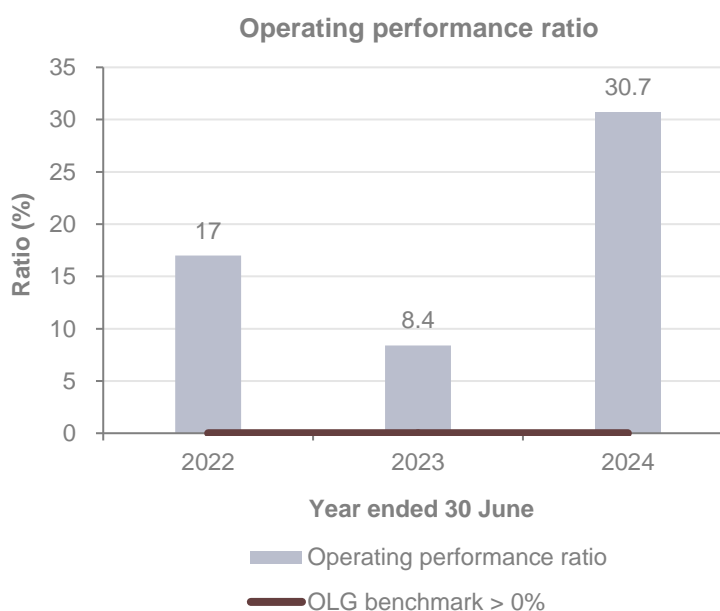
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

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.

The operating performance ratio increased by 22.3 per cent due to an increase in grants and contribution income and decrease in materials and services expenses.

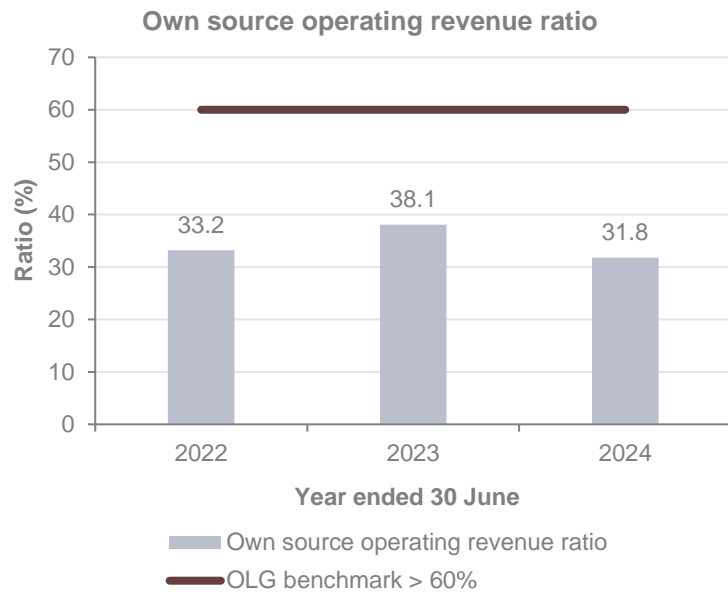


Own source operating revenue ratio

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.

The own source operating revenue ratio decreased by 6.3 per cent from 38.1 per cent in 2022-23 due to higher level of grants and contributions received in the current year.

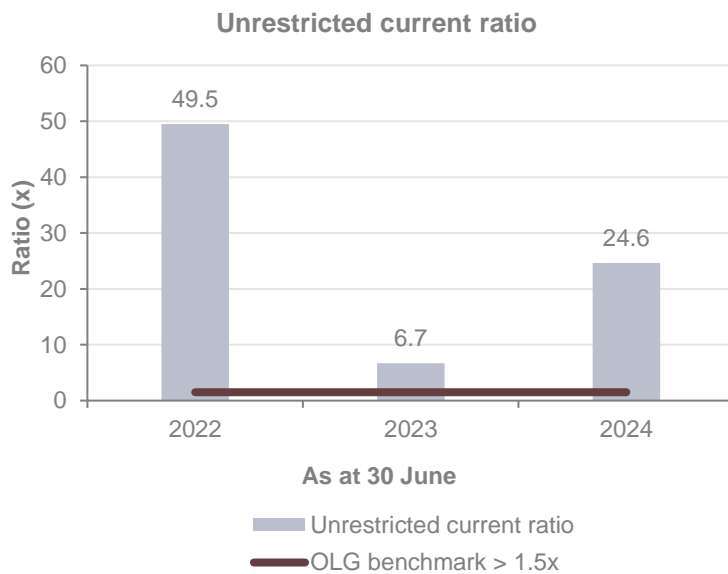


Unrestricted current ratio

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.

The unrestricted current ratio of 24.6 times increased by 17.9 times from 6.7 times in 2022-23 due to valuation increment of infrastructure, property, plant and equipment (IPPE) and decreases in payables of goods and services operating expenditure and contract liabilities.

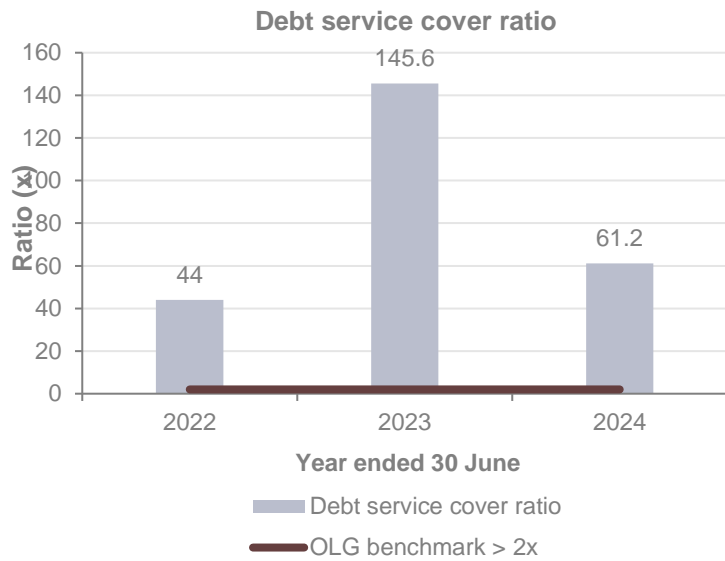


Debt service cover ratio

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.

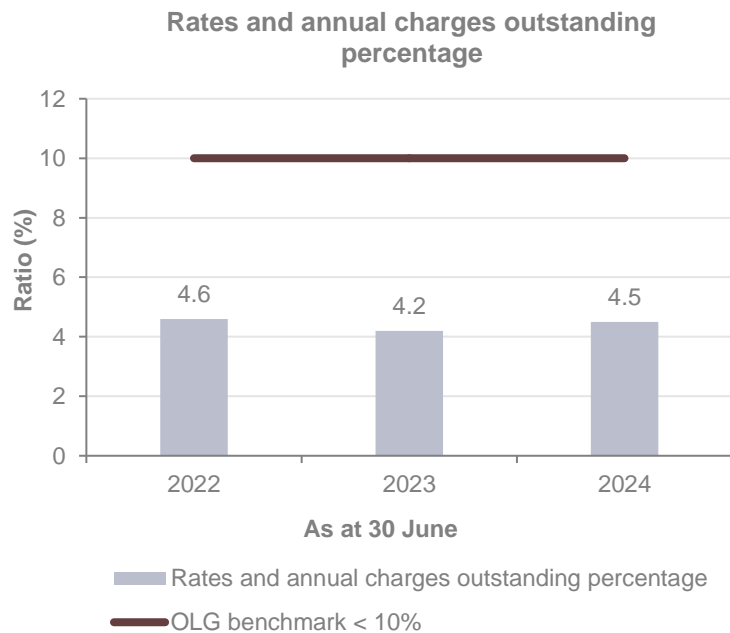
The debt service cover ratio of 61.2 times decreased by 84.4 times due to increase in grants and contributions and borrowing costs.



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.

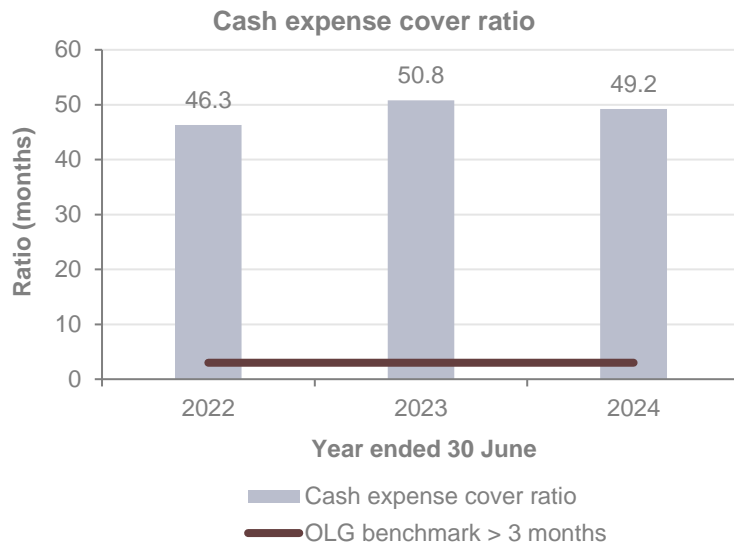


Cash expense cover ratio

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.

The Council's cash expense cover ratio was 49.2 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 49.2 months of operating cash expenditure without additional cash inflows at 30 June 2024.



Infrastructure, property, plant and equipment renewals

Council renewed \$15.9 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads, repairing assets damaged by natural disasters.

A further \$4.5 million was spent on new assets including:

- \$1.9 million on plant and equipment
- \$1.2 million on community land
- \$0.6 million on capital work in progress
- \$0.8 million on other asset classes

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.

Unaib Jeffrey
Associate Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Bland Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Bland Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
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Income Statement of sewerage business activity	4
Statement of Financial Position of sewerage business activity	5
Note – Material accounting policy information	6
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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).

Bland Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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

- 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 10 September 2024.



Brian Monaghan

Mayor

10 September 2024



Grant Baker

General Manager

10 September 2024



Anthony Lord

Councillor

10 September 2024



Leesa Bryant

Responsible Accounting Officer

10 September 2024

Bland Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	1,974	1,779
Liquid trade waste charges	103	103
Fees	25	10
Interest and investment income	15	10
Total income from continuing operations	2,117	1,902
Expenses from continuing operations		
Employee benefits and on-costs	122	199
Materials and services	828	798
Depreciation, amortisation and impairment	396	316
Total expenses from continuing operations	1,346	1,313
Surplus (deficit) from continuing operations before capital amounts	771	589
Surplus (deficit) from continuing operations after capital amounts	771	589
Surplus (deficit) from all operations before tax	771	589
Less: corporate taxation equivalent (25%) [based on result before capital]	(193)	(147)
Surplus (deficit) after tax	578	442
Plus accumulated surplus	16,056	15,467
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	193	147
Closing accumulated surplus	16,827	16,056
Return on capital %	4.1%	3.2%
Subsidy from Council	29	144
Calculation of dividend payable:		
Surplus (deficit) after tax	578	442
Surplus for dividend calculation purposes	578	442
Potential dividend calculated from surplus	289	221

Bland Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	6,538	5,406
Investments	1,308	1,308
Receivables	417	372
Other	486	338
Total current assets	8,749	7,424
Non-current assets		
Infrastructure, property, plant and equipment	18,599	18,240
Total non-current assets	18,599	18,240
Total assets	27,348	25,664
LIABILITIES		
Non-current liabilities		
Payables	7	7
Provisions	167	155
Total non-current liabilities	174	162
Total liabilities	174	162
Net assets	27,174	25,502
EQUITY		
Accumulated surplus	16,827	16,056
Revaluation reserves	10,347	9,446
Total equity	27,174	25,502

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

Nil

Category 2

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

Sewerage Services

The operation of sewer reticulation and treatment schemes at West Wyalong, Ungarie and Barmedman.

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%

Note – Material accounting policy information (continued)

Land tax – the first \$692,000 of combined land values attracts **0%**. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$850,000.

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

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a ‘dividend for taxation equivalent’, may be applied for any purpose allowed under the *Local Government Act, 1993*.

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

Income tax

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

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

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

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

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

Note – Material accounting policy information (continued)

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

(iii) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2019 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Department of Industry – Water guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Industry – Water.



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Bland Shire Council

To the Councillors of Bland Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

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

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

30 October 2024
SYDNEY

Bland Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Bland Shire Council

Special Schedules

for the year ended 30 June 2024

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Bland Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	7,186	7,456
Plus or minus adjustments ²	b	7	7
Notional general income	c = a + b	7,193	7,463
Permissible income calculation			
Percentage increase	d	3.70%	4.50%
Plus percentage increase amount ³	f = d x (c + e)	266	336
Sub-total	g = (c + e + f)	7,459	7,799
Plus (or minus) last year's carry forward total	h	2	5
Sub-total	j = (h + i)	2	5
Total permissible income	k = g + j	7,461	7,804
Less notional general income yield	l	7,456	7,797
Catch-up or (excess) result	m = k - l	5	7
Carry forward to next year ⁶	p = m + n + o	5	7

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

Bland Shire Council

To the Councillors of Bland Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

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

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

30 October 2024
SYDNEY

Bland Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Buildings – non-specialised	5,188	5,188	635	376	–	58,130	25.0%	36.0%	30.0%	8.0%	1.0%
	Other	–	–	–	–	38,926	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	5,188	5,188	635	376	38,926	58,130	25.0%	36.0%	30.0%	8.0%	1.0%
Other structures	Other structures	220	220	30	–	1,386	2,126	30.0%	22.0%	35.0%	12.0%	1.0%
	Sub-total	220	220	30	–	1,386	2,126	30.0%	22.0%	35.0%	12.0%	1.0%
Roads	Roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sealed roads	2,264	2,264	355	2,157	146,916	222,772	35.0%	59.0%	5.0%	1.0%	0.0%
	Unsealed roads	6,336	6,336	658	1,584	25,798	50,512	32.0%	37.0%	16.0%	11.0%	4.0%
	Bridges	758	758	719	6	23,027	36,666	1.0%	4.0%	93.0%	2.0%	0.0%
	Footpaths	150	150	120	74	4,833	7,817	5.0%	22.0%	70.0%	3.0%	0.0%
	Other road assets	–	–	4	–	674	1,008	53.0%	29.0%	18.0%	0.0%	0.0%
	Bulk earthworks	–	–	–	–	99,936	99,936	100.0%	0.0%	0.0%	0.0%	0.0%
	Other road assets (incl. bulk earth works)	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-total	9,508	9,508	1,856	3,821	301,184	418,711	46.7%	36.7%	14.1%	2.1%	0.4%	
Sewerage network	Sewerage network	2,690	2,690	303	815	17,390	30,980	10.0%	62.0%	19.0%	5.0%	4.0%
	Sub-total	2,690	2,690	303	815	17,391	30,980	10.0%	62.0%	19.0%	5.0%	4.0%
Stormwater drainage	Stormwater drainage	1,047	1,047	53	8	22,342	35,766	44.0%	53.0%	0.0%	3.0%	0.0%
	Sub-total	1,047	1,047	53	8	22,342	35,766	44.0%	53.0%	0.0%	3.0%	0.0%
Open space / recreational assets	Swimming pools	–	–	29	46	3,110	5,030	51.0%	20.0%	29.0%	0.0%	0.0%
	Other	1,658	1,658	296	927	11,750	19,312	24.0%	23.0%	45.0%	5.0%	3.0%
	Sub-total	1,658	1,658	325	973	14,860	24,342	29.6%	22.4%	41.7%	4.0%	2.3%

Bland Shire Council

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

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Other infrastructure assets	Other	39	39	178	701	12,598	20,268	54.0%	2.0%	43.0%	0.0%	1.0%
	Sub-total	39	39	178	701	12,598	20,268	54.0%	2.0%	43.0%	0.0%	1.0%
	Total – all assets	20,350	20,350	3,380	6,694	408,687	590,323	41.9%	37.1%	17.3%	2.9%	0.8%

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

Infrastructure asset condition assessment 'key'

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

Bland Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	14,532	197.28%	49.55%	74.87%	> 100.00%
Depreciation, amortisation and impairment	7,366				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	20,350	4.91%	5.47%	7.37%	< 2.00%
Net carrying amount of infrastructure assets	414,175				
Asset maintenance ratio					
Actual asset maintenance	6,694	198.05%	184.29%	155.69%	> 100.00%
Required asset maintenance	3,380				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	20,350	3.45%	3.86%	5.23%	
Gross replacement cost	590,323				

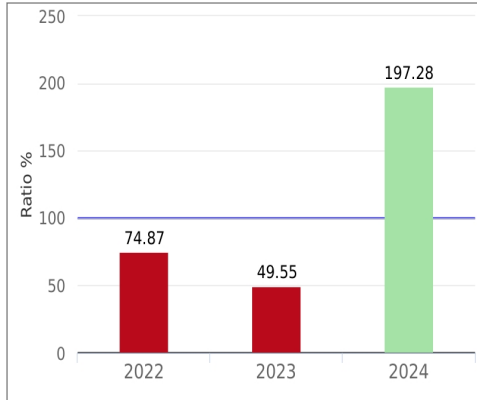
(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Bland Shire Council

Report on infrastructure assets as at 30 June 2024

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

Commentary on result	
23/24 ratio	197.28%

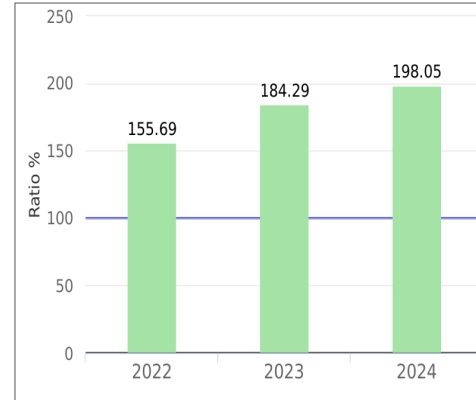
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result	
23/24 ratio	198.05%

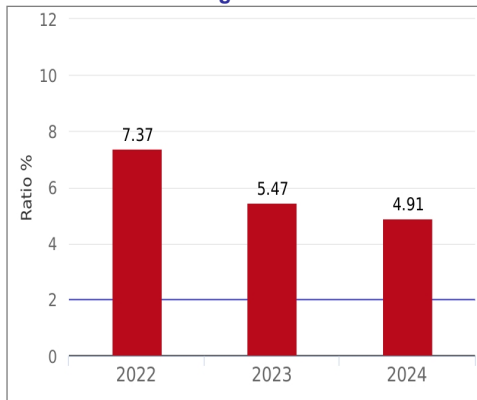
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result	
23/24 ratio	4.91%

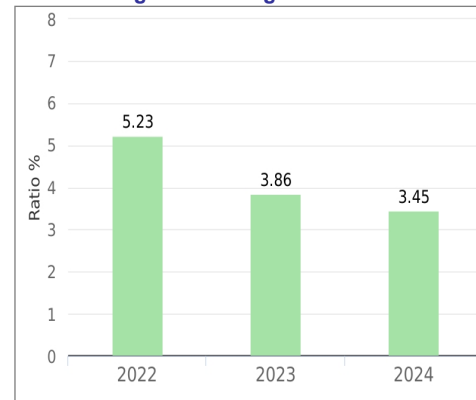
Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result	
23/24 ratio	3.45%

Bland Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Sewer fund		Benchmark
	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio					
Asset renewals ¹					
Depreciation, amortisation and impairment	207.87%	51.67%	0.00%	0.00%	> 100.00%
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard					
Net carrying amount of infrastructure assets	4.45%	5.01%	15.47%	15.20%	< 2.00%
Asset maintenance ratio					
Actual asset maintenance					
Required asset maintenance	191.06%	183.31%	268.98%	194.79%	> 100.00%
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council					
Gross replacement cost	3.16%	3.57%	8.68%	8.71%	

(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.