

AGENDA



Extraordinary Meeting of Council



We're with you

Monday 9 September 2024

Council Chambers, Wingecarribee Shire Council Civic Centre
68 Elizabeth Street, Moss Vale at 3.30pm

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

An Extraordinary Meeting of Wingecarribee Shire Council will be held in Council Chambers at Wingecarribee Shire Council Civic Centre, 68 Elizabeth Street, Moss Vale on Monday 9 September 2024 at 3.30pm.

The Public Forum will commence at 3.00pm, subject to any registered speaker/s to items listed on this Agenda.

Further information and details on registration process can be found on Council’s website, using the following link:

[Public Forum Application Form | Wingecarribee Shire Council \(nsw.gov.au\)](#)

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Council Chambers

Recording and Webcasting of Ordinary and Extraordinary Meetings of Council

This meeting is being recorded and webcast via Council's website and a person's image and/or voice may be publicly broadcast. Attendance at the meeting is to be taken as consent by a person to their image and/or voice being webcast. Any part of the meeting that is held in closed session will not be webcast.

Council requests that everyone in attendance is respectful and uses appropriate language. All speakers should refrain from making any defamatory, discriminatory or offensive comments or releasing any personal information about another individual without their consent. Council accepts no liability for any damage that may result from defamatory, discriminatory or offensive comments made by persons attending meetings – all liability will rest with the individual who made the comments.

The recording will be available for viewing on the internet for 12 months and retained as a Council record. The recording is subject to copyright.

The meeting must not be recorded by others without the prior written consent of Council in accordance with Council's Code of Meeting Practice.

Please ensure that all electronic devices including mobile phones are switched to silent.

The Council Chamber has 24 Hour Video Surveillance.

1 OPENING OF THE MEETING

The Administrator, Mr Viv May PSM, will open the meeting.

2 ACKNOWLEDGEMENT OF COUNTRY

“Wingecarribee Shire Council acknowledges the Gundungurra and Tharawal people as the traditional custodians of this land we now call the Wingecarribee Shire. I pay my respect to Elders both past, present and emerging. I would also like to extend that respect to all Aboriginal and Torres Strait Islanders present here today.”

3 STATEMENT OF ETHICAL OBLIGATIONS

The Administrator is reminded of the obligations conferred on them at the time of their appointment.

The Administrator is to undertake the duties of the office of Administrator in the best interests of the people of the Wingecarribee Shire Council area and are to act faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act 1993 or any other Act to the best of your ability and judgement.

The Administrator is committed to the declaration of conflicts of interest in relation to items listed for consideration on the Agenda or which are considered at this meeting, in accordance with the Code of Conduct and Code of Meeting Practice.

4 APOLOGIES

Nil at time of print.

5 DECLARATIONS OF INTEREST

The provisions of Chapter 14 of the Local Government Act 1993 regulate the way in which nominated staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public trust.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest and the reasons for declaring such interest must be disclosed as soon as practicable after the start of the meeting.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussions or voting on that matter and further require that the member vacate the Chamber.

Council’s Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

6 GENERAL MANAGER

6.1 Notice of Intention to Issue a Performance Order to Wingecarribee Shire Council

Report Author: Lisa Miscamble
General Manager

Authoriser: Lisa Miscamble
General Manager

PURPOSE

This report advises Council of the receipt of a Notice of Intention to Issue a Performance Order to Wingecarribee Shire Council under Section 438A of the Local Government Act 1993.

OFFICER'S RECOMMENDATION

THAT the report be noted.

REPORT

This report advises of the receipt of a Notice of Intention to Issue a Performance Order to Wingecarribee Shire Council under Section 438A of the Local Government Act 1993, received from the Minister of Local Government on 2 September 2024.

This is provided in **Attachment 1**.

The Administrator will address this matter in an Administrator Minute.

ATTACHMENTS

1. Wingecarribee Shire Council - Proposed PIO - Letter from Minister [6.1.1 - 2 pages]
2. Proposed PIO - Wingecarribee [6.1.2 - 3 pages]

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

The Hon. Ron Hoenig MP

Leader of the House in the Legislative Assembly
Vice-President of the Executive Council
Minister for Local Government



Our Ref: A908733

Mr Viv May
Administrator
Wingecarribee Shire Council
PO Box 141
Moss Vale NSW 2577

Via email: mail@wsc.nsw.gov.au and administratoroffice@wsc.nsw.gov.au

NOTICE OF INTENTION TO ISSUE A PERFORMANCE IMPROVEMENT ORDER TO THE WINGECARRIBEE SHIRE COUNCIL UNDER SECTION 438A OF THE LOCAL GOVERNMENT ACT 1993

Dear Mr May,

On behalf of the NSW Government, I am writing to thank you for your work over the last 3 years as Administrator of Wingecarribee Shire Council (Council).

Your leadership and commitment have been instrumental in achieving significant progress in establishing the new council. Your work leaves a positive legacy which will ensure that Council is now well placed to deliver the services and infrastructure that local communities need and deserve, both now and into the future.

I want to ensure this legacy is not lost during the transition to an elected Council for Wingecarribee Shire. It is for this reason that I am proposing a use my power as Minister for Local Government to create clear expectations for the future governance and operation of the Council.

In accordance with section 438C of the *Local Government Act 1993* (the Act) this letter provides notice of my intention to issue a Performance Improvement Order (PIO) under section 438A of the Act, for actions to be taken, as identified in the attached proposed Performance Improvement Order, to improve the performance of Council.

I have considered the mandatory criteria under the Act and its accompanying regulations and I have formed the preliminary view that action must be taken to ensure there is no loss to the improvement of Council's performance. The reasons for my decision to propose a PIO are:

1. Council needs to keep its budget discipline to maintain its financial sustainability, particularly given its program of new water and sewer infrastructure at Moss Vale and Bowral tied to its housing strategy and the ongoing management of operational costs,
2. Council needs to ensure it maintains access to appropriate staff expertise and engagement to provide secure advice to the councillors on financial, governance and regulatory matters,

52 Martin Place Sydney NSW 2000
GPO Box 5341 Sydney NSW 2001

02 7225 6150
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3. Council needs to maintain its strong governance processes to give staff confidence in providing the best advice and options to ensure there is a clear strategy for service delivery, infrastructure investment and renewal, as well as planning decisions on future housing,
4. Council should only be changing strategic priorities with clear understanding of costs and have supporting strategies to ensure Council doesn't fund initiatives through either debt or inappropriate access of restricted funds, and
5. Council needs to continue to deliver and implement the changes required as part of the recommendations of the Glover Inquiry.

The attached proposed Performance Improvement Order is intended to form part of this notice. As required by section 438C(2)(a) of the Act, the terms of the proposed PIO and period for compliance are specified in the proposed order. As required by section 438A(3)(b) of the Act, the actions required to be taken to ensure the continued improvement of the performance of Council are specified in the proposed PIO.

I invite Council to make submissions to me in respect of the proposed PIO. Should Council choose to make submissions, they must be provided to me no later than 7 days from the date upon which this notice is served on it.

I will consider all submissions made to me by Council during this period before deciding whether to issue a PIO.

It is suggested that Council tables this notice at an open council meeting and provides its submissions by way of resolution.

I take this action not as a critique of your work being Council's Administrator, but to ensure the process of improvement you have created is continued and that the newly established Council does not lose ground.

I trust you have valued the opportunity as Administrator and that it has brought you a level of personal and professional satisfaction. The NSW Government is committed to working with new councils as they move to an elected governing body.

Once again, I would like to thank you for your work on behalf of the NSW Government and the broader NSW community.

Signed on this 2nd day of September 2024



The Hon. Ron Hoenig MP
Leader of the House in the Legislative Assembly
Vice-President of the Executive Council
Minister for Local Government

Cc: General Manager, Wingecarribee Shire Council

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Local Government Act 1993

Section 438A

Proposed Performance Improvement Order

I, the Honourable Ron Hoenig MP, Minister for Local Government, do, by this order under section 438A of the *Local Government Act 1993* (the Act), require Wingecarribee Shire Council (Council) for the reasons specified in Schedule 1 below, to undertake the actions described in Schedule 2 below within the period specified.

This Order takes effect upon service on Council.

Dated this 2nd day of September 2024



The Hon. Ron Hoenig, MP,
Minister for Local Government

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Schedule 1

1.1 Reasons for Order – section 438A(3)(a) of the Act

1. Council needs to keep its budget discipline to maintain its financial sustainability, particularly given its program of new water and sewer infrastructure at Moss Vale and Bowral tied to its housing strategy and the ongoing management of operational costs,
2. Council needs to ensure it maintains access to appropriate staff expertise and engagement to provide secure advice to the councillors on financial, governance and regulatory matters,
3. Council needs to maintain its strong governance processes to give staff confidence in providing the best advice and options to ensure there is a clear strategy for service delivery, infrastructure investment and renewal, as well as planning decisions on future housing,
4. Council should only be changing strategic priorities with clear understanding of costs and have supporting strategies to ensure Council doesn't fund initiatives through either debt or inappropriate access of restricted funds, and
5. Council needs to continue to deliver and implement the changes required as part of the recommendations of the Glover Inquiry.

Schedule 2

2.1 Action required to improve performance – section 438A(3)(b) of the Act

In accordance with section 438A of the *Local Government Act 1993*, this order requires that:

2.1.1 Staffing

1. Council can only terminate its general manager's contract of employment with the concurrence of the Deputy Secretary of the Office of Local Government (OLG),
2. Council can only change its delegations with the concurrence of the Deputy Secretary OLG,
3. Council can only restructure the organisation with the concurrence of the Deputy Secretary OLG,

2.1.2 Financial oversight and discipline

4. Council must implement any ongoing recommendations from the Public Inquiry. The recommendations made in the report on the review of Council's governance practices under the oversight of the Audit, Risk and Improvement Committee (ARIC),
5. Council must engage its ARIC on "any significant changes" to council's priorities direction and take into account any recommendations,
6. Council must implement the adopted budget and operations plan for 2024/25. Any significant changes must be agreed by the Deputy Secretary OLG,
7. Council must publicly document the impact of all Council's resolutions on Council's Long Term Financial Plan (LTFP),
8. Council must not make financial decisions that impact adversely on Council's financial metrics as measured through the Office of Local Government financial indicators,
9. Council is to maintain an appropriate level of unrestricted cash and expend externally restricted funds only for the purpose for which they are set aside,
10. Council must take necessary steps to ensure timely and accurate financial monitoring and reporting including at a minimum the Quarterly Business Report, which is to be submitted to OLG for review and made clearly available to the community on Council's website,

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

2.1.3 Governance

11. Council is to ensure that best practice governance standards are implemented and maintained. This is to be achieved by Council providing resources to the General Manager to ensure that:
 - a. governance standards are maintained,
 - b. the operational plan can be delivered,
 - c. infrastructure maintenance meets the operational plan and LTFP requirements, and
 - d. there is consistent improvement in financial ratios.
12. Council can only amend its councillor/staff interaction policy with the concurrence of the Deputy Secretary OLG, noting the general manager may update the staff list that can be contacted by councillors,
13. Council must ensure that the general manager develops a councillor request system to manage email requests from councillors. The system should ensure that communications are respectful, the number of requests are reasonable and include provisions permitting the general manager to impose limitations where disrespectful or excessive use of the system occurs,

2.1.4 Council meeting practices

14. Council must ensure its code of meeting practice complies with the *Model Code of Meeting Practice for Local Councils in NSW* (the Model Meeting Code),
15. Council must ensure councillor briefings are open to the public unless the general manager is satisfied that grounds exist under the Act to exclude members of the public from a briefing to consider information that should not be made public, and
16. Council must conduct its meetings in accordance with its code of meeting practice and must not make decisions at councillor briefings and workshops.

2.2 Period for compliance with Order

1. The Council is to comply with this order for 12 months from the date of issue.

2.3 Reporting obligations

1. The Council is to provide a quarterly compliance report to the Deputy Secretary OLG. As part of the first report Council is to provide to the Deputy Secretary OLG:
 - a) the Operational Plan and updated LTFP,
 - b) the adopted code of meeting practice, and
 - c) the councillor/staff interaction policy.
2. Each quarterly report is also to include:
 - a) the quarterly business reporting statement,
 - b) use of the councillor request system, and
 - c) any determinations of 'acts of disorder' made at a council meeting.

6.2 2023/24 Draft Financial Statements Release for Audit

Report Author: Pav Kuzmanovski
Chief Financial Officer

Authoriser: Lisa Miscamble
General Manager

PURPOSE

This report advises Council that the Draft Financial Statements for the year ended 30 June 2024 have been prepared and are ready for Council to:

- Refer the Draft Financial Statements for the year ended 30 June 2024 for audit in accordance with Section 413(1) of the *Local Government Act 1993*;
- Endorse the preparation of the “Statement by Council and Management” in accordance with Section 413(2)(c) of the *Local Government Act 1993*;
- Fix a date for the presentation of the Audit Report to Council and give public notice of the date in accordance with Section 418(1a) and (1b) of *Local Government Act 1993*.

Council notes the impacts that the Disaster Recovery Funding Arrangements (DRFA) and associated contract assets and grant debtors have had on Council’s cash position.

OFFICER’S RECOMMENDATION

THAT:

1. Council refer the Draft Financial Statements for the year ended 30 June 2024 for audit in accordance with Section 413(1) of the *Local Government Act 1993*.
2. The Mayor and a nominated Councillor be authorised to sign the “Statement by Councillors and Management” pursuant to Section 413(2)(c) of the *Local Government Act 1993*, with the General Manager and the Responsible Accounting Officer.
3. Council fixes the date of 20 November 2024 for the audited Financial Statements, together with the auditor’s reports, to be presented to the public in accordance with Section 418(1)(a) and (1)(b) of the *Local Government Act 1993*.
4. Council endorse the temporary release of Internally Restricted Reserves as outlined in the report until funds are received from external agencies.

REPORT

BACKGROUND

In accordance with Section 413(1) of the *Local Government Act 1993*, Council must prepare financial reports each year, and must refer them to audit as soon as practicable (having regard to the requirements of Section 416(1)) after the end of each year.

In accordance with Section 413(2)(c) of the *Local Government Act 1993*, a statement in the approved form by Council as to its opinion on the Financial Statements must be included.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

In accordance with Section 418(1)(a) of the *Local Government Act 1993*, Council must fix a date for the meeting at which it proposes to present its audited Financial Statements, together with the auditor's reports, to the public.

In accordance with Section 418(1)(b) of the *Local Government Act 1993*, Council must give public notice of the date so fixed.

REPORT

Council's Draft Financial Statements for the year ended 30 June 2024 have been prepared and are ready for external audit (**Attachment 1**). In accordance with Section 413(2) of the *Local Government Act 1993*, Council's Financial Statements include:

- General Purpose Financial Statements
- Special Purpose Financial Statements
- Special Schedules

The Draft Financial Statements were presented to the Audit, Risk and Improvement Committee (ARIC) for comment and feedback at the Extraordinary ARIC meeting held on Monday 4 September 2024. Feedback and suggested amendments provided by the ARIC, including additional commentary and disclosures have been incorporated into the Draft Financial Statements.

The Statement by Councillors and Management must be made in accordance with a resolution of Council. Due to the timing of the Council elections, the financial reports will be signed by newly elected Council members (Mayor and a nominated Councillor) once the audit has been completed and financial position confirmed. Once signed, the audited financial statements, accompanied by the Auditor's Report will be submitted to the Office of Local Government by 31 October 2024.

The Financial Statements, together with the Auditor's Report, will be presented at the Ordinary Council meeting of 20 November 2024. Public notice of this meeting will be placed on Council's website. The Audit Office of NSW will present their findings of the audit at this meeting.

Office of Local Government (OLG) Indicators.

In preparing Council's financial statements, The Office of Local Government (OLG) prescribes financial and infrastructure related indicators to measure Council's performance that are applicable to all Councils in NSW.

There are six (6) financial indicators that are derived from the financial information contained within the financial statements and four (4) infrastructure indicators (that are unaudited) and contained within the Special Schedules of the financial statements.

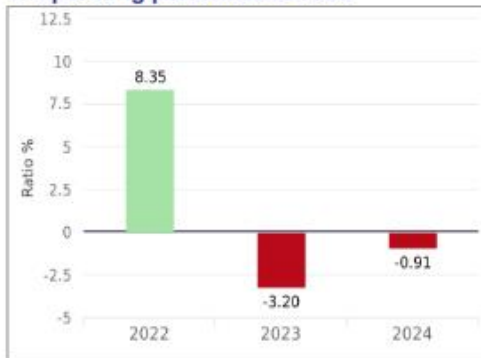
Council has achieved all but one of the financial indicators, Operating Performance Indicator, which trended positively in comparison to the 2022/23 financial year but did not exceed the benchmark of 0.00%. This was due to increased operating costs related to use of Development Assessment contractors whilst recruitment continued and the continual works on Disaster Recover Funding Arrangements related expenditure.

Council met its infrastructure backlog ratio of less than 2.00%. Whilst meeting this benchmark, the ongoing nature of the natural disasters has resulted in a deterioration in the infrastructure network. Work on repairing the damaged infrastructure as a result of these natural disasters will continue to ensure public safety. The indicators are as follows:

The indicators are as follows:

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1. Operating performance ratio



Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Purpose of operating performance ratio

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

Commentary on 2023/24 result

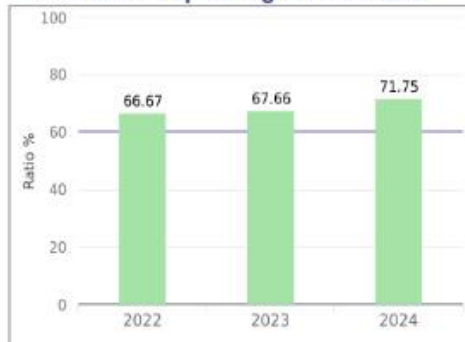
2023/24 ratio (0.91)%

Council Operating performance Ratio was slightly under the benchmark of zero as operating expenditure exceed operating revenue and increased in comparison to the prior year. The increased performance in this benchmark, in comparison to the 2022/23 financial year, was predominately due to lower Disaster Recovery Funding Arrangements (DRFA) expenditure in comparison to 2022/23 expenditure. The result of this indicator aligns to Council's projections of this ratio forecast in the Long-Term Financial Plan.

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

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

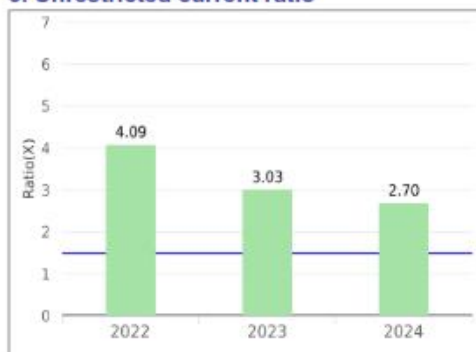
2023/24 ratio 71.75%

Council Own Source Operating Revenue slightly increased during this financial year which relates to the amount grants that were accounted for during the year. This was due to higher interest income received in comparison to the 2022/23 financial year (\$4.3M), attributable to the water and sewer fund. This will continue to remain at these levels as Council brings to account some large-scale infrastructure grants in the coming years.

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2.70x

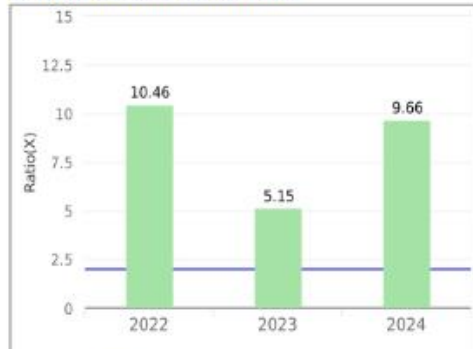
Council's liquidity remains above benchmark as it utilises its cash reserves to complete a number of legacy projects. This will be monitored to ensure Council has sufficient liquidity to fund its operations.

Ratio achieves benchmark

Ratio is outside benchmark

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4. Debt service cover ratio



Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

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

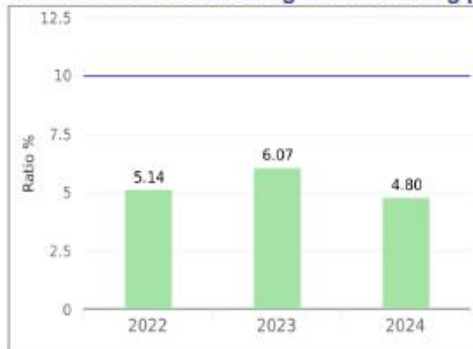
2023/24 ratio 9.66x

This ratio has increased as Council's operating result before capital, excluding interest and depreciation/impairment/amortisation has increased by approximately \$8M from the 2022/23 financial year. This ratio will diminish as Council seeks to fund the upgrade of the Bowral and Moss Vale Sewage Treatment Plants in the coming year.

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

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

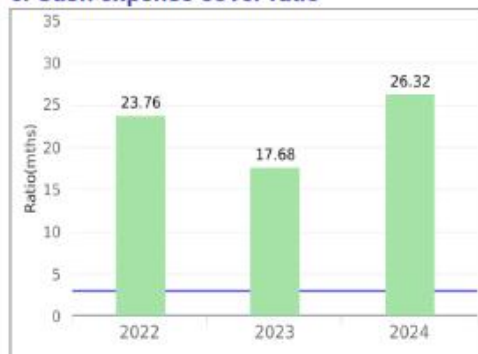
2023/24 ratio 4.80%

This ratio has improved as Council has implemented a direct debit payment system (Payble) to assist ratepayers with paying debt on weekly or fortnightly payment arrangements. This will be monitored in the coming year as the current cost of living crisis extends into the new financial year.

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

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 26.32 months

This indicator has increased as Council's cash position has increased by \$33M from the 2022/23 financial year. This ratio is expected to diminish as funds are expended on large scale projects such as the Bowral and Moss Vale Sewage Treatment Plants upgrades in the coming year.

Ratio achieves benchmark

Ratio is outside benchmark

Buildings and infrastructure renewals ratio



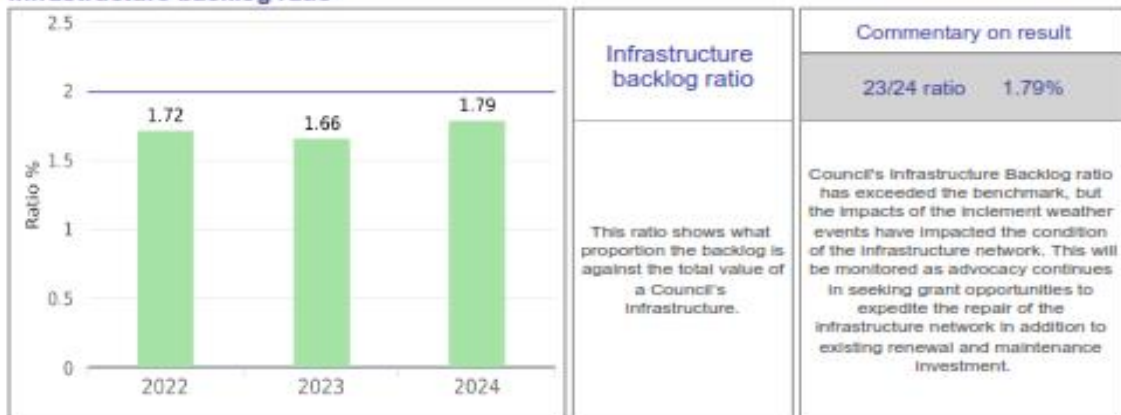
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



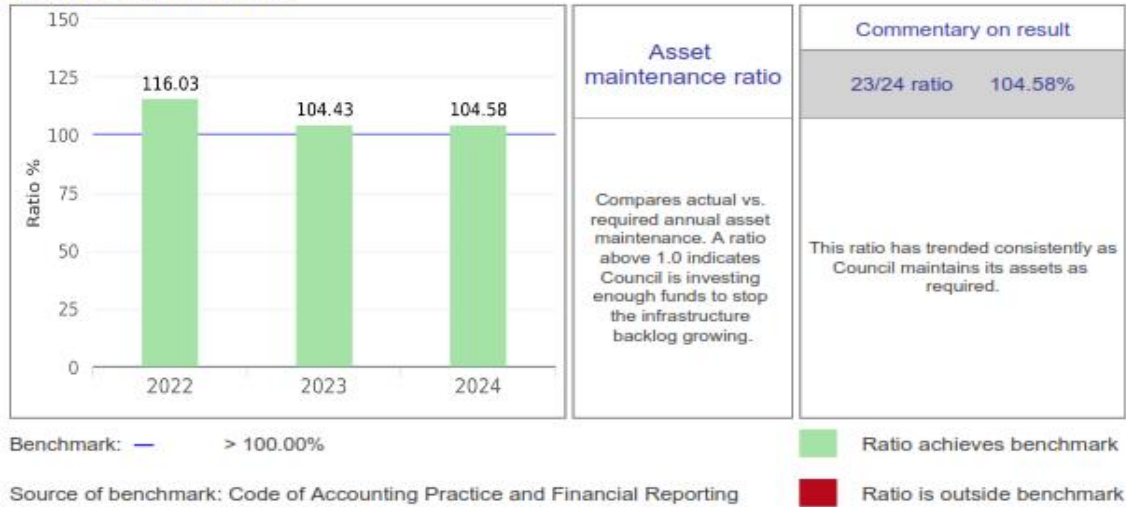
Benchmark: — < 2.00%

Ratio achieves benchmark

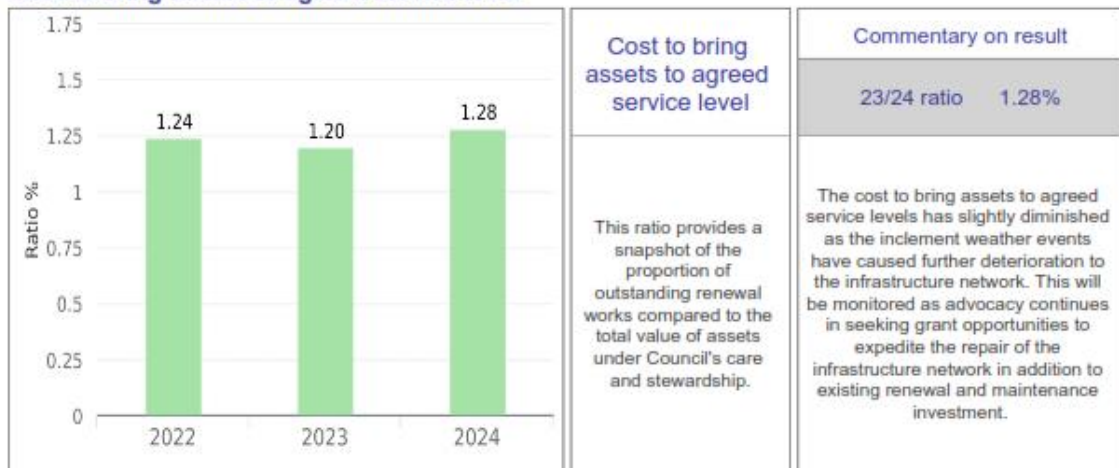
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Cost to bring assets to agreed service level



Disaster Recovery Funding Arrangements (DRFA) and Grant Debtors

Wingecarribee Shire Council experienced significant storm and flooding events between February 2022 and June 2024 and has experienced fourteen (14) declared natural disasters since 2019. These events were declared natural disasters and Council was able to access funding through the DRFA program through the Reconstruction Authority NSW. Works relating to the natural disasters are ongoing and eligible reimbursement for these works commenced in April 2023. The nature of the DRFA is that the payment is not made until after the claims are assessed by Reconstruction Authority NSW. A Contract Asset has been included in Council's balance sheet to represent the claim lodged. The nature of this funding arrangement has had a temporary impact on Council's cash position.

As of 30 June 2024, Council was owed \$6.2M in DRFA funds (a revised figure to that reported in the June 2024 Investments Report which referenced \$6.73M after year adjustments were accounted for) which formed the majority of a contract assets as outlined below.

To ensure that Council's unrestricted cash remains positive, the following Internally Restricted Reserves are proposed to be temporarily released:

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Internally Restricted Reserve	Amount
Property Development Reserve	\$2.78M
Plant Reserve	\$3.40M
Financial Assistance Grant	\$5.53M
Employee Leave Entitlement Reserve	\$0.41M
Capital Projects	\$2.22M
Total	\$14.34M

The reason for temporarily releasing funds from these Internally Restricted Reserves is due to the higher than usual grant debtors and contract assets as at 30 June 2024. Council has expended funds on grant funded projects and is expecting to receive cash funds to replenish its own spent funds in the new financial year. The values of these receivables are as follows:

- Contract Assets – \$11.48M of grant funds not yet received for works completed relating to infrastructure, majority of this costs relates to disaster recovery works.
- Government grants and subsidies receivables – \$2.86M where grants have been recognised, but funds have not been received.

This is a representation of a timing issue where Council has conducted significant works and funds were not yet received as at 30 June 2024. Once the funds are received from the funding body, the funds will be returned to internally restricted reserves accordingly.

No Externally Restricted Reserves will be released as a part of this process.

Council officers having been liaising with the NSW Government, in particular with the NSW Reconstruction Authority and Transport for NSW, to advocate for changes in the approach to funding arrangements in relation to disaster recovery funding. Council has also made submissions to the National inquiry into the impact of severe weather events on community infrastructure, especially roads. The current system is onerous and resource intensive, with councils required to forward fund and then retrospectively recoup costs. This has had a detrimental impact on Council's financial position, in addition to impacting on our community. Ongoing advocacy will continue to secure funds for proactive betterment of assets and more streamlined funding for disaster recovery works can be forward funded and acquitted more effectively.

Working Capital

Council's adopted policy requires a minimum unrestricted working capital balance of \$5.8M. Council's working capital balance at the March 2024 Quarterly Budget Review was forecast to be \$6.07M as of 30 June 2024. The unrestricted working capital with a benchmark of \$5.8M is to ensure that Council has capacity to deal with a short-term financial emergency (if required).

After finalising Council's draft financial position, the draft working capital balance as of 30 June 2024 is \$6.08M, subject to the temporary release of funds from reserves outlined above, this compliments other financially prudent measures implemented. Council's financial position is solid and will be continually monitored in the 2024/25 financial year through the monthly and quarterly reporting process.

COMMUNICATION AND CONSULTATION

Community Engagement

Public notice of the auditor's presentation will be advertised on Council's website.

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In accordance with Section 420(1) of the *Local Government Act 1993*, any person may make submissions to Council with respect to the Financial Statements or with respect to the auditor's reports. Submissions must be lodged within 7 days after the date on which the Financial Statements are presented to the public.

Internal Communication and Consultation

The Executive

Audit, Risk and Improvement Committee

External Communication and Consultation

Audit Office of NSW

SUSTAINABILITY ASSESSMENT

Environment

There are no environmental issues in relation to this report.

Social

There are no social issues in relation to this report.

Broader Economic Implications

There are no broader economic implications in relation to this report.

Culture

There are no cultural issues in relation to this report.

Governance

This report ensures compliance with Section 413, Sections 418(1)(a) and Section 418(1)(b) of the *Local Government Act 1993*.

COUNCIL BUDGET IMPLICATIONS

Council's draft working capital position is \$6.08M, subject to the temporary release from reserves. This aligns to the projections from the March 2024 Quarterly Budget Review forecasts of \$6.07M.

RELATED COUNCIL POLICY

Not applicable.

CONCLUSION

Referring the Draft Annual Financial Statements for the year ended 30 June 2024 for audit will allow the Audit Office of NSW to commence their audit.

The audited Annual Financial Statements for the year ended 30 June 2024 will be presented to the public at the Ordinary Meeting of Council on 20 November 2024.

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

ATTACHMENTS

1. Draft Annual Financial Statements-2024 [6.2.1 - 98 pages]



General Purpose Financial Statements

For the year ended 30 June 2024



We're with you

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

68 Elizabeth Street
Moss Vale NSW 2577

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

- 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.wsc.nsw.gov.au.

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management made pursuant to Section 413(2)(c) 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 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 dd MMMM yyyy.

[Mayor]
Mayor
dd MMMM yyyy

[Councillor]
Councillor
dd MMMM yyyy

Lisa Miscamble
General Manager
dd MMMM yyyy

Pav Kuzmanovski
Responsible Accounting Officer

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Income Statement | for the year ended 30 June 2024

Wingecarribee 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				
94,158		B2-1	95,547	90,034
24,039		B2-2	25,440	23,584
2,729		B2-3	3,107	3,354
9,433		B2-4	9,893	26,644
25,133		B2-4	43,872	32,805
4,886		B2-5	10,961	6,601
-		B2-6	1,551	799
160,378			190,371	183,821
Expenses from continuing operations				
47,715		B3-1	46,288	41,908
45,681		B3-2	56,511	71,809
433		B3-3	496	611
43,098		B3-4	41,201	38,050
3,642		B3-5	3,301	5,080
-		B4-1	6,540	15,540
140,569			154,337	172,998
19,809			36,034	10,823
19,809			36,034	10,823
(5,324)			(7,838)	(21,982)

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

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Statement of Comprehensive Income | for the year ended 30 June 2024

Wingecarribee 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		36,034	10,823
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain / (loss) on revaluation of Infrastructure, property, plant and equipment	C1-7	(11,889)	173,601
Total other comprehensive income for the year		(11,889)	173,601
Total comprehensive income for the year attributable to Council		24,145	184,424

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

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**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Statement of Financial Position | as at 30 June 2024

Wingecarribee Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	30,512	13,860
Investments	C1-2	184,500	172,500
Receivables	C1-4	27,837	28,083
Inventories	C1-5	1,473	1,399
Contract assets	C1-6	11,475	17,244
Other	C1-9	1,163	968
Total current assets		256,960	234,054
Non-current assets			
Investments	C1-2	18,000	13,000
Receivables	C1-4	461	526
Infrastructure, property, plant and equipment	C1-7	2,278,280	2,250,681
Intangible assets	C1-8	314	395
Right of use assets	C2-1	580	574
Total non-current assets		2,297,635	2,265,176
Total assets		2,554,595	2,499,230
LIABILITIES			
Current liabilities			
Payables	C3-1	22,980	17,043
Contract liabilities	C3-2	39,968	15,662
Lease liabilities	C2-1	237	268
Borrowings	C3-3	2,035	2,733
Employee benefit provisions	C3-4	9,068	8,208
Other provisions	C3-5	1,730	1,371
Total current liabilities		76,018	45,285
Non-current liabilities			
Lease liabilities	C2-1	347	312
Borrowings	C3-3	13,414	12,044
Employee benefit provisions	C3-4	591	491
Other provisions	C3-5	16,536	17,554
Total non-current liabilities		30,888	30,401
Total liabilities		106,906	75,686
Net assets		2,447,689	2,423,544
EQUITY			
Accumulated surplus		864,848	828,814
Revaluation surplus	C4-1	1,582,841	1,594,730
Total equity		2,447,689	2,423,544

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

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Statement of Changes in Equity | for the year ended 30 June 2024

Wingecarribee Shire Council

Statement of Changes in Equity
for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	Revaluation surplus	Total equity	Accumulated surplus	Revaluation surplus	Total equity
Opening balance at 1 July		828,814	1,594,730	2,423,544	817,991	1,421,129	2,239,120
Correction of prior period errors		-	-	-	-	-	-
Restated opening balance		828,814	1,594,730	2,423,544	817,991	1,421,129	2,239,120
Net operating result for the year		36,034	-	36,034	10,823	-	10,823
Other comprehensive income							
- Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-7	-	(11,889)	(11,889)	-	173,601	173,601
Total comprehensive income		36,034	(11,889)	24,145	10,823	173,601	184,424
Closing balance at 30 June		864,848	1,582,841	2,447,689	828,814	1,594,730	2,423,544

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

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Statement of Cash Flows | for the year ended 30 June 2024

Wingecarribee 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>				
93,797			95,196	90,930
23,610			24,543	25,100
4,883			9,594	3,712
34,580			80,431	55,257
–			1,832	1,673
2,761			2,994	12,448
<i>Payments:</i>				
(47,473)			(46,007)	(41,044)
(46,936)			(51,905)	(84,173)
(372)			(499)	(637)
(3,653)			(4,203)	(3,511)
61,197		G1-1	111,976	59,755
Net cash flows from operating activities				
Cash flows from investing activities				
<i>Receipts:</i>				
20,225			191,500	207,500
1,143		B4-1	1,291	1,028
–		B4-1	–	–
–			64	82
<i>Payments:</i>				
–			(208,500)	(200,500)
(83,889)			(80,061)	(60,048)
–		C1-9	(21)	(45)
–			17	–
(62,521)			(95,710)	(51,983)
Net cash flows from investing activities				
Cash flows from financing activities				
<i>Receipts:</i>				
4,000			4,000	–
<i>Payments:</i>				
(2,734)		C3-3a	(3,309)	(5,640)
–			(305)	(315)
1,266			386	(5,955)
Net cash flows from financing activities				
(58)			16,652	1,817
Net change in cash and cash equivalents				
10,000			13,860	12,043
9,942		C1-1	30,512	13,860
Cash and cash equivalents at end of year				
147,699		C1-2	202,500	185,500
157,641			233,012	199,360
Total cash, cash equivalents and investments				

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

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

Wingecarribee Shire Council

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

Wingecarribee Shire Council

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on dd MMMM yyyy. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the Office of Local Government (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 2005* (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, except where amounts are shown within text.

Historical cost convention

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

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying 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. Fair values of infrastructure, property, plant and equipment (IPPE) – refer Note C1-8,
- ii. Employee benefit provisions – refer Note C3-4,
- iii. Tip asset remediation provisions – refer Note C3-5.

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

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

The Consolidated Fund has been included in the financial statements of Council. Cash and other assets of the following activities have been included as part of the Consolidated Fund:

- General purpose operations
- Water supply service
- Sewerage service

continued on next page ...

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

A1-1 Basis of preparation (continued)

- Section 355 Committees of Council.

The Trust Fund

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

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

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council receives volunteer services for a number of purposes, such as membership of advisory committees, s.355 Committees operation, bushcare activities, library book covering and interaction with animals at the Animal Shelter. The services provided by the volunteers unquestionably provide value to Council. However, the value of volunteer services has not been recognised within Council's financial statements. This is because the value of the services provided often cannot be reliably measured in order to meet the recognition requirements within Australian Accounting Standards. Where the volunteer services could be reliably measured, Council has assessed those services in accordance with the relevant Australian Accounting Standards and has determined that the services would not be purchased if they were not donated. As such, recognition in Council's financial statements is not required.

New accounting standards and interpretations issued but not yet effective

No new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are mandatory for the 30 June 2024 reporting period.

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

New accounting standards adopted during the year

During the year Council adopted the accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective during the financial year.

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 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										
Leadership	69,741	67,888	35,036	49,810	34,705	18,078	5,945	7,898	392,099	383,776
People	4,443	4,871	12,248	12,045	(7,805)	(7,174)	1,655	2,174	55,198	49,030
Places	82,325	89,787	85,528	92,762	(3,203)	(2,975)	32,077	45,186	1,866,270	1,844,867
Environment	31,454	19,556	19,221	16,553	12,233	3,003	14,054	4,116	219,071	200,393
Economy	2,408	1,719	2,304	1,828	104	(109)	34	75	21,957	21,164
Total functions and activities	190,371	183,821	154,337	172,998	36,034	10,823	53,765	59,449	2,554,595	2,499,230

B1-2 Components of functions or activities

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

Leadership

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and legislative compliance; corporate support services.

People

Includes fire protection, emergency services, enforcement of regulations and animal control; aboriginal and other community services and administration; youth services; aged and disabled persons services and swimming pools.

Places

Includes urban local and urban regional sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes; public cemeteries; public conveniences; street lighting; town planning; public libraries; community centres and halls; sporting grounds and venues; parks; gardens and other sporting and recreational services; water supplies; sewerage services; drainage; stormwater management

Environment

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage and street cleaning.

Economy

Includes camping areas and caravan parks; tourism and events; economic development; and Southern Regional Livestock Exchange (SRLX).

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	Notes	2024	2023
Ordinary rates			
Residential		44,273	42,182
Farmland		5,109	4,969
Business		6,977	6,660
Mining		364	350
Less: pensioner rebates (mandatory)		(736)	(753)
Rates levied to ratepayers		55,987	53,408
Pensioner rate subsidies received		405	414
Total ordinary rates		56,392	53,822
Special rates			
Special environmental levy		1,541	1,473
Total special rates		1,541	1,473
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		11,525	10,578
Water supply services		4,636	4,316
Sewerage services		21,264	19,657
Stormwater management services		556	550
Less: pensioner rebates (mandatory)		(814)	(806)
Annual charges levied		37,167	34,295
Pensioner annual charges subsidies received:			
– Domestic waste management services		121	116
– Water supply services		171	172
– Sewerage services		155	156
Total annual charges		37,614	34,739
Total rates and annual charges		95,547	90,034

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

Material accounting policy information

Rates and annual charges are recognised as revenue at the the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period. Refer Note C3-1.

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 and are recognised within the underlying revenue item based on their substance.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B2-2 User charges and fees

\$ '000	Notes	2024	2023
Specific user charges (per s.502 specific user charges)			
Water supply services		10,743	8,206
Sewerage services		1,427	1,314
Waste management services (non-domestic)		3,453	3,548
Total specific user charges		15,623	13,068
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Private works – section 67		457	1,937
Building services – other		1,284	1,070
Planning and building - regulatory		1,178	1,510
Inspection services		40	48
Section 10.7 certificates (EP&A Act)		290	262
Section 603 certificates		191	162
Total fees and charges – statutory/regulatory		3,440	4,989
(ii) Fees and charges – other (incl. general user charges (per s608))			
Cemeteries		407	302
Childcare		149	468
Contract retention		–	–
Halls and parks rental		194	112
Permits and licences		192	283
Pound fees and animal income		137	117
Quarry revenues		156	156
Saleyards		1,345	945
Sewer connections		40	52
Swimming centres		2,324	2,110
Tourism income		156	168
Tulip time		732	475
Water connections		224	103
Other		321	236
Total fees and charges – other		6,377	5,527
Total other user charges and fees		9,817	10,516
Total user charges and fees		25,440	23,584
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time		–	–
User charges and fees recognised at a point in time		25,440	23,584
Total user charges and fees		25,440	23,584

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 the customer is required to pay in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged, the fee is recognised on a straight-line basis over the period to which the payment relates.

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.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B2-3 Other revenues

\$ '000	Notes	2024	2023
Parking fines		104	72
Other fines		56	37
Commissions and agency fees		50	45
Diesel rebate		57	64
Insurance claims recoveries		324	338
Legal fees recovery – rates and charges (extra charges)		605	504
Other Rebates and reimbursements		904	238
Recovery of Lehman Brothers CDOs		–	1,130
Recycling and sundry sales		417	427
Vehicle leaseback fees		571	481
Other		19	18
Total other revenue		3,107	3,354

Timing of revenue recognition for other revenue

Other revenue recognised over time	–	–
Other revenue recognised at a point in time	3,107	3,354
Total other revenue	3,107	3,354

Accounting policy

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.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B2-4 Grants and contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
Financial assistance grant (untied)					
- Relating to current year		269	1,527	-	-
- Prepayment received in advance for subsequent year		5,528	6,226	-	-
Amount recognised as income during the year		5,797	7,753	-	-
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Community care		137	424	-	-
Environmental programs		300	1,024	-	-
Heritage and cultural		10	-	-	-
Local Infrastructure Renewal Scheme subsidy		35	54	-	-
Noxious weeds		99	89	-	-
NSW rural fire services		339	347	513	141
Recreation and culture		483	294	6,595	2,799
Children services		269	624	-	-
Housing and community		105	489	-	-
Street lighting		116	114	-	-
Tourism		36	80	-	-
Transport and communication		1,753	15,088	11,478	22,898
Youth services		76	5	-	-
Other specific grants		80	80	-	-
Childcare services		-	2	-	-
Stormwater Management		51	146	4,411	36
Administration		200	25	-	-
Aged and disabled		7	6	-	-
Sewerage services		-	-	6,620	230
Bushfire services		-	-	-	-
Community services		-	-	-	-
Recreation and culture		-	-	-	-
Apprenticeships		-	-	-	-
Drainage		-	-	-	-
Total special purpose grants and non-developer contributions – cash		4,096	18,891	29,617	26,104
Non-cash contributions					
Bushfire services		-	-	8	434
Dedications–subdivisions (other than by Section 7.11)		-	-	8,046	1,931
Total other contributions – non-cash	G1-1	-	-	8,054	2,365
Total special purpose grants and non-developer contributions (tied)		4,096	18,891	37,671	28,469
Total grants and non-developer contributions		9,893	26,644	37,671	28,469
Comprising:					
– State funding		3,665	17,976	22,772	24,011
– Commonwealth funding		6,206	8,638	6,744	2,653
– Other funding		22	30	8,155	1,805
		9,893	26,644	37,671	28,469

Developer contributions

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B2-4 Grants and contributions (continued)

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services		–	–	1,669	1,144
S 7.12 – fixed development consent levies		–	–	190	227
S 64 – water supply contributions		–	–	2,145	1,482
S 64 – sewerage service contributions		–	–	1,890	1,311
S 64 – stormwater contributions		–	–	307	172
Total developer contributions	G4-1	–	–	6,201	4,336
Total grants and contributions	B1-1	9,893	26,644	43,872	32,805
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		686	1,211	29,304	25,316
Grants and contributions recognised at a point in time		9,207	25,433	14,568	7,489
Total grants and contributions		9,893	26,644	43,872	32,805

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Operating and Capital grants					
Unspent funds at 1 July		8,809	8,768	14,055	8,103
Add: Grants recognised as revenue in the reporting year but not yet spent in accordance with the conditions		7,005	7,616	107	–
Add: Grants received and not recognised as revenue in the current year		30	54	38,028	11,371
Less: Grants recognised as revenue in previous years that have been spent during the reporting year		(8,369)	(7,544)	–	–
Less: Grants received in prior year but revenue recognised and funds spent in current year	C3-2	(9)	(85)	(13,998)	(5,419)
Unspent funds at 30 June		7,466	8,809	38,192	14,055
Contributions					
Unspent funds at 1 July		9	70	54,894	53,630
Add: Contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions		17	–	9,110	6,082
Add: Contributions received and not recognised as revenue in the current year		–	–	–	–
Less: Contributions recognised as revenue in previous years that have been spent during the reporting year		–	(59)	(3,071)	(4,818)
Less: Contributions received in prior year but revenue recognised and funds spent in current year	C3-2	–	(2)	–	–
Unspent contributions at 30 June		26	9	60,933	54,894

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 obligation is transferred.

The performance obligations vary according to the agreement but include the events and the delivery of specific activities. 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.

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B2-4 Grants and contributions (continued)

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 Council.

Developer contributions

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

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

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

Other grants and contributions

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

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

Council reviews its resourcing every quarter to ensure that grant funds are spent in a timely manner.

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B2-5 Interest and investment income

\$ '000	Notes	2024	2023
Interest on financial assets measured at amortised cost			
– Overdue rates and annual charges (incl. special purpose rates)		484	324
– Cash and investments		10,460	6,258
Amortisation of premiums and discounts			
– Interest free (and interest reduced) loans provided	G1-1	17	19
Total interest and investment income		10,961	6,601
Interest and investment income is attributable to:			
Unrestricted investments/financial assets:			
Overdue rates and annual charges (general fund)		483	221
General Council cash and investments		2,175	1,603
Restricted investments/funds – external:			
Development contributions (by Fund)	G4-1		
- Section 7.11 and s7.12 contributions		1,156	676
- Section 64 contributions – water supply		1,016	570
- Section 64 contributions – Sewer service		789	480
- Section 64 contributions – Stormwater		–	27
Water fund operations		2,467	1,476
Sewerage fund operations		2,864	1,546
Unspent grants		11	2
Total interest and investment income		10,961	6,601

Material accounting policy information

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

B2-6 Other income

\$ '000	Notes	2024	2023
Reversal of impairment losses on receivables	C1-4	24	6
Reversal of impairment losses on contract assets	C1-6	7	–
Rental income	C2-2	861	793
Reversal of Landfill Remediation and Restoration Provision previously expensed	C3-5	659	–
Total other income		1,551	799

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	Notes	2024	2023
Salaries and wages		37,524	33,596
Employee leave entitlements		4,211	3,859
Superannuation		4,276	3,685
Workers' compensation insurance		2,330	2,649
Fringe benefit tax		67	59
Payroll tax		379	344
Other		116	108
Total employee costs		48,903	44,300
Less: capitalised costs		(2,615)	(2,392)
Total employee costs expended		46,288	41,908

Material accounting policy information

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

Retirement benefit obligations

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

Superannuation plans

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

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

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		25,872	14,841
Contractor costs		92,841	91,126
Consultancy costs		2,625	2,289
Audit Fees	F2-1	216	140
Advertising		202	224
Bank charges		479	554
Chemicals		1,445	988
Clothing and personal safety equipment		136	167
Computer hardware maintenance		450	383
Computer software charges		3,318	1,725
Interim Administrator/Administrator fees and associated expenses	F1-2	326	340
Electricity and heating		3,353	2,768
Insurance		2,116	2,432
Licence and registration		186	201
Postage and courier delivery		303	293
Printing and stationery		303	210
Promotions		11	11
Property rental and equipment hires		148	171
Repairs and maintenance		1,087	911
Street lighting		570	583
Subscriptions and publications		540	387
Telephone and communications		563	533
Training, conference and education		616	392
Valuation fees		225	199
Waste management services		4,199	4,413
Water determination		122	132
Water purchases		1,567	1,334
Other expenses		131	149
Legal expenses:			
– Legal expenses: planning and development		1,453	893
– Legal expenses: other		791	671
Total materials and services		146,194	129,460
Less: capitalised costs		(89,683)	(57,651)
Total materials and services		56,511	71,809

Material accounting policy information

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

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on loans		468	590
Interest on leases	C2-1	28	21
Total interest bearing liability costs expensed		496	611
(ii) Other borrowing costs			
Fair value adjustments on recognition of advances and deferred debtors			
Total borrowing costs expensed		496	611

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 the fair value adjustments on the recognition of the interest free advance to the sports entities made by Council, discount to present value using the effective interest rate method.

No borrowing costs were capitalised for the year ended 30 June 2024.

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment	C1-8	2,494	2,495
Office equipment	C1-8	145	139
Furniture and fittings	C1-8	95	59
Infrastructure:			
– Buildings		2,857	2,447
– Other structures		373	332
– Roads		15,164	13,930
– Bridges		485	449
– Footpaths		1,321	1,109
– Stormwater drainage		1,594	1,206
– Water supply network		6,292	6,086
– Sewerage network		7,919	7,376
– Open space/recreational assets		1,900	1,865
– Artworks and monuments		11	10
Other assets:			
– Library books	C1-8	146	147
– Other		–	1
Intangible assets	C1-8	102	91
Right of use assets	C2-1	303	308
Total depreciation, amortisation and impairment for non-financial assets	G1-1	41,201	38,050

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

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

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of contract assets		–	5
Donations, contributions and assistance to other organisations (Section 356)		897	1,323
Contributions/levies to other levels of government			
– Waste levy		1,186	1,071
– Emergency services levy (includes FRNSW, SES, and RFS levies)		1,098	985
Landfill remediation and restoration	C3-5,G1-1	–	1,612
Other		120	84
Total other expenses		3,301	5,080

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.

Landfill remediation and restoration

A pre-feasibility/conceptual cost estimate was determined in support of the closure of the former landfill site at Welby. The cost estimate accounts for preliminaries, planning and preparation, owner's costs including engineering design and project management, contractor direct construction costs, project contingency, and three years post-construction monitoring. Refer to Note C3-5 for more information.

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 Infrastructure, plant and equipment			
Proceeds from disposal		1,291	1,028
Less: carrying value of IPPE assets sold / written off	C1-7	(7,831)	(16,568)
Gain (or loss) on disposal		(6,540)	(15,540)
Gain (or loss) on disposal of investments			
Proceeds from disposal/redemption/maturities		191,500	207,500
Less: carrying value of investments		(191,500)	(207,500)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(6,540)	(15,540)

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.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 28 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	94,158	95,547	1,389	1%	F
User charges and fees	24,039	25,440	1,401	6%	F
Other revenues	2,729	3,107	378	14%	F
Other Revenue favourable variance is primarily related to \$535K workers compensation rebate received which relates to the difference between the forecast and actual workers compensation premium.					
Operating grants and contributions	9,433	9,893	460	5%	F
Capital grants and contributions	25,133	43,872	18,739	75%	F
The favourable budget variance primarily relates to "in-kind" development contribution works of \$12.2M, Moss Vale Sewer Treatment Plant upgrade funds (\$2.6M) and other infrastructure related grants for roads and drainage received and recognised during the period, that were not originally budgeted.					
Interest and investment revenue	4,886	10,961	6,075	124%	F
Interest Income is higher than anticipated based on higher than budgeted interest rates and higher than anticipated cash reserves held throughout the year within the Water and Sewer funds.					
Other income	-	1,551	1,551	∞	F
Council did not budget for the remediation revaluation decrement for the Welby Landfill site as a part of its original budget. In addition to this, the Rental Income was captured in the Other Revenue class in adopting the original budget.					

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----		
Expenses					
Employee benefits and on-costs	47,715	46,288	1,427	3%	F
Materials and services	45,681	56,511	(10,830)	(24)%	U
<p>Material and Services higher variance is related to contractors, consultants and legal fees used in Planning, Assessment and Regulation higher than original budget and accounted for during the quarterly budget review process. An additional \$1.3M in Disaster Recovery Funding Arrangements expenditure (offset by grant income) was also expended during the year. Also, number of projects were carried forward from the 2022/23 financial year into the 2023/24 financial year that were not included in the original budget.</p>					
Borrowing costs	433	496	(63)	(15)%	U
<p>The variance of \$63K is due to forecasts of interest rates not aligning with market rates when the original budget was developed.</p>					
Depreciation, amortisation and impairment of non-financial assets	43,098	41,201	1,897	4%	F
Other expenses	3,642	3,301	341	9%	F
Net losses from disposal of assets	-	6,540	(6,540)	∞	U

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	10,914	2,397
Cash equivalent assets		
– Deposits at call	19,598	11,463
Total cash and cash equivalents	30,512	13,860

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	30,512	13,860
Balance as per Statement of Cash Flows	30,512	13,860

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	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost					
Term deposits		184,500	18,000	172,500	13,000
Total financial investments	E2-1	184,500	18,000	172,500	13,000
Total cash assets, cash equivalents and investments	E1-1a	215,012	18,000	186,360	13,000

Material accounting policy information

Financial instruments are recognised initially on the date that 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)

Financial assets are not reclassified subsequent to their initial recognition.

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C1-2 Financial investments (continued)

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 three 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.

Council does not have any investments in financial assets classified as FVTPL or FVOCI (equity) as at 30 June 2024 (2023-\$nil).

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

\$ '000	Notes	2024	2023
(a) Externally restricted cash, cash equivalents and investments			
Total cash, cash equivalents and investments		233,012	199,360
Less: Externally restricted cash, cash equivalents and investments		(210,764)	(179,348)
Cash, cash equivalents and investments not subject to external restrictions		22,248	20,012
a-i) External restrictions – included in liabilities			
External restrictions included in cash, cash equivalents and investments above comprise:			
Specific purpose unexpended grants – general fund		15,859	9,065
Specific purpose unexpended grants – sewer fund	D1-2	22,380	5,000
External restrictions – included in liabilities	C3-2	38,239	14,065
a-ii) External restrictions – other			
External restrictions included in cash, cash equivalents and investments above comprise:			
Developer contributions – general fund	G4-1	23,884	21,290
Developer contributions – water fund	D1-2,G5-1	21,170	18,036
Developer contributions – sewer fund	D1-2,G5-1	15,610	14,731
Developer contributions – stormwater fund	G4-1	100	661
Specific purpose unexpended grants (recognised as revenue)		2,191	916
Water fund	D1-2	51,823	49,973
Sewer fund	D1-2	43,776	48,388
Domestic waste management		10,356	8,076
Stormwater management		739	593
Environment levy		1,443	1,336
Quarry royalties		1,433	1,283
External restrictions – other		172,525	165,283
Total external restrictions		210,764	179,348

Cash, cash equivalents and investments the use of which is subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or under contractual arrangements.

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**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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

(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions	22,248	20,012
Less: Internally restricted cash, cash equivalents and investments	<u>(17,462)</u>	<u>(12,937)</u>
Unrestricted and unallocated cash, cash equivalents and investments	<u>4,786</u>	<u>7,075</u>

Internal allocations

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

Bonds and Deposits	C3-1	6,324	4,492
Unexpended Loan Funds		3,820	-
Financial Assistance Grant		-	-
Operating Projects		1,100	-
Property Development		-	-
Council Election		517	360
Employees Leave Entitlements		791	1,196
Investing in Our Future		4,312	5,946
Management Committees		347	368
Mayoral Relief Fund	C3-1	-	44
Plant and Fleet Replacement		-	500
Revolving Energy Fund		251	31
Total internal allocations		<u>17,462</u>	<u>12,937</u>

Cash, cash equivalents and investments not subject to external restrictions are internally allocated based on the Financial Reserves Policy of Council.

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C1-4 Receivables

\$ '000	Notes	2024		2023	2023
		Current	Non-current	Current	Non-current
Rates and annual charges	E1-1b	4,170	–	3,664	–
Interest and extra charges		667	–	508	–
User charges and fees		3,383	–	2,332	–
Accrued revenues					
– Interest on investments		4,613	–	3,441	–
– User charges & fees, other income		9,709	–	8,609	–
Government grants and subsidies		2,863	–	7,687	–
Net GST receivable		2,272	–	1,715	–
Advance to organisations and entities		65	461	64	526
Security deposits paid by Council		80	–	80	–
Other debtors		36	–	29	–
Total	E1-1b	27,858	461	28,129	526
Less: provision for impairment					
User charges and fees		(21)	–	(46)	–
Total	E1-1b	(21)	–	(46)	–
Total net receivables		27,837	461	28,083	526
Externally restricted receivables					
Water supply					
– Other		4,465	–	3,813	–
Sewerage services					
– Other		9,213	–	6,322	–
Domestic waste management		670	–	572	–
Stormwater management		33	–	29	–
Total external restrictions		14,381	–	10,736	–
Internally restricted receivables					
– Loans to Sporting Clubs		65	461	64	526
– Internally restricted cash		12,400	–	25,478	–
Internally restricted receivables		12,465	461	25,542	526
Unrestricted receivables		991	–	(8,195)	–
Total net receivables		27,837	461	28,083	526

\$ '000	Notes	2024	2023
Movement in provision for impairment of receivables			
Opening impairment allowance calculated under AASB 9		46	98
Movement through provision	G1-1	(24)	(6)
Less: amounts already provided for and written off this year	G1-1	(1)	(46)
Balance at the end of the year		21	46

Accounting policy

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate 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.

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C1-4 Receivables (continued)

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

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

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

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

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

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

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

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C1-5 Inventories

\$ '000	2024 Current	2023 Current
Stores and materials	612	595
Trading stock	34	25
Accountable items	827	779
Total inventories	1,473	1,399

Externally restricted assets

\$ '000	2024 Current	2023 Current
Water		
Stores and materials	617	553
Total water	617	553
Sewerage		
Accountable items	87	76
Total sewerage	87	76
Total externally restricted assets	704	629
Total unrestricted assets	769	770
Total inventories	1,473	1,399

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value.

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

C1-6 Contract assets

Contract assets

\$ '000	2024 Current	2023 Current
Work relating to infrastructure grants	11,475	17,251
Less: impairment of contract assets	-	(7)
Total contract assets	11,475	17,244

Material accounting policy information

Contract assets

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

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C1-6 Contract assets (continued)

billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

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

Several storm and flooding events were declared natural disasters in the Wingecarribee local government area between February 2022 and June 2024. Council will continue to work with the relevant state bodies to ensure funds are received in a timely manner.

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**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments / decrements	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	36,106	–	36,106	36,703	19,521	(477)	–	(11,122)	–	–	80,730	1	80,731
Plant and equipment	33,559	(18,256)	15,303	–	2,984	(916)	(2,494)	–	–	–	32,790	(17,913)	14,877
Office equipment	8,457	(8,011)	446	–	329	–	(145)	–	–	–	8,786	(8,156)	630
Furniture and fittings	2,018	(1,440)	578	–	172	–	(95)	–	–	–	2,191	(1,536)	655
Land:													
– Operational land	204,892	–	204,892	–	–	–	–	–	36	2,669	207,597	–	207,597
– Community land	71,712	–	71,712	–	–	–	–	–	(36)	–	71,675	1	71,676
– Crown land	21,103	–	21,103	–	–	–	–	–	–	–	21,103	–	21,103
– Land under roads (post 1/7/08) ²	1,217	–	1,217	–	–	–	–	168	–	(218)	1,166	1	1,167
Infrastructure:													
– Buildings	188,575	(46,687)	141,888	161	2,336	(17)	(2,857)	7,556	–	15,227	219,095	(54,801)	164,294
– Other structures	11,951	(3,693)	8,258	–	110	(98)	(373)	670	–	599	13,484	(4,318)	9,166
– Roads	799,914	(250,965)	548,949	49	6,727	(2,276)	(15,164)	2,389	(13,293)	(74,094)	742,870	(289,583)	453,287
– Bridges	47,433	(8,752)	38,681	791	–	(18)	(485)	–	–	4,689	50,721	(7,063)	43,658
– Footpaths	57,150	(17,598)	39,552	32	1,534	(15)	(1,321)	–	–	6,460	56,430	(10,188)	46,242
– Bulk earthworks	292,553	–	292,553	745	–	(430)	–	–	–	(1,820)	291,048	–	291,048
– Stormwater drainage	231,935	(41,576)	190,359	801	1,544	(727)	(1,594)	–	13,293	3,174	261,385	(54,535)	206,850
– Water supply network	450,558	(207,373)	243,185	1,322	1,172	(1,033)	(6,292)	134	–	11,888	473,628	(223,252)	250,376
– Sewerage network	553,432	(183,419)	370,013	1,452	1,454	(1,513)	(7,919)	205	–	17,940	581,814	(200,182)	381,632
– Open space/recreational assets	42,538	(19,042)	23,496	1,189	6,612	(312)	(1,900)	–	–	1,597	52,932	(22,250)	30,682
– Artworks and monuments	2,449	(483)	1,966	12	217	–	(11)	–	–	–	2,678	(493)	2,185
Other assets:													
– Library books	5,833	(5,410)	423	–	146	–	(146)	–	–	–	5,979	(5,556)	423
– Other	12	(11)	1	–	–	–	–	–	–	–	12	(11)	1
Total infrastructure, property, plant and equipment	3,063,397	(812,716)	2,250,681	43,257	44,858	(7,832)	(40,796)	–	–	(11,889)	3,178,114	(899,834)	2,278,280

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

(2) Details on prior period error on land under roads can be found in Note G4-1

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**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (RS)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	39,862	–	39,862	17,129	3,361	(1,077)	–	(23,169)	–	–	36,106	–	36,106
Plant and equipment	32,062	(16,626)	15,436	–	3,333	(971)	(2,495)	–	–	–	33,559	(18,256)	15,303
Office equipment	8,444	(7,906)	538	–	47	–	(139)	–	–	–	8,457	(8,011)	446
Furniture and fittings	1,712	(1,381)	331	–	306	–	(59)	–	–	–	2,018	(1,440)	578
Land:													
– Operational land	166,365	–	166,365	–	–	–	–	30	70	38,427	204,892	–	204,892
– Community land	77,086	–	77,086	–	–	–	–	–	(70)	(5,304)	71,712	–	71,712
– Crown land	23,532	–	23,532	–	–	–	–	–	–	(2,429)	21,103	–	21,103
– Land under roads (post 30/6/08) ²	803	–	803	–	84	–	–	–	–	330	1,217	–	1,217
Infrastructure:													
– Buildings	172,557	(53,827)	118,730	4,333	212	(868)	(2,447)	5,048	(726)	17,606	188,575	(46,687)	141,888
– Other structures	10,076	(3,108)	6,968	61	225	(9)	(332)	–	726	619	11,951	(3,693)	8,258
– Roads	728,525	(220,981)	507,544	13,644	1,350	(830)	(13,930)	7,073	–	34,098	799,914	(250,965)	548,949
– Bridges	44,126	(8,650)	35,476	2,136	–	(962)	(449)	–	–	2,480	47,433	(8,752)	38,681
– Footpaths	51,439	(15,440)	35,999	896	1,591	(226)	(1,109)	–	–	2,401	57,150	(17,598)	39,552
– Bulk earthworks	272,341	–	272,341	472	–	–	–	–	–	19,740	292,553	–	292,553
– Stormwater drainage	202,428	(36,017)	166,411	1,528	3,909	(430)	(1,206)	–	–	20,147	231,935	(41,576)	190,359
– Water supply network	435,200	(202,007)	233,193	1,194	1,197	(7,415)	(6,086)	3,506	–	17,596	450,558	(207,373)	243,185
– Sewerage network	508,429	(166,657)	341,772	3,689	330	(1,772)	(7,376)	7,511	–	25,859	553,432	(183,419)	370,013
– Open space/recreational assets	43,327	(19,183)	24,144	748	446	(2,008)	(1,865)	–	–	2,031	42,538	(19,042)	23,496
– Artworks and monuments	2,449	(473)	1,976	–	–	–	(10)	–	–	–	2,449	(483)	1,966
Other assets:													
– Library books	5,690	(5,263)	427	–	143	–	(147)	–	–	–	5,833	(5,410)	423
– Other	12	(11)	1	–	–	–	(1)	1	–	–	12	(11)	1
Total infrastructure, property, plant and equipment	2,826,465	(757,530)	2,068,935	45,830	16,534	(16,568)	(37,651)	–	–	173,601	3,063,397	(812,716)	2,250,681

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

(2) Details of prior period error for land under roads can be found in Note G4-1

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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

Material accounting policy information

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

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

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

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

Useful lives of IPPE

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

Plant, equipment, furniture and fittings	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	20
Office furniture	10	Outdoor furniture	20 to 25
Computer equipment	5	Sports surfaces	10 to 80
Vehicles	10	Fences/gates	25 to 60
Heavy plant/road making equipment	10 to 15		
Other plant and equipment	5 to 15	Buildings	
		Structure	40 to 150
Water and sewer assets		Roof	40 to 80
Dams and reservoirs	100	Internal finishes	10 to 40
Reservoir roof and structure	40 to 100	Building services	25 to 50
Reticulation pipes	30 to 100		
Reticulation valves and hydrants	40 to 60	Stormwater assets	
Pumps	20	Drains (lined)	100
Water meters	25	Pipes	80 to 100
Sewer manholes	70	Flood control structure	80 to 120
Transportation assets		Other infrastructure assets	
Sealed roads: surface	15 to 25	Bulk earthworks	infinite
Sealed roads: structure	60 to 100	Swimming pools	80
Unsealed roads	14	Other open space/recreational assets	10 to 150
Bridge: concrete	100	Other infrastructure	20 to 50
Bridge: timber	50		
Road pavements (concrete)	50	Other assets	
Culverts	100	Library books	5

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

Revaluation model

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

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

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

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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

Land under roads

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

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

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 Leases, refer to Note C2-1.

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

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed". The NSW Government has confirmed its view that these assets are not controlled by the NSW Rural Fire Services or the State.

These Rural Fire Service assets are recognised as assets of Council in its financial statements.

C1-8 Intangible assets

\$ '000	Notes	Non-current 2024	Non-current 2023
Software			
Opening values at 1 July			
Gross book value		556	510
Accumulated amortisation		(161)	(69)
Net book value – opening balance		395	441
Movements for the year			
Development costs		21	45
Amortisation charges	B3-4	(102)	(91)
Closing values at 30 June			
Gross book value		577	556
Accumulated amortisation		(263)	(161)
Total intangible assets – net book value		314	395

Material accounting policy information

IT development and software

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C1-9 Other Assets

\$ '000	Notes	2024 Current	2023 Current
Prepayments		1,163	968
Total other assets		1,163	968

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including land and buildings and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Land and Buildings

Council leases land and buildings for use for various operational purposes such as providing parks and open spaces and as a community hall. The lease agreements are generally between 20 and 100 years. All of the agreements have significantly below-market terms and conditions principally to enable Council to further its objectives.

Office and IT equipment

Leases for office and IT equipment are generally for computer equipment and photocopiers. The leases are for between three and five years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage. Council also leases some office and IT equipment for short term or low value assets.

Extension options

At commencement date and each subsequent reporting date, Council assesses whether it is reasonably certain that extension options under any of its leases will be exercised.

(a) Right of use assets

\$ '000	Notes	Land & buildings	Office and IT equipment	Non-current Total
2024				
Opening balance at 1 July		–	574	574
Additions to right-of-use assets		83	226	309
Depreciation charge	B3-4	(6)	(297)	(303)
Balance at 30 June		77	503	580
2023				
Opening balance at 1 July		–	604	604
Additions to right-of-use assets		–	278	278
Depreciation charge	B3-4	–	(308)	(308)
Balance at 30 June		–	574	574

(b) Lease liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities		237	347	268	312
Total lease liabilities	C3-3a	237	347	268	312

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C2-1 Council as a lessee (continued)

(c) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2024					
Cash flows	267	323	90	680	584
2023					
Cash flows	288	340	–	628	580

(d) Income Statement

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

\$ '000	Notes	2024	2023
Interest expense on lease liabilities	B3-3	28	21
Depreciation of right of use assets	B3-4	303	308
Expenses relating to short-term leases		53	98
Expenses relating to leases of low-value assets		1	14
Expenses relating to Peppercorn leases		2	1
		387	442

(e) Statement of Cash Flows

Total cash outflow for leases	381	445
	381	445

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

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

- community land
- community halls
- land on which Council has sited buildings

The leases are generally between 2 and 99 years and require payments of a maximum amount of \$1,000 per year.

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

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C2-1 Council as a lessee (continued)

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 Council's incremental borrowing rate for a similar term with similar security is used.

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

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

(i) infrastructure, property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer Note C1-8).

\$ '000	Notes	2024	2023
(i) Assets held as infrastructure, property, plant and equipment (IPPE)			
Council provides operating leases on Council buildings for the purpose of supporting community, business and economic activities. The table below relates to operating leases on assets disclosed in C1-8.			
Lease income (excluding variable lease payments not dependent on an index or rate)		809	764
Lease income relating to variable lease payments not dependent on an index or a rate		52	29
Total income relating to operating leases for Council assets	B2-6	861	793

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C2-2 Council as a lessor (continued)

\$ '000	2024	2023
(ii) Maturity analysis of contractual lease income		
Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for all operating leases:		
< 1 year	767	745
1–2 years	811	710
2–3 years	734	692
3–4 years	516	517
4–5 years	500	466
> 5 years	4,010	4,321
Total undiscounted lease payments to be received	7,338	7,451

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.

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.

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C3 Liabilities of Council

C3-1 Payables

\$ '000	Notes	2024 Current	2023 Current
Goods and services		14,668	9,988
Accrued expenses:			
– Salaries and wages		216	895
– Borrowings		93	96
Government departments and agencies		38	68
Prepaid rates		1,621	1,466
Security bonds, deposits and retentions	C1-3b	6,324	4,492
Other		20	38
Total payables	E1-1c	22,980	17,043

Payables relating to restricted assets

\$ '000	2024 Current	2023 Current
Externally restricted assets		
Water	1,216	854
Sewer	5,318	932
Domestic waste management	540	509
Payables relating to externally restricted assets	7,074	2,295
Total payables relating to restricted assets	7,074	2,295
Total payables relating to unrestricted assets	15,906	14,748
Total payables	22,980	17,043

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

\$ '000	Notes	2024	2023
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.			
- Security bonds, deposits and retentions		4,885	3,543
- Other liabilities	C1-3b	–	44
Total payables		4,885	3,587

Material accounting policy information

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

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

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2023 Current
Grants and contributions received in advance:			
Unexpended capital grants (to construct Council controlled assets)	(i)	38,159	14,054
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	33	11
Total grants received in advance	C1-3	38,192	14,065
User charges and fees received in advance:			
Statutory and regulatory	(iii)	1,353	1,224
Prepaid lease	(iv)	360	331
Other		63	42
Total user charges and fees received in advance		1,776	1,597
Total contract liabilities		39,968	15,662

Notes

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

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

(iii) Statutory and regulatory fees are recognised as a contract liability on receipt and recognised as revenue when Council's performance obligation is satisfied.

(iv) Council invoices lessees for the current lease term in full. Payment of the invoice is recorded as a contract liability on receipt and recognised as revenue over the lease term.

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

\$ '000	Notes	2024	2023
Grants and contributions received in advance:			
Capital grants (to construct Council controlled assets)	B2-4c	13,998	5,419
Operating grants (received prior to performance obligation being satisfied)	B2-4c	9,162	87
User charges and fees received in advance:			
Statutory and regulatory		742	959
Other income (prepaid lease)		327	292
Total revenue recognised that was included in the contract liability balance at the beginning of the period		24,229	6,757

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.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C3-3 Borrowings

\$ '000	Notes	2024		2023	
		Current	Non-current	Current	Non-current
Loans – secured ¹		2,035	13,414	2,733	12,044
Total borrowings	E1-1c	2,035	13,414	2,733	12,044

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

Borrowings relating to restricted assets

Externally restricted assets

Sewer	622	–	1,209	1,217
Total borrowings relating to restricted assets	622	–	1,209	1,217
Total borrowings relating to unrestricted assets	1,413	13,414	1,524	10,827
Total borrowings	2,035	13,414	2,733	12,044

(a) Changes in liabilities arising from financing activities

\$ '000	2023		Non-cash movements			2024
	Opening Balance	Cash flows	Acquisition	Acquisition due to change in accounting policy	Other non-cash movement	
Loans – secured	14,777	672	–	–	–	15,449
Lease liability (Note C2-1b)	580	4	–	–	–	584
Total liabilities from financing activities	15,357	676	–	–	–	16,033

\$ '000	2022		Non-cash movements			2023
	Opening Balance	Cash flows	Acquisition	Acquisition due to change in accounting policy	Other non-cash movement	
Loans – secured	20,417	(5,640)	–	–	–	14,777
Lease liability (Note C2-1b)	617	(315)	–	–	278	580
Total liabilities from financing activities	21,034	(5,955)	–	–	278	15,357

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Bank overdraft facilities ¹	600	600
Credit cards/purchase cards	250	250
Total financing arrangements	850	850
Drawn facilities		
– Credit cards/purchase cards	36	38
Total drawn financing arrangements	36	38

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C3-3 Borrowings (continued)

\$ '000	2024	2023
Undrawn facilities		
– Bank overdraft facilities	600	600
– Credit cards/purchase cards	214	212
Total undrawn financing arrangements	814	812

Breaches and defaults

Additional financing arrangements information

Breaches and defaults

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

Security over loans

Loans secured over future cash flows. Lease liabilities are secured by the underlying leased assets.

Bank overdrafts

The bank overdraft of Council is secured over future cashflows.

(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.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	3,584	–	3,249	–
Long service leave	4,734	582	4,144	481
Other (RDO and TIL)	542	–	582	–
Employee Leave Entitlements on-costs	208	9	233	10
Total employee benefit provisions	9,068	591	8,208	491

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	5,403	4,925
	5,403	4,925

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 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.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

C3-5 Other Provisions

\$ '000	2024		2023	
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Landfill remediation/restoration	1,730	16,536	1,371	17,554
Sub-total – asset remediation/restoration	1,730	16,536	1,371	17,554
Total other provisions	1,730	16,536	1,371	17,554

Description of and movements in provisions

\$ '000	Landfill remediation		Total
2024			
At beginning of year		18,925	18,925
Decrement Provision ^{B2-6}		(659)	(659)
Total other provisions at end of year		18,266	18,266
2023			
At beginning of year		17,313	17,313
Additional provisions ^{B3-5}		1,612	1,612
Total other provisions at end of year		18,925	18,925

Nature and purpose of provisions

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the former landfill site 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.

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

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

Asset remediation – landfill

Subsequent to commissioning a report to provide detailed estimates of the costs of remediation of the former landfill site at Welby, Council recognised a provision for landfill remediation/restoration (future works) during the year ended 30 June 2019. The estimates have been reviewed and updated as at 30 June 2024.

A pre-feasibility/conceptual cost estimate was determined, in support of the closure of the former landfill site at Welby. The cost estimate accounts for preliminaries, planning and preparation, owner's costs (including engineering design and project management), contractor direct construction costs, project contingency, and three years post-construction monitoring. In total the cost including growth has been estimated at \$18.3M (2023: \$18.9M).

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

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C3-5 Other Provisions (continued)

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

Rehabilitation

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

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

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

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

Revaluation surplus

The revaluation surplus is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	69,914	4,496	21,137
User charges and fees	11,731	11,777	1,932
Interest and investment income	3,657	3,548	3,756
Other revenues	2,877	230	–
Grants and contributions provided for operating purposes	9,893	–	–
Grants and contributions provided for capital purposes	31,052	2,906	9,914
Net gains from disposal of assets	–	–	–
Other income	138	780	633
Total income from continuing operations	129,262	23,737	37,372
Expenses from continuing operations			
Employee benefits and on-costs	38,922	4,198	3,168
Materials and services	37,413	10,599	8,499
Borrowing costs	447	–	49
Depreciation, amortisation and impairment of non-financial assets	26,489	6,528	8,184
Other expenses	3,256	27	18
Net losses from the disposal of assets	3,997	1,003	1,540
Total expenses from continuing operations	110,524	22,355	21,458
Operating result from continuing operations	18,738	1,382	15,914
Net operating result attributable to each council fund	18,738	1,382	15,914
Net operating result for the year before grants and contributions provided for capital purposes	(12,314)	(1,524)	6,000

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

D1-2 Statement of Financial Position by fund

\$ '000	Notes	General 2024	Water 2024	Sewer 2024
ASSETS				
Current assets				
Cash and cash equivalents	C1-3a	10,975	8,647	10,890
Investments	C1-3a	67,278	55,346	61,876
Receivables		14,159	4,465	9,213
Inventories		769	617	87
Contract assets and contract cost assets		11,475	–	–
Other		1,163	–	–
Total current assets		105,819	69,075	82,066
Non-current assets				
Investments	C1-3a	–	9,000	9,000
Receivables		461	–	–
Infrastructure, property, plant and equipment		1,570,423	273,703	434,154
Intangible assets		314	–	–
Right of use assets		580	–	–
Total non-current assets		1,571,778	282,703	443,154
Total assets		1,677,597	351,778	525,220
LIABILITIES				
Current liabilities				
Payables		16,446	1,216	5,318
Contract liabilities		17,474	109	22,385
Lease liabilities		237	–	–
Borrowings		1,413	–	622
Employee benefit provision		7,469	785	814
Provisions		1,730	–	–
Total current liabilities		44,769	2,110	29,139
Non-current liabilities				
Lease liabilities		347	–	–
Borrowings		13,414	–	–
Employee benefit provision		509	54	28
Provisions		16,536	–	–
Total non-current liabilities		30,806	54	28
Total liabilities		75,575	2,164	29,167
Net assets		1,602,022	349,614	496,053
EQUITY				
Accumulated surplus		554,977	99,992	209,879
Revaluation surplus		1,047,045	249,622	286,174
Total equity		1,602,022	349,614	496,053

D2 Interests in other entities

Subsidiaries, joint arrangements and associates not recognised

Council has an interest in the Canberra Region Joint Organisation, along with other member Councils, which is not considered material. The activities of this organisation are not controlled by any one Council.

The Canberra Region Joint Organisation provides a forum for Councils, State agencies and other stakeholders to work together at a regional level to identify shared priorities.

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E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

The risks associated with the financial instruments held are:

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

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

(a) Market risk – interest rate and price risk

\$ '000	Notes	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.			
Impact of a 1% movement in interest rates			
– Equity / Income Statement	C1-2	2,025	1,855
Impact of a 10% movement in price of investments			
– Equity / Income Statement	C1-2	20,250	18,550

(b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

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

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

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Notes	Not yet due	overdue rates and annual charges		Total
			< 5 years	≥ 5 years	
2024					
Gross carrying amount	C1-4	–	3,840	330	4,170
2023					
Gross carrying amount	C1-4	–	3,391	273	3,664

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 (ECL), 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	Notes	Not yet due	Overdue debts				Total
			0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024							
Gross carrying amount	C1-4,C1-6	24,291	1,381	237	1,643	8,072	35,624
Expected loss rate (%)		0.00%	0.00%	0.00%	0.00%	0.26%	0.06%
ECL provision	C1-4	–	–	–	–	21	21
2023							
Gross carrying amount	C1-4,C1-6	37,633	854	62	168	3,518	42,235
Expected loss rate (%)		0.00%	0.12%	0.04%	0.19%	1.46%	0.12%
ECL provision	C1-4	–	1	–	–	51	52

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

\$ '000	Notes	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	C3-1	0.00%	6,324	15,035	–	–	21,359	22,980
Borrowings	C3-3	3.30%	–	2,597	5,329	11,686	19,612	15,449
Total financial liabilities			6,324	17,632	5,329	11,686	40,971	38,429
2023								
Payables	C3-1	0.00%	4,536	11,044	–	–	15,580	17,043
Borrowings	C3-3	3.40%	–	6,231	7,710	10,035	23,976	14,777
Total financial liabilities			4,536	17,275	7,710	10,035	39,556	31,820

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

E2-1 Fair value measurement

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

- Financial assets, measured at FVTPL, at FVOCI, or at amortised cost (Note C1-2), and
- Infrastructure, property, plant and equipment (Note C1-8).

During the reporting period, Council has also measured the following assets on a non-recurring basis, to ensure the carrying amount of the assets at fair value:

- Non-current assets classified as 'held for sale'.

Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

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

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

Level 3: Unobservable inputs for the asset or liability

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

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Financial assets							
Financial investments							
At amortised cost		202,500	185,500	–	–	202,500	185,500
Total financial assets	C1-2	202,500	185,500	–	–	202,500	185,500
Infrastructure, property, plant and equipment							
WIP		–	–	80,731	36,106	80,731	36,106
Plant & Equipment		–	–	14,877	15,303	14,877	15,303
Office Equipment		–	–	630	446	630	446
Furniture & Fittings		–	–	655	578	655	578
Operational Land		–	–	207,597	204,892	207,597	204,892
Community Land		–	–	71,676	71,712	71,676	71,712
Crown Land		–	–	21,103	21,103	21,103	21,103
Land Under Road (post 2008) ¹		–	–	1,167	1,217	1,167	1,217
Buildings		–	–	168,923	141,888	168,923	141,888
Other Structures		–	–	9,095	8,258	9,095	8,258
Roads		–	–	453,287	548,949	453,287	548,949
Bridges		–	–	43,658	38,681	43,658	38,681
Footpaths		–	–	46,242	39,552	46,242	39,552
Bulk Earthworks		–	–	291,048	292,553	291,048	292,553
Stormwater Drainage		–	–	206,850	190,359	206,850	190,359
Water Supply Network		–	–	250,376	243,185	250,376	243,185
Sewerage Network		–	–	381,632	370,013	381,632	370,013
Open Space/Recreational Assets		–	–	30,682	23,496	30,682	23,496
Artworks and monuments		–	–	2,185	1,966	2,185	1,966
Library Books and Other		–	–	424	424	424	424
Total infrastructure, property, plant and equipment	C1-8	–	–	2,282,838	2,250,681	2,282,838	2,250,681

(1) Details on prior period error for land under roads can be found in Note G4-1

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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:

Financial assets

Council obtains its fair values for fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI) from an independent valuation.

Council has not invested in FVTPL and FVOCI assets for the year ended 30 June 2024.

Council obtains its fair values for held to maturity investments measured at amortised cost from audit confirmations provided by Approved Deposit Taking Institutions (ADIs).

Infrastructure, property, plant and equipment (IPPE)

Property, Plant and Equipment, Furniture and Fittings

Council's Plant & Equipment, Furniture & Fittings incorporates:

- Major plant; trucks, tractors, street sweepers
- Fleet vehicles; cars, vans, utes etc.
- Minor plant: chainsaws, brush cutters, mowers, concrete mixers
- Furniture & fittings: desks, chairs, display systems
- Office equipment: computers, monitors, etc.

Plant equipment, office equipment and furniture & fittings are valued at cost but are disclosed at fair value in the notes. Council assumes that the carrying amount reflects the fair value of the asset due to the nature of the items as shown above.

The unobservable Level 3 inputs used include:

- Pattern of consumption
- Useful life
- Asset condition
- Residual value
- Gross replacement cost

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

Operational Land

Council's "Operational" land by definition has no special restriction other than those that may apply to any piece of land.

Council obtains its fair values for operational land from an external valuer using Level 3 inputs.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer.

The unobservable Level 3 inputs used include:

- Rate per square metre
- Description of land

The 'Market Approach' is used to value Operational Land. There has been no change to the valuation process during the reporting period.

Community and Crown Land

Council's "Community" land (including land owned by Council, the Crown and various other Government Agencies that is managed by Council) by definition is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access (such as a trust deed, dedication under Section 7.11 of the Environment Planning and Assessment Act 1979). This gives rise to the restrictions in the Act, intended to preserve the qualities of the land.

Community land:

- Cannot be sold
- Cannot be leased, licensed, or any other estate granted over the land for more than 21 years and;
- Must have a plan of management for it

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

E2-1 Fair value measurement (continued)

In relation to community land the Office of Local Government has reviewed its position on the use of the NSW Valuer General's valuations of community land and in association with the Local Government Accounting Advisory Group; the Office has determined that community land may be valued as follows:

- The NSW Valuer General's valuations may be used under the revaluation model to represent fair value for the revaluation of community land under Clause 31 of AASB 116

Council fair values community land using unobservable Level 3 inputs based on inputs on either the UCV (Unimproved Capital Value) provided by the NSW Valuer General or an average unit rate based on the UCV and allocated by Council against those properties where the NSW Valuer General did not provide a UCV.

The 'Market Approach' is used to value community land. There has been no change to the valuation process during the reporting period.

Land under roads

Land under roads consists of land under roadways and road reserves as per AASB 1051. Council has not elected to recognise as an asset land under roads acquired before 1 July 2008.

Land under roads acquired since 1 July 2008 has been recognised in accordance with AASB 116 Property, Plant and Equipment. Where Council has acquired land under roads it is recognised at cost where the cost represents fair value. Where the land under roads is dedicated or acquired at nominal value the land is recognised at its fair value.

Land under roads has been valued using the engloba method, which is a discounted method.

Property – Buildings (Specialised & Non-Specialised)

Council buildings comprise:

- Libraries
- Public amenities
- Sporting club houses
- Kiosks and amenities
- Depot buildings and workshops
- Community centres
- Rural Fire Service buildings

Council fair values buildings using level 3 inputs. Valuations are generally carried out by an external valuer using the cost approach. This approach estimates the replacement cost for each building by componentising the building (for complex structures) into significant parts with different useful life and taking in to account a range of factors. Some of the inputs used in the valuation of these assets require significant professional judgement and are unobservable. As such these assets are classified as having being valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- Consumption rate
- Future economic benefits
- Condition
- Useful life of an asset

The 'Cost Approach' is used to value specialised buildings. There has been no change to the valuation process during the reporting period.

Other Structures

Council's other structures incorporates the following classes of assets:

- Significant single assets such as playgrounds, floodlighting systems, irrigation systems, tennis courts, tennis shelters, artificial turf playing surfaces etc. and;
- Aggregated lower value assets such as recreational/park infrastructures (picnic tables, seats, bollards, fences, BBQs etc.)

Council carries fair value of other structures assets (non-componentised) using Level 3 inputs. Such valuations are undertaken by Council staff or by an external valuer depending on the structure.

The unobservable Level 3 inputs used include:

- Pattern of consumption
- Residual value
- Asset condition
- Useful life

The 'Cost Approach' is used to value other structures. There has been no change to the valuation process during the reporting period.

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

E2-1 Fair value measurement (continued)

Roads, Bridges, Bulk Earthworks & Footpaths

This asset class comprises:

- Road carriageways
- Bus shelters
- Car parks
- Guardrails
- Kerb and guttering
- Bulk earthworks
- Bridges
- Footpaths
- Traffic facilities
- Road drainage

The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter, and would include any paved marked parking places along roadside.

Council's Asset Management System (Conquest) contains detailed dimensions and specifications for all Council road assets.

Council applies fair values to road infrastructure assets using Level 3 inputs at a component level.

The 'Cost Approach' is used to value roads by componentising the assets into significant parts and then rolling up these component values to provide an overall road valuation (for each road segment) within Council's asset system.

The unobservable Level 3 inputs used include:

- Pattern of consumption
- Useful life
- Asset condition
- Remaining life of carriageway
- Gross replacement cost

The 'Cost Approach' is used to value road assets. There were no changes in valuation technique from prior year.

Stormwater Drainage

Council's drainage assets comprise:

- Pits
- Pipes
- Culverts
- Open channels
- Headwalls
- Various types of water quality device used to collect, store and remove stormwater

Council's Asset Management System (Conquest) contains detailed dimensions and specification for all Council drainage assets. Council applies fair values to drainage infrastructure assets using Level 3 inputs at a component level.

The 'Cost Approach' is used to value drainage by componentising the assets into significant parts and then rolling up these component values to provide an overall drainage valuation within Council's asset system.

The unobservable Level 3 inputs used include:

- Pattern of consumption
- Useful life
- Asset condition
- Remaining life
- Gross replacement cost

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

Water Supply Network

Council's water supply network comprises:

- Treatment Works
- Dams
- Reservoirs
- Pumping stations
- Water reticulation (pipes, valves, hydrants, meters, service lines)

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

E2-1 Fair value measurement (continued)

Council's Asset Management System (Conquest) contains detailed dimensions and specification for all Council water assets. Council applies fair values to water infrastructure assets using Level 3 inputs at a component level.

The 'Cost Approach' is used to value water assets by componentising the assets into significant parts and then rolling up these component values to provide an overall water valuation within Council's asset system.

The unobservable Level 3 inputs used include:

- Pattern of consumption
- Useful life
- Asset condition
- Remaining life
- Gross replacement cost

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

Sewerage Supply Network

Assets within this class comprise:

- Treatment works
- Pumping stations
- Sewerage reticulation (pipes, manholes, valves, vents)

Council's Asset Management System (Conquest) contains detailed dimensions and specification for all Council sewerage assets. Council applies fair values to sewerage infrastructure assets using Level 3 inputs at a component level.

The 'Cost Approach' is used to value sewer assets by componentising the assets into significant parts and then rolling up these component values to provide an overall sewerage valuation within Council's asset system.

The unobservable Level 3 inputs used include:

- Pattern of consumption
- Useful life
- Asset condition
- Remaining life
- Gross replacement cost

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

Other Assets

Council's other assets comprise:

- Library books
- Reference materials
- CD's & DVD's
- Art collections

Council fair values other assets using Level 3 inputs.

Council library books are disclosed at fair value in the notes. Council assumes that the carrying amount reflects the fair value of the asset due to the nature of the items.

The unobservable Level 3 inputs used include:

- Pattern of consumption
- Useful life
- Asset condition
- Residual value
- Gross replacement cost

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

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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		
Plant & Equipment	Cost approach	Gross Replacement Cost Remaining useful life of asset Residual Value
Office Equipment	Cost approach	Gross Replacement Cost Remaining useful life of asset Residual Value
Furniture & Fittings	Cost approach	Gross Replacement Cost Remaining useful life of asset Residual Value
Operational Land	Market approach	Price per square metre
Community and Crown Land	Market approach	Average unit rate based on unimproved capital value per square metre
Land Under Roads	Englobo method. Land values obtained from the NSW Valuer-General	Price per square metre.
Buildings	Market / cost approach	Gross Replacement Cost Remaining useful life of asset Residual Value Asset condition
Other Structures	Cost approach	Gross Replacement Cost Remaining useful life of asset Asset condition
Roads	Cost approach	Gross Replacement Cost Remaining useful life of asset Asset condition
Bridges	Cost approach	Gross Replacement Cost Remaining useful life of asset Asset condition
Footpaths	Cost approach	Gross Replacement Cost Remaining useful life of asset Asset condition
Bulk Earthworks (non-depreciable)	Cost approach	Gross Replacement Cost Remaining useful life of asset Asset condition
Stormwater Drainage	Cost approach	Gross Replacement Cost Remaining useful life of asset Asset condition
Water Supply Network	Cost approach	Gross Replacement Cost Remaining useful life of asset Asset condition
Sewerage Supply Network	Cost approach	Gross Replacement Cost Remaining useful life of asset Asset condition
Other Open Space/Recreational Assets	Cost approach	Gross Replacement Cost Remaining useful life of asset Asset condition
Library Books	Cost approach	Gross Replacement Cost Remaining useful life of asset Residual value Asset condition

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**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Other	Cost approach	Gross Replacement Cost Remaining useful life of asset Residual value Asset condition

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

\$ '000	Total IPP&E	
	2024	2023
Opening balance	2,250,681	2,068,935
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	(11,446)	173,601
Other movements		
Purchases (GBV)	92,276	62,364
Disposals (WDV)	(7,832)	(16,568)
Depreciation and impairment	(40,841)	(37,651)
Closing balance	2,282,838	2,250,681

Highest and best use

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

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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.

CONTINGENT LIABILITIES

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements, including the method used to determine Council's rate of contributions and any minimum funding requirements

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

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% (2023: 8.0%) of salaries for the year ended 30 June 2024 (increasing to 9.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to 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 Council.

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

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

E3-1 Contingencies (continued)

The amount of Council contributions to the defined benefit section of the Fund and recognised as an expense for the year ended 30 June 2024 was \$159,944 (2023: \$172,605). The last valuation of the Fund was performed by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

According to the Fund Trustee, Council has attributed 0.43% (2023: 0.46%) to the \$20.0 million accrued liabilities for the year ended 30 June 2024. The amount of additional contributions included in the total employer contribution advised above is \$92,902 (2023: \$92,902).

Council's expected contributions to the Fund for the next annual reporting period are \$114,612 (2023: \$171,812).

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.

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

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	3.5% per annum for FY 2023/24, 2.5% pa 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.

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

(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 the year ended 30 June 2024 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 the APRA.

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

(iv) Other guarantees

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

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Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

E3-1 Contingencies (continued)

2. Other liabilities

(i) Third party claims

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.

CONTINGENT ASSETS

(i) Infringement notices/fines

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

Council's revenue recognition policy for such income is to account for it as revenue on receipt. Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income as at 30 June 2024.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

2024

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. KMP personnel of Council include Administrator, General Manager, Directors, Executive Managers, Chief Financial Officer and Managers. It is noted that Managers have been included as KMP in the 2023/24 financial year, where in previous years they were not classed as KMP's.

2023

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. KMP personnel of Council include Administrator, General Manager, Directors, Executive Managers and Chief Financial Officer.

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	3,353	1,623
Post-employment benefits	348	157
Termination benefits	381	66
Total	4,082	1,846

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool) will not be disclosed. Further details on reporting thresholds can be found in the footnotes below.

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2024						
Payment of rates and water charges to Council	1	30	-		-	-
Payment by Council for the provision of services	2	19	1		-	-
2023						
Payment of rates and water charges to Council	1	-	-		-	-

1 According to Council's Related Party Disclosures Policy the ordinary citizen transactions such as the payment of rates are not required to be disclosed, unless their aggregate amount exceeds \$10,000. As at the reporting date, no amount relates to rates and water account payments of Council's key management personnel (including their related parties). Outstanding balances are secured against property.

2 Council purchased designing services during the year from a company that has a close family member of Council's KMP. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following Council's procurement processes.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

F1-2 Interim Administrator / Administrator fees and associated expenses

\$ '000	Notes	2024	2023
The aggregate amount of Interim Administrator / Administrator fees and associated expenses included in materials and services expenses in the Income Statement are as below. An Administrator was appointed to Council on 14 July 2022.			
Interim Administrator / Administrator fees		278	278
Interim Administrator / Administrator expenses		48	62
Total	B3-2	326	340

F2 Other relationships

F2-1 Audit fees

\$ '000	Notes	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 ¹		200	125
Total Auditor-General remuneration		200	125
Non NSW Auditor-General audit firms			
(i) Audit and other assurance services			
Due diligence services		16	15
Total remuneration of non NSW Auditor-General audit firms		16	15
Total audit fees	B3-2	216	140

(1) It is noted that 2022/23 costs for Audit Services for additional works were not accrued into the 2022/23 financial reports

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	Notes	2024	2023
Net operating result from Income Statement		36,034	10,823
Add / (less) non-cash items:			
Depreciation and amortisation	B3-4	41,201	38,050
(Gain) / loss on disposal of assets	B4-1	6,540	15,540
Non-cash capital grants and contributions	B2-4	(8,054)	(2,365)
Amortisation of premiums, discounts and prior period fair valuations			
– Interest on all fair value adjusted interest free advances made by Council	B2-5	(17)	(19)
Movements in operating assets and liabilities and other cash items:			
(Increase) / decrease of receivables		253	(2,445)
Increase / (decrease) in provision for impairment of receivables	C1-4b	(25)	(52)
(Increase) / decrease of inventories		(74)	(218)
(Increase) / decrease of other current assets		(195)	(55)
(Increase) / decrease of contract asset		5,769	(10,407)
Increase / (decrease) in payables		4,680	433
Increase / (decrease) in accrued interest payable		(3)	(26)
Increase / (decrease) in other accrued expenses payable		(679)	758
Increase / (decrease) in other liabilities		1,939	1,822
Increase / (decrease) in contract liabilities		24,306	5,933
Increase / (decrease) in employee benefit provision		960	371
Increase / (decrease) in other provisions	C3-5	(659)	1,612
Net cash flows from operating activities of Statement of Cash Flows		111,976	59,755

(b) Non-cash investing and financing activities

Bushfire grants		8	434
Other dedications		12,204	1,931
Total non-cash investing and financing activities	B2-4	12,212	2,365

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

G2-1 Commitments

Capital commitments (exclusive of GST)

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

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Infrastructure, property, plant and equipment

Buildings	2,771	413
Plant and equipment	145	81
Infrastructure	4,883	12,604
Water system assets	1,551	854
Sewer system assets	83,885	49,657
Open Space	330	4,441
Total commitments	93,565	68,050

These expenditures are payable as follows:

Within the next year	41,872	46,050
Later than one year and not later than 5 years	51,693	22,000
Total payable	93,565	68,050

Sources for funding of capital commitments:

Unrestricted general funds	726	2,946
Sect 64 and 94 funds/reserves	378	1,904
Unexpended grants	3,593	15,211
Externally restricted reserves (water and sewer)	86,647	39,411
Internally restricted reserves	2,221	8,578
Total sources of funding	93,565	68,050

G3-1 Events occurring after the reporting date

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

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

G4 Statement of developer contributions

G4-1 Summary of developer contributions

\$ '000	Notes	Opening balance at 1 July 2023	Contributions received during the year - Cash	Interest and investment income earned	Amounts expended	Held as restricted asset at 30 June 2024
Roads	G4-2	7,800	818	433	-	9,051
Community facilities	G4-2	554	30	30	-	614
Open Space & Community Facilities	G4-2	8,005	522	421	(361)	8,587
Administration	G4-2	989	124	53	(107)	1,059
Resource Recovery Centre		-	65	-	(54)	11
Community Facilities Library	G4-2	927	110	52	-	1,089
Administration (MVEC)		2	-	-	-	2
Future Works (MVEC)	G4-2	219	23	12	-	254
Land Acquisition (MVEC)	G4-2	(1)	2	-	-	1
S7.11 contributions – under a plan		18,495	1,694	1,001	(522)	20,668
S7.12 levies – under a plan	G4-2	990	165	59	-	1,214
Total S7.11 and S7.12 revenue under plans		19,485	1,859	1,060	(522)	21,882
S7.11 not under plans (VPA)	G4-3	3,712	-	193	-	3,905
S7.11 not under plans Parking		323	-	17	-	340
S64 Contributions Water		17,141	2,145	969	(26)	20,229
S64 Contributions Sewer		13,417	1,890	721	(1,798)	14,230
S64 Stormwater		640	307	-	(869)	78
Total contributions	C1-3a	54,718	6,201	2,960	(3,215)	60,664

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	Notes	Opening balance at 1 July 2023	Contributions received during the year - Cash	Interest and investment income earned	Amounts expended	Held as restricted asset at 30 June 2024
CONTRIBUTION PLAN 1						
Roads		7,800	818	433	-	9,051
Community facilities		554	30	30	-	614
Open Space & Community Facilities		8,005	522	421	(361)	8,587
Administration		989	124	53	(107)	1,059

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**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

G4-2 Developer contributions by plan (continued)

\$ '000	Notes	Opening balance at 1 July 2023	Contributions received during the year - Cash	Interest and investment income earned	Amounts expended	Held as restricted asset at 30 June 2024
Resource Recovery Centre		-	65	-	(54)	11
Community Facilities Library		927	110	52	-	1,089
Total	G4-1	18,275	1,669	989	(522)	20,411
S94 CONTRIBUTIONS - UNDER A PLAN (MVEC)						
Administration (MVEC)		2	-	-	-	2
Future Works (MVEC)		219	23	12	-	254
Land Acquisition (MVEC)		(1)	2	-	-	1
Total	G4-1	220	25	12	-	257

S7.12 Levies – under a plan

S94A Plan

S94A		990	165	59	-	1,214
Total	G4-1	990	165	59	-	1,214

G4-3 Contributions not under plans

S94 not under Plans (VPA)

Drainage		21	-	1	-	22
Roads		526	-	28	-	554
Open space		277	-	14	-	291
Community facilities		53	-	1	-	54
Sewer		1,314	-	69	-	1,383
Water		895	-	47	-	942
RRC		94	-	5	-	99
ASH		11	-	1	-	12
Administration		480	-	25	-	505
Management Contribution		41	-	2	-	43
Total	G4-1	3,712	-	193	-	3,905

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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}	<u>(1,329)</u>	(0.91)%	(3.20)%	8.35%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	<u>146,468</u>				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	<u>136,575</u>	71.75%	67.66%	66.67%	> 60.00%
Total continuing operating revenue ¹	<u>190,340</u>				
3. Unrestricted current ratio					
Current assets less all external restrictions	<u>49,111</u>	2.70x	3.03x	4.09x	> 1.50x
Current liabilities less specific purpose liabilities	<u>18,196</u>				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ^{1,2}	<u>39,709</u>	9.66x	5.15x	10.46x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>4,110</u>				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	<u>4,837</u>	4.80%	6.07%	5.14%	< 10.00%
Rates and annual charges collectable	<u>100,808</u>				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	<u>233,012</u>	26.32 months	17.68 months	23.76 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<u>8,852</u>				

(1) Excludes reversal of impairment losses on receivables, net gain on sale of assets and includes pensioner rate subsidies

(2) Excludes net loss on disposal of assets and landfill remediation and restoration

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

G5-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(8.50)%	(8.98)%	(2.50)%	0.02%	27.46%	21.10%	> 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	68.32%	59.92%	87.76%	91.05%	73.47%	92.76%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.70x	3.03x	26.52x	37.64x	2.13x	20.09x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ^{1,2}	4.58x	6.29x	∞	∞	321.90x	3.04x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	6.43%	5.98%	0.00%	11.44%	0.00%	5.13%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	24.12	7.02	∞	72.32	∞	51.44	> 3.00
Monthly payments from cash flow of operating and financing activities	months	months		months		months	months

(1) Excludes reversal of impairment losses on receivables, net gain on sale of assets and includes pensioner rebates subsidies

(2) Excludes net loss on disposal of assets and landfill remediation and restoration

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

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

End of the audited financial statements

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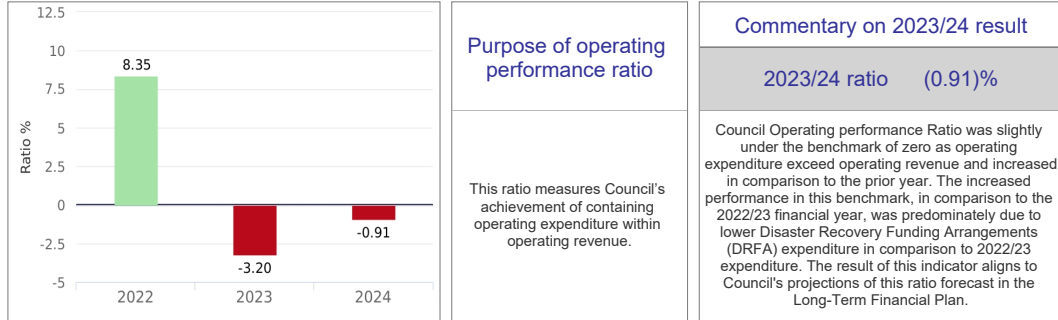
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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



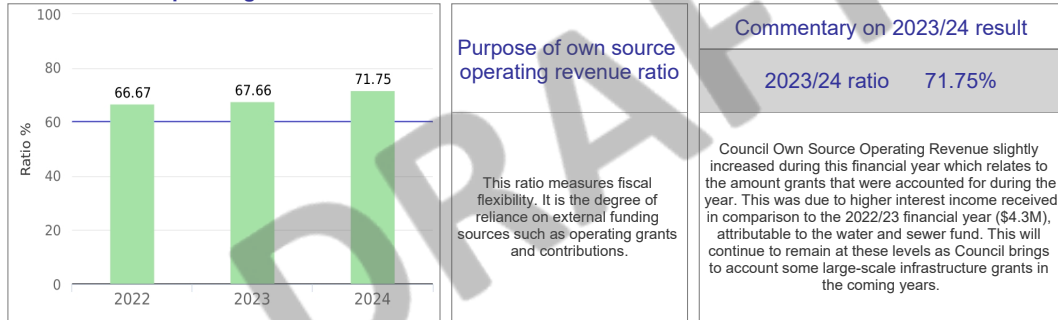
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



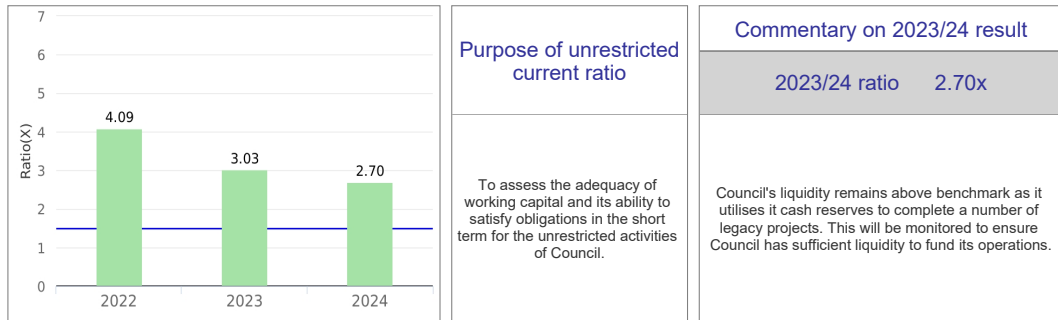
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

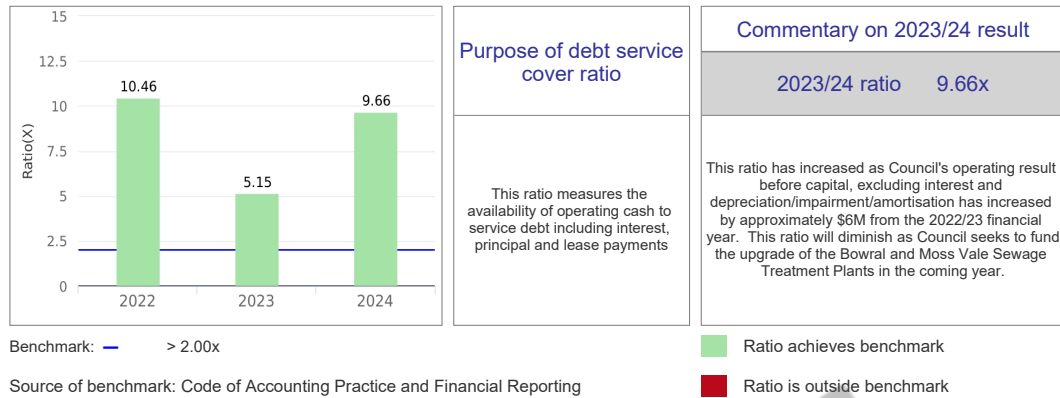
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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

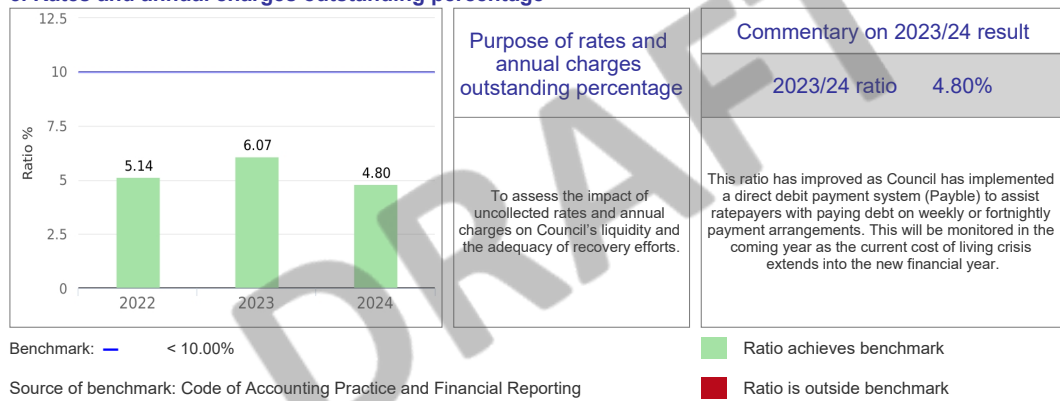
Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

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

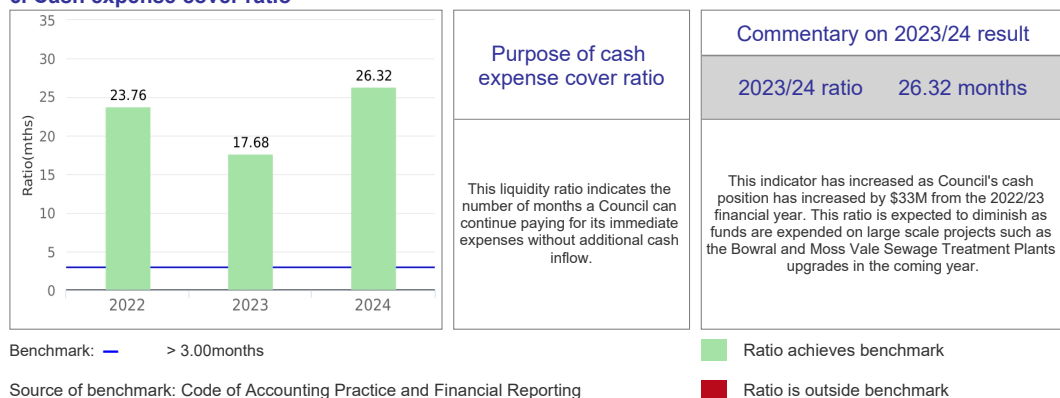
4. Debt service cover ratio



5. Rates and annual charges outstanding percentage



6. Cash expense cover ratio



**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

Wingecarribee Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

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

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**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Notes to the Financial Statements 30 June 2024

Wingecarribee Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

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

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Special Purpose Financial Statements

For the year ended 30 June 2024



We're with you

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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Background

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

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on dd MMMM yyyy.

[Mayor]
[MayorTitle]
dd MMMM yyyy

[GeneralManager]
General Manager
dd MMMM yyyy

[ResponsibleAccountingOfficer]
Responsible Accounting Officer
dd MMMM yyyy

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Income Statement of water supply business activity | for the year ended 30 June 2024

Wingecarribee Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	4,496	4,175
User charges	11,260	8,808
Fees	517	445
Interest and investment income	3,548	2,046
Other revenue	780	208
Grants and contributions provided for operating purposes	–	–
Other income	230	1,057
Total income from continuing operations	20,831	16,739
Expenses from continuing operations		
Employee benefits and on-costs	4,198	3,390
Materials and services	9,032	5,647
Water purchase charges	1,567	1,334
Depreciation, amortisation and impairment	6,528	6,328
Other expenses	27	37
Net loss from the disposal of assets	1,003	8,109
Calculated taxation equivalents	317	267
Total expenses from continuing operations	22,672	25,112
Deficit from continuing operations before capital amounts	(1,841)	(8,373)
Grants and contributions provided for capital purposes	2,906	1,646
Surplus from continuing operations after capital amounts	1,065	(6,727)
Surplus from all operations before tax	1,065	(6,727)
Surplus after tax	1,065	(6,727)
Plus opening accumulated surplus	98,610	105,070
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	317	267
Closing accumulated surplus	99,992	98,610
Return on capital %	(0.7)%	(3.2)%
Subsidy from Council	13,610	19,036
Calculation of dividend payable:		
Surplus after tax	1,065	(6,727)
Less: capital grants and contributions (excluding developer contributions)	(2,906)	(1,646)
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Income Statement of sewerage business activity | for the year ended 30 June 2024

Wingecarribee Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	21,137	19,530
User charges	1,717	1,318
Liquid trade waste charges	1	2
Fees	214	327
Other revenue	633	826
Interest and investment income	3,756	2,026
Total income from continuing operations	27,458	24,029
Expenses from continuing operations		
Employee benefits and on-costs	3,168	3,781
Materials and services	8,499	7,356
Borrowing costs	49	160
Depreciation, amortisation and impairment	8,184	7,646
Other expenses	18	17
Net loss from the disposal of assets	1,540	1,695
Calculated taxation equivalents	313	262
Debt guarantee fee (if applicable)	27	98
Total expenses from continuing operations	21,798	21,015
Surplus from continuing operations before capital amounts	5,660	3,014
Grants and contributions provided for capital purposes	9,914	1,875
Surplus from continuing operations after capital amounts	15,574	4,889
Surplus from all operations before tax	15,574	4,889
Less: corporate taxation equivalent (25%) [based on result before capital]	(1,415)	(754)
Surplus after tax	14,159	4,135
Plus opening accumulated surplus	193,965	188,716
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	313	262
– Debt guarantee fees	27	98
– Corporate taxation equivalent	1,415	754
Closing accumulated surplus	209,879	193,965
Return on capital %	1.3%	0.8%
Subsidy from Council	12,960	12,784
Calculation of dividend payable:		
Surplus after tax	14,159	4,135
Less: capital grants and contributions (excluding developer contributions)	(9,914)	(1,875)
Surplus for dividend calculation purposes	4,245	2,260
Potential dividend calculated from surplus	2,123	1,130

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Statement of Financial Position of water supply business activity | as at 30 June 2024

Wingecarribee Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	8,647	4,729
Investments	55,346	56,780
Receivables	4,465	3,813
Inventories	617	553
Total current assets	69,075	65,875
Non-current assets		
Investments	9,000	6,500
Infrastructure, property, plant and equipment	273,703	265,247
Total non-current assets	282,703	271,747
Total assets	351,778	337,622
LIABILITIES		
Current liabilities		
Payables	1,216	854
Contract liabilities	109	169
Employee benefit provisions	785	619
Total current liabilities	2,110	1,642
Non-current liabilities		
Employee benefit provisions	54	54
Total non-current liabilities	54	54
Total liabilities	2,164	1,696
Net assets	349,614	335,926
EQUITY		
Accumulated surplus	99,992	98,610
Revaluation surplus	249,622	237,316
Total equity	349,614	335,926

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Statement of Financial Position of sewerage business activity | as at 30 June 2024

Wingecarribee 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	10,890	4,736
Investments	61,876	56,883
Receivables	9,213	6,322
Inventories	87	76
Total current assets	82,066	68,017
Non-current assets		
Investments	9,000	6,500
Infrastructure, property, plant and equipment	434,154	396,976
Total non-current assets	443,154	403,476
Total assets	525,220	471,493
LIABILITIES		
Current liabilities		
Payables	5,318	932
Contract liabilities	22,385	5,129
Borrowings	622	1,209
Employee benefit provisions	814	957
Total current liabilities	29,139	8,227
Non-current liabilities		
Borrowings	-	1,217
Employee benefit provisions	28	41
Total non-current liabilities	28	1,258
Total liabilities	29,167	9,485
Net assets	496,053	462,008
EQUITY		
Accumulated surplus	209,879	193,968
Revaluation surplus	286,174	268,040
Total equity	496,053	462,008

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Special Purpose Financial Statements 2024

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, 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.

Councils are to provide details of any changes in accounting policies, errors or changes in accounting estimates during the year - the disclosures in G4 of Section 1 of the Code or the relevant disclosures from AASB 1060 (paragraphs 106 - 108 for changes in accounting policy, paragraph 109 for changes in accounting estimates or paragraph 110 for errors), can be used by the council where these changes have occurred.

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 2005* (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Wingecarribee Shire Council Water Fund

Comprising the whole of the operations and assets of the water supply systems servicing the major towns of Moss Vale, Bowral, Mittagong, Robertson and Bundanoon and surrounding villages, and the village of Berrima.

b. Wingecarribee Shire Council Sewerage Fund

Comprising the whole of the operations and assets of the sewerage reticulation and treatment system servicing the major towns of Moss Vale, Bowral and Bundanoon, Robertson, and Mittagong and surrounding villages, and the village of Berrima.

Category 2

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

Nil

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

continued on next page ...

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Special Purpose Financial Statements 2024

Note – Material accounting policy information (continued)

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 – **25.0%** (2023: 25.0%)

Land tax – the first \$1,075,000 (2023: \$969,000) of combined land values attracts **0%**. For the combined land values in excess of \$1,075,000 up to \$6,571,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$6,571,000 (2023: \$5,925,000) a premium marginal rate of **2.0%** applies.

In accordance with section 4 of Department of Planning and Environment (DPE) – Water's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

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

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

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25.0% (2023: 25.0%).

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

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

The rate applied of 25.0% 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.

continued on next page ...

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Special Purpose Financial Statements 2024

Note – Material accounting policy information (continued)

(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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.02% at 30/6/2023 (2022: 3.66%).

(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 their water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with section 4 of DPE – Water's regulatory and assurance framework and must not exceed:

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

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

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Special Purpose Financial Statements 2024

Wingecarribee Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

DRAFT

Special Schedules



For the year ended 30 June 2024



We're with you

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council

Special Schedules

for the year ended 30 June 2024

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Report on infrastructure assets as at 30 June 2024	5

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Permissible income for general rates | for the year ended 30 June 2024

Wingecarribee Shire Council

Permissible income for general rates

\$ '000	Notes	2023/24	2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	55,748	58,261
Plus or minus adjustments ²	b	223	–
Notional general income	c = a + b	55,971	58,261
Permissible income calculation			
Percentage increase	d	4.10%	0.00%
Plus percentage increase amount ³	f = d x (c + e)	2,295	–
Sub-total	g = (c + e + f)	58,266	58,261
Plus (or minus) last year's carry forward total	h	20	25
Sub-total	j = (h + i)	20	25
Total permissible income	k = g + j	58,286	58,286
Less notional general income yield	l	58,261	–
Catch-up or (excess) result	m = k – l	25	58,286
Carry forward to next year ⁶	p = m + n + o	25	58,286

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.

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Permissible income for general rates

Permissible income for general rates: PLUS PDF inserted here

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**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee Shire Council | Report on infrastructure assets as at 30 June 2024

Wingecarribee Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring the assets agreed level of service set by Council \$ '000	2023/24 Required maintenance ^a \$ '000	2023/24 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Other	1,462	1,462	2,367	4,595	164,294	219,095	54.8%	25.0%	17.2%	3.0%	0.0%
	Sub-total	1,462	1,462	2,367	4,595	164,294	219,095	54.8%	25.0%	17.2%	3.0%	0.0%
Other structures	Other structures	81	81	125	231	9,166	13,484	40.0%	28.0%	29.0%	3.0%	0.0%
	Sub-total	81	81	125	231	9,166	13,484	40.0%	28.0%	29.0%	3.0%	0.0%
Roads	Sealed roads	14,464	14,464	5,873	4,988	327,497	552,531	5.0%	56.0%	32.0%	7.0%	0.0%
	Unsealed roads	1,838	1,838	1,646	2,149	52,808	92,951	1.0%	58.0%	34.0%	7.0%	0.0%
	Bridges	129	129	20	26	43,658	50,721	83.0%	14.0%	2.0%	1.0%	0.0%
	Footpaths	75	75	230	539	46,242	56,430	65.0%	29.0%	5.0%	1.0%	0.0%
	Other road assets	62	62	887	1,100	72,982	97,388	28.0%	65.0%	6.0%	0.0%	1.0%
	Bulk earthworks	–	–	–	–	291,048	291,048	0.0%	100.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	16,568	16,568	8,656	8,802	834,235	1,141,069	11.8%	65.0%	19.1%	4.1%	0.0%
Water supply network	Other	2,592	2,592	12,794	12,616	250,376	473,628	72.0%	17.0%	10.0%	1.0%	0.0%
	Sub-total	2,592	2,592	12,794	12,616	250,376	473,628	72.0%	17.0%	10.0%	1.0%	0.0%
Sewerage network	Other	7,534	7,534	11,326	11,100	381,632	581,814	77.0%	17.0%	3.0%	1.0%	2.0%
	Sub-total	7,534	7,534	11,326	11,100	381,632	581,814	77.0%	17.0%	3.0%	1.0%	2.0%
Stormwater drainage	Other	5,934	5,934	682	470	206,850	261,385	37.0%	32.0%	24.0%	4.0%	3.0%
	Sub-total	5,934	5,934	682	470	206,850	261,385	37.0%	32.0%	24.0%	4.0%	3.0%
Open space / recreational assets	Open space / recreational assets	901	901	2,243	2,127	30,682	52,932	27.0%	40.0%	26.0%	7.0%	0.0%
	Sub-total	901	901	2,243	2,127	30,682	52,932	27.0%	40.0%	26.0%	7.0%	0.0%
Other infrastructure assets	Public Art and Monuments	10	10	–	–	2,185	2,678	66.0%	28.0%	4.0%	2.0%	0.0%
	Sub-total	10	10	–	–	2,185	2,678	66.0%	28.0%	4.0%	2.0%	0.0%
Total – all assets		35,082	35,082	38,193	39,941	1,879,420	2,746,085	42.3%	39.5%	14.6%	2.8%	0.8%

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

continued on next page ...

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Wingecarribee Shire Council

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

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

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AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

Wingecarribee Shire Council | Report on infrastructure assets as at 30 June 2024

Wingecarribee Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2024	2024	2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	43,257	114.12%	131.70%	140.65%	> 100.00%
Depreciation, amortisation and impairment	37,905				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	35,082	1.79%	1.66%	1.72%	< 2.00%
Net carrying amount of infrastructure assets	1,960,151				
Asset maintenance ratio					
Actual asset maintenance	39,941	104.58%	104.43%	116.03%	> 100.00%
Required asset maintenance	38,193				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	35,082	1.28%	1.20%	1.24%	
Gross replacement cost	2,746,085				

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

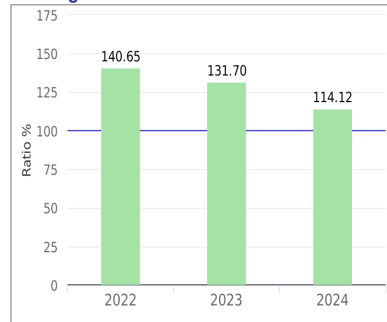
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Wingecarribee 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.

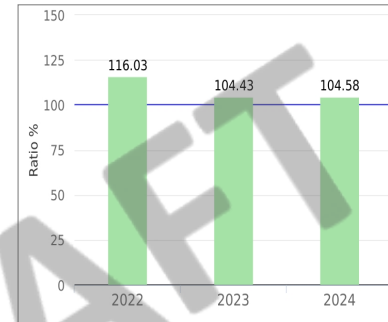
Commentary on result	
23/24 ratio	114.12%
Council's Building and Infrastructure Renewal Ratio has remained above benchmark as Council continues to renew its assets. This level of investment will continue in Council's Long Term Financial Plan and will be monitored as Council's infrastructure network is impacted by the inclement weather events that have directly impacted the condition of the network.	

Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
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.

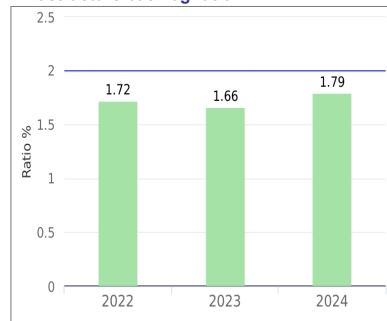
Commentary on result	
23/24 ratio	104.58%
This ratio has trended consistently as Council maintains its assets as required.	

Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
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.

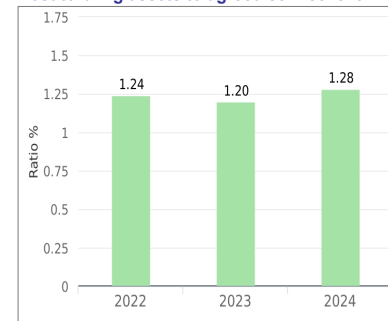
Commentary on result	
23/24 ratio	1.79%
Council's Infrastructure Backlog ratio has exceeded the benchmark, but the impacts of the inclement weather events have impacted the condition of the infrastructure network. This will be monitored as advocacy continues in seeking grant opportunities to expedite the repair of the infrastructure network in addition to existing renewal and maintenance investment.	

Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
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	1.28%
The cost to bring assets to agreed service levels has slightly diminished as the inclement weather events have caused further deterioration to the infrastructure network. This will be monitored as advocacy continues in seeking grant opportunities to expedite the repair of the infrastructure network in addition to existing renewal and maintenance investment.	

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
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Wingecarribee Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹	170.86%	191.90%	21.01%	19.62%	18.34%	50.01%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	1.88%	1.68%	1.04%	1.09%	1.97%	1.96%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	115.29%	136.48%	98.61%	91.45%	98.00%	82.98%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	1.48%	1.32%	0.55%	0.59%	1.29%	1.31%	
Gross replacement cost							

(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.

6.3 Local Housing Strategy

Report Author: Deniz Kilic
Executive Manager Strategic Outcomes

Authoriser: Lisa Miscamble
General Manager

PURPOSE

To advise Council of correspondence received from the NSW Department of Planning, Housing and Infrastructure in relation to the Wingecarribee Local Housing Strategy 2021.

OFFICER'S RECOMMENDATION

THAT Council:

1. Note that the NSW Department of Planning, Housing and Infrastructure has endorsed the Wingecarribee Local Housing Strategy and in doing so, has acknowledged the commitment of Council to best-practice strategic planning in the Shire.
2. Note that no additional sites are being considered by the NSW Department of Planning, Housing and Infrastructure at this time and any future updates to the Strategy would be guided by demographic trends and Departmental advice.

REPORT

BACKGROUND

Council adopted the Wingecarribee Local Housing Strategy in July 2021. The Local Housing Strategy provides a long-term planning framework to meet the housing needs of our community to ensure both supply and diversity in housing for our community.

The Strategy guides the decisions that Council, the private sector and our community will make to deliver both infill development within our existing Town Centres and within villages as well as new living areas.

The Strategy aims to:

- Ensure that our housing stock meets the needs of our community, both now and into the future
- Ensure that our residents have equity in access to housing, services and infrastructure
- Ensure population growth is managed in a manner which endorses and promotes community values
- Ensure new living areas enhance lifestyle quality and choice for our residents
- Promote sustainable communities that build on and utilise existing services and infrastructure

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

- Provide greater certainty to the community, development industry and Council in the location of new development areas to facilitate informed investment decisions.

The Strategy considers the State and regional planning framework, local constraints (such as bushfire and flooding) as well as the community needs and expectations to provide a long-term plan for housing in the Wingecarribee. The Strategy also provides a balance between infill development within the existing Town centres and villages alongside new living areas and informs infrastructure planning and investment decisions by Council, State Government agencies and service providers.

REPORT

Since its adoption in July 2021, further underpinning work has been undertaken to ensure implementation and a supported pipeline for housing in our Shire. This work includes:

1. Adoption of a Community and Recreation Facilities Strategy that aligns community infrastructure with a changing population
2. Preparation of the Integrated Transport Strategy
3. Progression of the Southern Highlands Innovation Park, focussed around providing local jobs to support our evolving community,
4. Adoption of the Low Density DCP Review and Medium Density Study to inform a new comprehensive DCP and site-specific DCPs for new living areas
5. Securing State Government funding to supplement Council funds for the construction of the new Bowral and Moss Vale Sewage Treatment Plants – an investment of over \$100M,
6. Detailed design and preliminary enabling works for the Berrima Road Deviation and Moss Vale By-Pass projects.

The strategy-led land use planning framework and enabling infrastructure works are designed to provide certainty in the pipeline of housing.

Given the significant amount of work undertaken to date and that is programmed, Council wrote to the NSW Department of Planning, Housing and Infrastructure to seek formal endorsement.

Council received advice from the Department on 27 August 2024 that the Strategy was endorsed, under delegation of the Secretary of Planning. **Attachment 1** provides the letter received from the NSW Department of Planning, Housing and Infrastructure.

The letter acknowledges and commends Council on its efforts and commitment to strategic planning. Further the Department acknowledges that the Strategy will be subject to updates in the future, which will need to consider population projections, demographic trends and commensurate housing needs in the longer term (2040s-2050s).

Given the reference to updates, Council sought clarification from the Department on this and was advised that in reference to “additional growth opportunities”, this is about working with Council in the future to update strategic policies and plans and that they had not identified additional specific sites at this time, but if they do there would be a consultation process with Council.

CONCLUSION

The adopted Wingecarribee Local Housing Strategy (July 2021) provides certainty to the local community and the private sector around the provision of housing in our area and ensure a strategic and planned approach to the delivery of infrastructure to this planned growth. Further, the

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
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Local Housing Strategy provides a balance between infill development within our existing towns and new living areas to be established over the next 20 years, taking into account, community needs, the unique built form and landscape character of the Wingecarribee Shire.

ATTACHMENTS

1. DPHI Letter of Endorsement - Wingecarribee LHS 2021 [6.3.1 - 2 pages]

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**



Department of Planning, Housing and Infrastructure

Our ref: IRF24/1660

Ms Lisa Miscamble
General Manager
Wingecarribee Shire Council
PO Box 141
MOSS VALE NSW 2577

By email: council@wingecarribee.nsw.gov.au

Dear Ms Miscamble

Wingecarribee Local Housing Strategy 2021

I refer to your request that the Secretary of the Department of Planning, Housing and Infrastructure endorse the Wingecarribee Local Housing Strategy 2021 (The Strategy).

I would like to acknowledge and commend Council on its efforts and commitment to strategic planning for the Wingecarribee Local Government Area in preparing and implementing the Wingecarribee Local Housing Strategy 2021.

I note that since Council adopted The Strategy, the Department has prepared and exhibited the Draft South East and Tablelands Regional Plan 2041 (Draft Regional Plan). The Draft Regional Plan estimates an additional 9,500 dwellings will be required in the Wingecarribee LGA by 2041.

Additionally, as you are aware, through the National Housing Accord, local councils and the NSW Government agreed to work together to look at every opportunity to address the housing crisis. NSW has committed to completing 377,000 new homes between 1 July 2024 and 30 June 2029 with Regional NSW allocated a minimum target of 55,000 new homes over the next 5 years. This target aligns with the forecast demand for new homes and includes a significant number of homes already planned for and being delivered. While the target is not specific to individual local government areas, it is expected the majority of new homes will be built in high-growth regional areas with existing and planned amenities, infrastructure and services.

Therefore, as delegate of the Secretary, I am pleased to endorse the Wingecarribee Local Housing Strategy 2021 subject to future updates of The Strategy, as well as planning proposals being required to:

- consider the latest NSW Government population projections and housing targets such as those made in the NSW Housing targets, 2022 population projections and regional plan released by the Department;
- ensure dwelling targets in infill areas are flexible to avoid long-term dependency on greenfield development;

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

- strategy updates are to demonstrate how '50% of future development as infill development' will be implemented based on population growth; and
- demonstrate infrastructure capacity requirements to service housing provision.

While I note that The Strategy identifies six new residential living areas to be developed over 30 years, the Department would like to work with Council to identify additional growth opportunities to support housing needs as housing targets change over time.

Council is also encouraged to use the scoping proposal process and engage with State agencies at an early stage for any planning proposal for the investigation areas to ensure issues and requirements for studies are identified.

In relation to the Bowral (South) investigation area, as the Wingecarribee River is located on its boundary it will be important to consider flood impacts in any future planning proposal. WaterNSW has also identified that the impacts from the release of water from Wingecarribee Dam must be considered.

Should you have any enquiries about this matter, I have arranged for Mr Graham Towers, Manager, Southern, Western and Macarthur Region to assist you. Mr Towers can be contacted on telephone [REDACTED].

Yours sincerely

[REDACTED]

27/8/2024

Chantelle Chow
Acting Director, Southern, Western and Macarthur Region
Local Planning and Council Support

7 REPORTS

7.1 Canberra Region Joint Organisation - Board Meeting Minutes 2 August 2024

Report of: Lisa Miscamble
General Manager

Authoriser: Lisa Miscamble
General Manager

PURPOSE

The purpose of this report is to note the minutes of the Canberra Region Joint Organisation (CRJO) Meeting held on 2 August 2024.

OFFICER'S RECOMMENDATION

That Council receive and note the minutes of the Canberra Region Joint Organisation meeting on 2 August 2024.

REPORT

Council is a member of the the Canberra Region Joint Organisation, which is a government body that provides regional leadership to connect communities within the South East region, collaborating with all levels of government, industry and community to work together to provide a vibrant regional vision and deliver important key outcomes.

The CRJO Board Meeting was held on 2 August 2024 and attended by the Administrator. The minutes and action list from the meeting are attached to this report for the information of Council.

ATTACHMENTS

1. Board Action List 20240802 [7.1.1 - 3 pages]
2. Minutes Board Meeting 2 August 2024 [7.1.2 - 12 pages]

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Agenda Item No.	Report Title	Description	Task	Responsible Person	Target Date	Completion Date
Actions Arising from Canberra Region Joint Organisation Board Meeting – 16 May 2024						
13.5	Circular Economy Business Cases and Roadmap	Circular Economy Roadmap, for endorsement and draft business cases, for noting	Continue to develop the roadmap into a strategy for future tripartite adoption by CRJO Board, the ACT Government and the NSW Government	Sharon Houlihan (CRJO) David Clapham (ACT Government) Giles Butler (Regional NSW)	30/03/2025	
13.7	Executive Officer Performance Plan	Executive Officer’s performance plan to 30 June 2024, for endorsement and establishment of executive officer performance review panel	Nominate third member of executive officer performance review panel	Sharon Houlihan (CRJO)	25/05/2024	25/06/2024
			Schedule and undertake 2023-24 executive officer performance review	Anthony McMahon (Bega Valley Shire Council)	07/07/24 05/08/2024	12/08/2024
14.3	Audit of 2022-23 Financial Statements	Audited financial statement, independent auditor’s report and report on conduct of the audit, for receiving and management representation letter, for noting	Submit to Office of Local Government and publish audited financial statements, independent auditor’s report and report on conduct of the audit in accordance with Local Government Act	Jennifer Lang / Sharon Houlihan (CRJO)	25/05/2024	19/06/24
Actions Arising from Canberra Region Joint Organisation Board Meeting – 2 August 2024						
11.2	Government Agency Briefing to CRJO Board	Office of Local Government (OLG) verbal update provided by Louise Taylor	Raise with the Deputy Secretary OLG in preparation for the NSW JO Chairs Forum on what councils can expect with the code of conduct review	Louise Taylor (OLG)	08/08/2024	08/08/2024

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Agenda Item No.	Report Title	Description	Task	Responsible Person	Target Date	Completion Date
Actions Arising from Canberra Region Joint Organisation Board Meeting – 2 August 2024 continued						
11.2	Government Agency Briefing to CRJO Board	Office of Local Government (OLG) verbal update provided by Louise Taylor.	Briefing to the CRJO board by OLG once the code of conduct is underway.	Louise Taylor (OLG)	06/12/2024	
10.2	Audit Risk and Improvement Committee End of Year and Term Briefing	Audit Risk and Improvement Committee End of Year and Term Briefing	Review by the CRJO of the Audit Risk and Improvement Committee	Sharon Houlihan (CRJO) / Stephen Coates (CRJO ARIC Chair)	06/12/2024	
10.3	Shadow Minister for Water and for Crown Lands	Discussion of the Crown Lands department with the Shadow Minister and CRJO Board	Invite The Hon. Stephen Kamper, Minister for Lands and Property, to a future CRJO board meeting	Sharon Houlihan (CRJO)	06/12/2024	
12.1	Governance Policy Review	Adopted Charter and Code of Meeting Practice	Upload adopted Charter and Code of Meeting Practice policies to the CRJO website	Hayley Chapman (CRJO)	15/08/2024	15/08/2024

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

Agenda Item No.	Report Title	Description	Task	Responsible Person	Target Date	Completion Date
Actions Arising from Canberra Region Joint Organisation Board Meeting – 2 August 2024 continued						
12.2	Membership Sitting Fee and Chairperson Allowance	Review of the Expenses and Facilities policy and associated board sitting fees.	Amend the CRJO Expenses and Facilities policy to remove board member sitting fees and retain chairperson allowance. Upload amended adopted policy to the CRJO website.	Hayley Chapman (CRJO)	15/08/2024	15/08/2024
13.6	Executive Officer Report	Reporting to the CRJO board on the stakeholder engagements that have occurred since the previous meeting	Amend reporting format for future meetings to include a table that lists the Executive Officer’s engagements with the following columns: who with, topics discussed, outcome of meeting	Sharon Houlihan (CRJO)	25/10/2024	
14.2	Inducting Planning for New Board	Discussed approach for a regional induction across two sessions.	Additional ideas and suggestions for a regional board induction to be sent to the Executive Officer via email	All CRJO Board and GMAG members & State Government Representatives	11/10/2024	



**CANBERRA REGION
JOINT ORGANISATION**

Regional leadership connecting our communities

BOARD MEETING MINUTES

Friday, 2 August 2024
9am – 1pm
Snowy Valleys Council,
76 Capper St, Tumut NSW 2720

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
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MEMBERS refer item 3 for apologies	
Bega Valley Shire Council	Cr Russell Fitzpatrick, Mayor (Chair) Anthony McMahon, Chief Executive Officer
Eurobodalla Shire Council	Cr Mathew Hatcher, Mayor Warwick Winn, General Manager
Goulburn Mulwaree Council	Cr Peter Walker, Mayor Aaron Johansson, Chief Executive Officer
Hilltops Council	Cr Margaret Roles, Mayor Anthony O'Reilly, General Manager
Queanbeyan-Palerang Regional Council	Cr Kenrick Winchester, Mayor (Deputy Chair) Rebecca Ryan, General Manager
Snowy Monaro Regional Council	Cr Chris Hanna, Mayor David Hogan, Chief Executive Officer
Snowy Valleys Council	Cr Ian Chaffey, Mayor Steven Pinnuck, General Manager
Upper Lachlan Shire Council	Cr Pam Kensit, Mayor Alex Waldron, Chief Executive Officer
Wingecarribee Shire Council	Mr Viv May, Administrator (PSM) Lisa Miscamble, General Manager
Yass Valley Council	Cr Allan McGrath, Mayor Chris Berry, Chief Executive Officer
Wagga Wagga City Council (associate member)	Cr Dallas Tout, Mayor Peter Thompson, General Manager
ACT Government (associate member)	Dr David Clapham, Executive Branch Manager, Economic and Regional Policy
Canberra Airport (affiliate member)	Noel McCann, Director of Planning and Government Relations
GOVERNMENT AGENCIES AND CANBERRA REGION JOINT ORGANISATION refer item 3 for apologies	
NSW Premier's Department (non-voting member)	Giles Butler, Director Regional Coordination – South, Delivery and Engagement Group, NSW Premier's Department
NSW Office of Cross Border Commissioner	Kalina Koloff, NSW Cross Border Commissioner
NSW Reconstruction Authority	Heidi Stratford, Director Illawarra and South East
Office of Local Government	Louise Taylor, Council Engagement Manager
Canberra Region Joint Organisation	Sharon Houlihan, Executive Officer Hayley Chapman, Director Corporate Services Jennifer Lang, Jennifer Lang Australia, Chief Financial Officer

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024



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GUESTS	
Regional Development Australia Southern NSW and ACT	Rowena Abbey, Chair
	Olivia West, Chief Executive Officer
ITEM 10 - PRESENTATIONS TO CRJO BOARD ATTENDEES	
ACT Government	Bruce Fitzgerald, Acting Deputy Director General, ACT City Services, ACT No Waste
	Dr Margaret Kitchin, Executive Branch Manager, ACT City Services, ACT No Waste
CRJO Audit Risk and Improvement Committee	Stephen Coates, Chair

1. Opening Meeting

The chairperson, Mayor Russell Fitzpatrick opened the meeting at 9am.

2. Welcome & Acknowledgement of Country

The chairperson welcomed members and guests and made an acknowledgment of country.

3. Apologies

The chairperson called for any apologies. CRJO resolved to accept any apology and grant leaves of absence. The following apologies were received:

- Cr Mathew Hatcher, Mayor, Eurobodalla Shire Council
- Warwick Winn, General Manager, Eurobodalla Shire Council
- Cr Peter Walker, Mayor, Goulburn Mulwaree Council
- Aaron Johansson, Chief Executive Officer, Goulburn Mulwaree Council
- Brendan Hollands, Director Corporate and Community Services, Goulburn Mulwaree Council, deputising for Aaron Johansson, Chief Executive Officer, Goulburn Mulwaree Council
- Lisa Miscamble, General Manager, Wingecarribee Shire Council
- Chris Berry, Chief Executive Officer, Yass Valley Council
- Kalina Koloff, NSW Cross-Border Commissioner, NSW Office of the Cross-Border Commissioner
- Heidi Stratford, Director Illawarra and South East, NSW Reconstruction Authority
- Noel McCann, Director, Planning & Government Relations, Canberra Airport
- Jennifer Lang, Chief Financial Officer, Canberra Region Joint Organisation, Jennifer Lang Australia

The following additional attendees were welcomed:

- Julie Costa, Director Planning and Environment, Yass Valley Council, deputising for Chris Berry, Chief Executive Officer, Yass Valley Council

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4. Disclosure of Interest

With reference to Chapter 14 Local Government Act 1993, and CRJO's Code of Conduct, councillors are required to declare any conflicts of interest in the matters under consideration by CRJO at this meeting.

Mr Viv May declared a pecuniary/significant conflict of interest in Item 12.2 "12.2 Membership Sitting Fee and Chairperson Allowance" as he is the Local Government Remuneration Tribunal. Mr Viv May advised he will leave the meeting while discussion on this item takes place.

5. Notice of Rescission

Pursuant to Clause 372 of the Local Government Act 1993 a voting representative may lodge a notice to rescind a motion for the CRJO's consideration.

No notices to rescind a motion were lodged.

6. Notice of Motions

Pursuant to Clause 10.2 of the Code of Meeting Practice a voting representative may lodge a notice of motion for the CRJOs consideration.

No notices of motion under the code of meeting practice were lodged.

7. Urgent Business

Pursuant to Clause 9.3 of the Code of Meeting Practice, the chairperson will call for any additional business. Any additional business to be discussed requires a board resolution or a ruling by the chairperson that the matter is of great urgency.

Item 9.3 of the Code of Meeting Practice

Business may be considered at a meeting of the Joint Organisation even though due notice of the business has not been given to the voting representatives if:

- a. a motion is passed to have the business considered at the meeting, and*
- b. the business to be considered is ruled by the chairperson to be of great urgency on the grounds that it requires a decision by the Joint Organisation before the next scheduled ordinary meeting of the Joint Organisation.*

Proposed urgent business item 7.1 is considered urgent business under Item 9.3b of the Code of Meeting Practice as it requires a decision to award a tender and enable contract/s to be entered into and works to commence prior to next scheduled meeting of the board.

RESOLUTION 08/24 – 01a

Moved: Cr Chris Hanna

Seconded: Cr Kenrick Winchester

That the Canberra Region Joint Organisation Board approves the urgent business item 7.1: Tender Award – Household Chemical Cleanout Events 2024 to be considered at the meeting.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024



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CARRIED

7.1 Tender Award Household Chemical Cleanout Events 2024

This report is considered urgent business under Item 9.3b of the Code of Meeting Practice as it requires a decision to award a tender and enable contract/s to be entered into and works to commence prior to next scheduled meeting of the board.

RESOLUTION 08/24 – 01b

Moved: Cr Chris Hanna

Seconded: Cr Kenrick Winchester

That the Canberra Region Joint Organisation Board:

1. Approves the Household Chemicals Cleanout 2024 Best Value Report 2024.
2. Awards the tender to ETS.
3. Authorises CRJO officers to enter into a contract with ETS to deliver the Household Chemical Cleanout Events in 2024 project with two extension of one year options.
4. Authorises CRJO officers to negotiate and agree minor amendments to contract conditions with the successful tenderer.

CARRIED

8. Chairs Minute

Pursuant to Clause 9.6 of the Code of Meeting Practice the chairperson, without notice, may put to the meeting a minute on any matter or topic that is within the jurisdiction of the CRJO.

No chair's minutes were put.

9. Confirmation of Minutes

RESOLUTION 08/24 - 02

Moved: Cr Chris Hanna

Seconded: Cr Pam Kensit

That the Canberra Region Joint Organisation Board adopts the minutes and actions arising from the previous board meeting held 16 May 2024.

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024



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CARRIED

10. Presentations to CRJO Board

Bruce Fitzgerald and Dr Margaret Kitchin entered at 9.15am via Zoom.

10.1 Materials Recovery Facility (MRF) Briefing (online)

Bruce Fitzgerald, Acting Deputy Director General, ACT City Services and Dr Margaret Kitchin, Executive Branch Manager, ACT NoWaste provided a presentation on the progression of the Materials Recovery Facility (MRF) located within the Hume Resource Recovery Estate, ACT.

Mr Fitzgerald and Dr Kitchin left the meeting at 9.30am. Stephen Coates entered at 10am via Zoom.

10.2 Audit Risk and Improvement Committee End of Year and Term Briefing

Stephen Coates, Chair Audit Risk and Improvement Committee (ARIC) provided an end of year and end of term report to the CRJO on the ARIC's activities during 2023-24 and the council term ending September 2024.

Stephen Coates left the meeting at 10.26am. Shadow Minister for Water and for Crown Lands, Ms Steph Cooke MP entered the meeting in person at 10.26am.

The meeting paused at 10.26am for morning tea break. The meeting resumed at 10.47am.

10.3 Shadow Minister for Water and for Crown Lands

Shadow Minister for Water and for Crown Lands, Ms Steph Cooke MP addressed the CRJO board and discussed matters of interest to local government, following the board's visit to NSW Parliament House in May when Ms Cooke was unable to address the board due to competing matters.

Shadow Minister for Water and for Crown Lands, Ms Steph Cooke MP and Giles Butler, Director Regional Coordination – South, Delivery and Engagement Group, NSW Premier's Department left the meeting at 11.30am.

RESOLUTION 08/24 - 03

Moved: Cr Chris Hanna

Seconded: Cr Pam Kensit

That the Canberra Region Joint Organisation Board receives and notes the presentations to CRJO Board.

CARRIED

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024



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11. Briefings to CRJO Board

11.1 Associate Members

The following associate member provided a verbal update to the Board:

- Dr David Clapham, Executive Branch Manager, Economic and Regional Policy, ACT Government

<p>RESOLUTION 08/24 - 04</p> <p>Moved: Cr Kenrick Winchester</p> <p>Seconded: Cr Pam Kensit</p> <p>That the Canberra Region Joint Organisation Board receives and notes the update from associate members.</p> <p style="text-align: right;">CARRIED</p>

(Noting apology received from Mr Noel McCann, Director of Planning and Government Relations, Canberra Airport)

11.2 Government Agencies

The following government agencies provided verbal updates to the Board:

- Giles Butler, Director Regional Coordination – South, Delivery and Engagement Group NSW Premier’s Department *(prior to his leaving the meeting at 11:30am)*
- Louise Taylor, Council Engagement Officer, NSW Office of Local Government

<p>RESOLUTION 08/24 – 05</p> <p>Moved: Cr Chris Hanna</p> <p>Seconded: Cr Kenrick Winchester</p> <p>That the Canberra Region Joint Organisation Board receives and notes the update from government agencies.</p> <p style="text-align: right;">CARRIED</p>
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(Noting apologies received from Kalina Koloff, NSW Cross-Border Commissioner, NSW Office of the Cross-Border Commissioner and Heidi Stratford, Director Illawarra and South East, NSW Reconstruction Authority)



11.3 Regional Development Australia Committee

The chair and CEO of the Regional Development Australia Committee provided a verbal update to the Board:

RESOLUTION 08/24 - 06

Moved: Cr Chris Hanna

Seconded: Cr Kenrick Winchester

That the Canberra Region Joint Organisation Board receives and notes the update from Regional Development Australia Southern NSW and ACT.

CARRIED

12. Reports to Board: For Decision

12.1 Governance Policy Review

RESOLUTION 08/24 - 07

Moved: Cr Allan McGrath

Seconded: Cr Chris Hanna

That the Canberra Region Joint Organisation board:

- 1. Notes the report from the Director Corporate Services on the governance policies review.**
- 2. Adopts the following as Canberra Region Joint Organisation's policies:**
 - a. Charter**
 - b. Code of Meeting Practice**

CARRIED

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024



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12.2 Membership Sitting Fee and Chairperson Allowance

Mr Viv May, Administrator Wingecarribee Shire Council, having declared a pecuniary/significant interest in Item 12.2 Membership Sitting Fee and Chairperson Allowance, left the meeting at 11.33am.

RESOLUTION 08/24 - 08

Moved: Cr Allan McGrath

Seconded: Cr Kenrick Winchester

That the Canberra Region Joint Organisation board:

1. Notes the report and recommendation from the Executive Officer on board member sitting fees review.
2. Endorses the recommended option 2: remove board member sitting fees and retain chairperson allowance.
3. Adopts the amended Expenses and Facilities Policy incorporating option 2: remove board member sitting fees and retain chairperson allowance.

CARRIED

Mr May returned to the meeting at 11.35am.

13. Reports to Board: For Noting

13.1 Correspondence Following 2024 Board Meeting at NSW Parliament House

RESOLUTION 08/24 - 09

Moved: Cr Kenrick Winchester

Seconded: Cr Chris Hanna

That the Canberra Region Joint Organisation Board notes incoming and outgoing correspondence to/from the NSW premier, ministers and members of parliament following the board meeting held 16 May 2024 at NSW Parliament House.

CARRIED

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13.2 2023/24 Financial Statement and Financial Status

RESOLUTION 08/24 - 10

Moved: Cr Ian Chaffey

Seconded: Mr Viv May

That the Canberra Region Joint Organisation Board:

1. Notes the financial statements for 2023/24
2. Notes the operating results as at the end of 30 June 2024; and
3. Notes the operating result compared to adopted 2023/24 budget and adopted 1 March 2024 'Target' operating result for CRJO Operations.
4. To acknowledge Queanbeyan-Palerang Regional Council's accommodation offer agreed to, for Canberra Region Joint Organisation staff.

CARRIED

13.3 Regional Programs

RESOLUTION 08/24 - 11

Moved: Cr Chris Hanna

Seconded: Cr Allan McGrath

That the Canberra Region Joint Organisation Board notes the Canberra Region Joint Organisation Program Board Report.

CARRIED

13.4 Governance and Compliance

RESOLUTION 08/24 - 12

Moved: Cr Chris Hanna

Seconded: Cr Allan McGrath

That the Canberra Region Joint Organisation Board notes the governance and compliance report.

CARRIED

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024



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13.5 Audit Risk and Improvement Committee Quarterly Report and Minutes

RESOLUTION 08/24 - 13

Moved: Cr Kenrick Winchester

Seconded: Cr Margaret Roles

That the Canberra Region Joint Organisation board notes the Canberra Region Joint Organisation Audit, Risk and Improvement Committee quarterly report and minutes from its meeting of 27 June 2024.

CARRIED

13.6 Executive Officer Report

RESOLUTION 08/24 - 14

Moved: Cr Chris Hanna

Seconded: Cr Kenrick Winchester

That the Canberra Region Joint Organisation Board notes the Executive Officer's Report.

CARRIED

14. Reports to Board: For Discussion

14.1 End of Term Presentation

RESOLUTION 08/24 - 15

Moved: Cr Chris Hanna

Seconded: Cr Kenrick Winchester

That the Canberra Region Joint Organisation Board receives the end of term presentation and notes the highlighted range of projects and programs delivered by the joint organisation during the board term from December 2021 to September 2024.

CARRIED

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024



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14.2 Induction Planning for New Board

RESOLUTION 08/24 - 16

Moved: Cr Kenrick Winchester

Seconded: Cr Chris Hanna

That the Canberra Region Joint Organisation Board notes the proposed approach for inducting the incoming board in October 2024 and provides suggestions for inclusions in the regional perspectives component of the induction.

CARRIED

15. Closed Session

The Board must resolve to move into closed session to deal with any items under s10 Local Government Act 1993.

No items for closed session were put to the Board.

16. Close

The chairperson, Mayor Russell Fitzpatrick closed the meeting at 12.40pm.

7.2 Country Mayors Association - Meeting Minutes 9 August 2024

Report of: Lisa Miscamble
General Manager

Authoriser: Lisa Miscamble
General Manager

PURPOSE

The purpose of this report is to note the minutes of the Country Mayors Association (CMA) Meeting held on 9 August 2024.

OFFICER'S RECOMMENDATION

That Council Receive and note the minutes of the Country Mayors Association held on 9 August 2024

REPORT

The minutes of the Country Mayors Association meeting held on 9 August 2024 are attached for the information of Council, noting that these minutes will be confirmed at the next CMA meeting on 15 November 2024.

ATTACHMENTS

1. CMA Minutes 2024 August 9 [7.2.1 - 12 pages]



Country Mayors Association of NEW SOUTH WALES Inc

Acting Chairman: Cr Rick Firman OAM
PO Box 262 Temora NSW 2666
(02) 6980 1100
e-mail admin@nswcountrymayors.com.au
ABN 92 803 490 533

MINUTES

GENERAL MEETING – THEME “HEALTH”

FRIDAY, 9 AUGUST 2024 THEATRETTE, NSW PARLIAMENT, SYDNEY

The meeting opened at 8:20 a.m.

ATTENDANCE:

Cr. Gil Kelly	Mayor	Cootamundra-Gundagai Regional Council
Gareth Curtis	GM	Dungog Shire Council
Cr. David McCann	Mayor	Coolamon Shire Council
Tony Donoghue	GM	Coolamon Shire Council
Rob Williams	GM	Narrabri Shire Council
Cr. Mark Johnson	Mayor	Moree Plains Shire Council
Cr. Paul Harmon	Mayor	Inverell Shire Council
Brett McInnes	GM	Inverell Shire Council
Cr. Jarrod Marsden	Mayor	Cobar Shire Council
Peter Vlatko	GM	Cobar Shire Council
Cr. Pam Kensit	Mayor	Upper Lachlan Shire Council
Alex Waldron	CEO	Upper Lachlan Shire Council
Cr. Barry Hollman	Mayor	Bourke Shire Council
Cr. Leonie Brown	GM	Bourke Shire Council
Cr. Neville Kschenka	Mayor	Narrandera Shire Council
Cr. Carol Oataway	Mayor	Hay Shire Council
David Webb	GM	Hay Shire Council
Cr. Rick Firman OAM	Mayor	Temora Shire Council
Melissa Boxall	GM	Temora Shire Council
Cr. Milton Quigley	Mayor	Warren Shire Council
Gary Woodman	GM	Warren Shire Council
Cr. Jamie Chaffey	Mayor	Gunnedah Shire Council
Gary Fry	Secretariat	Country Mayors Association
Viv May PSM	Administrator	Wingecarribee Shire
Cr. Ambrose Doolan	Mayor	Warrumbungle Shire Council

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**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
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Roger Bailey	GM	Warrumbungle Shire Council
Cr. Bob Callow	Mayor	Junee Shire Council
Cr. Margaret Roles	Mayor	Hilltops Council
Anthony O'Reilly	GM	Hilltops Council
Cr. Amanda Findley	Mayor	Shoalhaven
Cr. Jason Hamling	Mayor	Orange City Council
Cr. Ruth McRae	Mayor	Murrumbidgee Council
John Scarce	GM	Murrumbidgee Council
Cr. Greg Verdon	Mayor	Lockhart Shire Council
Cr. Peter Sharp	Deputy Mayor	Lockhart Shire Council
Eric Groth	GM	Gunnedah Shire Council
Cr. Rob Banham	Mayor	Glen Innes Severn Council
Bernard Smith	GM	Glen Innes Severn Council
Cr. Eric Noakes	Mayor	Walcha Council
Phillip Hood	GM	Walcha Council
Cr. Scott Ferguson	Mayor	Blayney Shire Council
Mark Dicker	GM	Blayney Shire Council
Cr. Doug Hawkins	Mayor	Liverpool Plains Shire Council
Gary Murphy	GM	Liverpool Plains Shire Council
Cr. Kevin Beatty	Mayor	Cabonne Council
Brad Byrnes	GM	Cabonne Council
Heather Nicholls	Deputy GM	Cabonne Council
Cr. Steve Allan	Mayor	Bellingen Shire Council
Mark Griffioen	GM	Bellingen Shire Council
Cr. Sharon Cadwallader	Mayor	Ballina Shire Council
Cr. Frank Crawley	Mayor	Murray River Council
Terry Dodds	GM	Murray River Council
Cr. Bronwyn Petrie	Mayor	Tenterfield Shire Council
Aaron Johansson	CEO	Goulburn Mulwaree Council
Cr. Jim Hickey	Deputy Mayor	Broken Hill City Council
Jay Nankivell	GM	Broken Hill City Council
Cr. Daniel Linklater	Mayor	Wentworth Shire Council
Ken Ross	GM	Wentworth Shire Council
Cr. John Coulton	Mayor	Gwydir Shire Council
Max Eastcott	GM	Gwydir Shire Council
Cr. Neil Westcott	Mayor	Parkes Shire Council
Cr. Ken Keith OAM	Councillor	Parkes Shire Council
Cr. Ruth Fagan	Mayor	Cowra Council
Adrian Butler	GM	Federation Council
Cr. Tony Reneker	Mayor	Leeton Shire Council
Jackie Kruger	GM	Leeton Shire Council
Cr. Tony Quinn	Mayor	Greater Hume Council
Evelyn Arnold	GM	Greater Hume Council
Cr. Brian Monaghan	Mayor	Bland Shire Council
Grant Baker	GM	Bland Shire Council
Jane Stroud	CEO	Kiama Shire Council
Cr. Neil Reilly	Mayor	Kiama Shire Council

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
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Cr. Russell Fitzpatrick	Mayor	Bega Valley Shire Council
Anthony McMahon	CEO	Bega Valley Shire Council
Cr. Sam Coupland	Mayor	Armidale Regional Council
James Roncon	GM	Armidale Regional Council
Cr. Kylie King	Mayor	Albury City Council
Sharne Colefax	Manager, Council Engagement A/Council Engagement Manager – Riverina, Murray and Far South- West	OLG
Cameron Templeton	Mayor	OLG
Cr. Mark Kellam	Mayor	Oberon Council
Gary Wallace	GM	Oberon Council
Cr. Ian Chaffey	Mayor	Snowy Valleys Council
Mark Arnold	GM	Byron Shire Council
Cr. Paul Phillips	Mayor	Lachlan Shire Council
Greg Tory	GM	Lachlan Shire Council
Cr. John Medcalf OAM	Deputy Mayor	Lachlan Shire Council
Paul Bennett	GM	Tamworth Regional Council
Cr. Russell Webb	Mayor	Tamworth Regional Council
Bob Stewart	Administrator	Central Darling Shire Council
Greg Hill	GM	Central Darling Shire Council
Robyn Stevens	CEO	Shoalhaven City Council
Cr. Craig Davies	Mayor	Narromine Shire Council
Cr. Mathew Dickerson	Mayor	Dubbo Regional Council
Cr. Claire Pontin	Mayor	Midcoast Council
Sharon Houlihan		Canberra Region Joint Organisation
Hayley Chapman		Canberra Region Joint Organisation
Jonathan Malota	Policy Advisor – Transport & Data	NRMA
Cr. Glen Neill	Mayor	Bogan Shire Council
Cr. Phyllis Miller OAM	Mayor	Forbes Shire Council

Parliamentarians in attendance (in addition to speakers):

- The Hon. Dougal Saunders, NSW Nationals Leader
- The Hon. Gurmeh Singh, Incoming Shadow Minister for Regional Health
- Brendan Moylan, Member for Northern Tablelands
- Michael Kemp, Member for Oxley
- The Hon. Steph Cooke, Member for Cootamundra, NSW Shadow Minister for Water and NSW Shadow Minister for Crown Lands
- The Hon. Tanya Thompson, Shadow Assistant Minister for Regional Health. Member for Myall Lakes
- The Hon. Aileen MacDonald, Shadow Minister for Youth Justice and Member of the Legislative Council
- The Hon. Bronnie Taylor, Retiring Shadow Minister of Regional Health
- The Hon. Wendy Tuckerman, Member for Goulburn and Shadow Minister for Local Government
- The Hon. Richie Williamson, Member for Clarence
The Nationals Whip, and Shadow Assistant Minister for Regional NSW
- The Hon. Justin Clancy, Member for Albury
Shadow Minister for Skills, TAFE and Tertiary Education

**AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL
MONDAY 9 SEPTEMBER 2024**

APOLOGIES:

Cr. Doug Curran	Mayor	Griffith City Council
Brett Stonestreet	GM	Griffith City Council
Cr. Nuatali Nelmes	Lord Mayor	Newcastle City Council
Cr. Sue Moore	Mayor	Singleton Council
Cr. Darrell Tiemens	Mayor	Narrabri Shire Council
Cr. Jay Suvaal	Mayor	Cessnock City Council
Cr. Kenrick Winchester	Mayor	Queanbeyan-Palerang Regional Council
Rebecca Ryan	GM	Queanbeyan-Palerang Regional Council
Cr. Ryan Palmer	Mayor	Port Stephens Council
George Cowan	GM	Narrandera Shire Council
Cr. Dallas Tout	Mayor	City of Wagga Wagga
Cr. Mathew Hatcher	Mayor	Eurobodalla Shire Council
Cr. Chris Homer	Mayor	Shellharbour City Council
Cr. Vivian Slack-Smith	Mayor	Brewarrina Shire Council
Cr. David Kirby	GM	Brewarrina Shire Council
Cr. Gordon Bradbery AM	Lord Mayor	Wollongong City Council
Cr. Maree Statham	Mayor	Lithgow City Council
Ross Gurney	GM	Lithgow City Council
Murray Wood	CEO	Dubbo Regional Council
Cr. Peter Walker	Mayor	Goulburn Mulwaree Council
Brett Whitworth	Deputy Secretary, Local Government	OLG
Greg McDonald	GM	Upper Hunter Shire Council
Cr. Maurice Collison	Mayor	Upper Hunter Shire Council
Cr. Peta Betts	Mayor	Edward River Council
Gary Arnold	Interim CEO	Edward River Council
Cr. Craig Bembrick	Mayor	Weddin Shire Council
Noreen Vu	GM	Weddin Shire Council
Cr. Patrick Bourke	Mayor	Federation Council
Cr. Doug Batten	Mayor	Gilgandra Shire Council
Neil Alchin	GM	Gilgandra Shire Council
Paul Devery	GM	Cowra Council
Cr. Steve Krieg	Mayor	Lismore City Council
Jon Gibbons	GM	Lismore City Council
Gary Murphy	GM	Liverpool Plains Shire Council
Cr. Doug Hawkins OAM	Mayor	Liverpool Plains Shire Council
Cr. Michael Lyon	Mayor	Byron Shire Council
Cr. Kylie Webster	Mayor	Kyogle Council

AGENDA OF THE EXTRAORDINARY MEETING OF COUNCIL MONDAY 9 SEPTEMBER 2024

CMA Chairman Cr Jamie Chaffey Welcomes attendees, opened the meeting and conducted the Acknowledgement to Country

...We acknowledge the Traditional Custodians of the land and waters, and we show our respect for Elders past and present and emerging. We are committed to providing communities in which Aboriginal and Torres Strait Islander people are included socially, culturally and economically.

Adoption of Minutes of Previous Meeting:

RESOLVED that the minutes of the Annual General Meeting held on 22 March 2024 be accepted as a true and accurate record (unanimous).

Matters Arising from the Minutes – Nil

PRESENTATIONS

Deputy Commissioner Paul Pisanos, NSW Police Force

I wanted to come back and raise six issues. We spoke about youth crime (serious and violent). Operation Mongoose has not stopped and the Bail Act has been enacted. We are aware of the impact on communities. Western, Northern and Southern regions have seen hundreds of arrests and 50% were on bail. 22C has been used for those over the age of 14. This is reducing recidivism (repeat offending).

Community work is important to us but other agencies need to come together for optimal outcomes.

Tobacco and vape products are being seized in significant quantities coming across our State borders.

Domestic violence is an ongoing focus. Identifying the serious offenders is a challenge we are working on.

Impaired driving operations are a focus across the State, with 80% of fatalities occurring on regional roads.

Driving behaviour like speeding require constant media and awareness efforts.

Cop in Your Town is our recruitment campaign that has been rolled out across NSW regions, with 12 launches that attracted good media. It is designed to capture the attention of locals, tradies, farmers, whoever might be looking for a change. Retention is also a focus, with better pay possibly on the horizon and real support mechanisms.

Jamie: How are you going with numbers?

Deputy Police Commissioner Pisanos: 1,500 is the shortfall. Paying people to go to the academy is a great step forward and we looking at increasing graduate numbers.

Dougal Saunders: The Regional Crime Inquiry is a real positive and congratulations to the CMA for that. Tobacco issues, can you tell us more about that?

Deputy Police Commissioner Pisanos: It is a complex space and our approaches are evolving.

Organised crime is playing a big part, so NSW Police are focusing on the behaviours of the people involved. The organised crime involvement adds to the potential concerns with tobacco and vape product smuggling.

Parkes Mayor Cr. Neil Westcott: Trundle's Police residence has been condemned...

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Deputy Police Commissioner Pisanos: The Officer in Charge never really reported the condition because she stayed at her mother's place. It is going to be fixed up. Most of it (Police properties, including residences) is run through Properties NSW but it is a big challenge. There will be no closing Police Stations and residences.

Kempsey Shire Council Mayor Cr Leo Hauville: What proportion of the 80% of fatalities is speed related?

Deputy Police Commissioner Pisanos: More than half but you cannot always tell for certain. Speed is a contributing factor to most fatalities even if a distraction or impairment occurs.

Deputy Police Commissioner Pisanos: We are the only State that does not use point to point speed monitoring cameras for cars, will there be Government support to change that?

Deputy Police Commissioner Pisanos could not answer the political question but there was consensus in the chuckles that indicated it would be unlikely from either side of politics.

Deputy Police Commissioner Pisanos: Final comment, we are working on Crime Prevention Agreements and Moree is coming along. If your community does not have a Crime Prevention Agreement, I suggest you work with us to establish one.

President of ALGA, Cr. Linda Scott

If Councils are owed money by Rex Airlines, please get that information to ALGA. Normally we would not encourage the use of one service over another but we want to see the airline continue – for the sake of regional Australia and competition, so support it where practical.

Thank you for coming to our ALGA conference and my farewell.

The headline issue right now is housing. So, we are staging a summit to highlight the innovation in Local Government on the issue.

We are working on an MoU with the Federal Government and we are getting involved with more and more advisory bodies in Federal Parliament.

Linda acknowledged the contributions of retiring mayors.

We are so proud of you Jamie Chaffey and we look forward to seeing you take your Local Government experience to Federal Parliament.

Shadow Minister for Regional Health, Trade and Seniors, the Hon. Bronnie Taylor MLC

In her final appearance before retiring, the passionate Shadow Minister reflected on her time in the role and politics, generally.

Great politicians come out of Local Government.

It concerns me that we talk about the issues affecting young people but nowhere are we hearing the voices of young people. We need to engage youth and give them a voice. We need advice from the youth about youth issues. We need the Regional Youth Taskforce reinstated and I ask you as an Association to push for that.

She endorsed the new Shadow Minister for Regional Health, the Hon. Gurmeh Singh.

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It is important that you try to meet the Regional Health Minister with your Local Members. It is not OK that you travelled all this way and the Regional Health Minister did not turn up.

The Minutes of Previous Meeting 10 May 2024 were adopted unanimously, with nil matters arising.

Motions:

A) General Manager of Murrumbidgee Council John Scarce:

That the Country Mayors Association calls upon the State Government of NSW to reverse its decision not to provide a budget for interagency emergency management training and exercises.

Further, without this interagency training and exercises, Country Mayors of NSW advocate that they are fearful that our Emergency Operations Centers and response to emergencies will be compromised with a potential for lives to be lost.

B) That the Membership support the Deputy Chairman Rick Firman OAM acting as interim Chairman, with the current Chairman Jamie Chaffey stepping down in the September 2024 Local Government elections.

C) That the Membership endorse the Executive Committee nomination of current Executive Member Russell Webb for the role of Deputy Chairman, in an interim capacity until the AGM.

All were unanimously supported.

Membership

The NRMA approached the CMA executive to establish a formal relationship.

It was recommended that the NRMA be accepted as an Associate Member of the CMA.

Parkes Shire Councillor Cr Ken Keith OAM moved the motion and Forbes Shire Mayor Cr Phyllis Miller OAM seconded. The Membership endorsed this recommendation unanimously. The NRMA is the first private sector Associate Member of the Country Mayors Association of NSW.

Leeton Shire Mayor Cr Tony Reneker spoke about the no-cost Mayoral Alliance for the Pacific. He encouraged mayors who support the PALM scheme and the much-needed workers it brings to join the Alliance. **[invitation letter attached]**

Panel session with the Rural Doctors Network's CEO Dr. Richard Colbran, Manager Service Delivery Operations Kath Hetherington, Recruitment Portfolio Lead Jessica Yuen and Program Manager Outreach Services Amanda Massett

[presentation attached]

Dr. Richard Colbran: We are a charity that has been around for 35 years. Continuity is important for our organisation and health. We are in all LGAs outside of Sydney. We are the bridge between rural communities and the city (Government). Most Councils would be aware of our bush bursaries and their support of doctors from our regions.

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Doctors for communities has been the focus for years but we are now looking at health access. You may not need a doctor and you certainly need the right doctor.

Kath Hetherington: We understand that open communication is critical. We understand that you are engaged and we want to work with you and your communities. Our Collaborative Care Project includes a focus on retention and broad health care access.

Dr. Richard Colbran: We do not have a solution, we have a method, in our \$3mil. Funded Collaborative Care Project.

Jessica Yuen: Free recruitment is provided to all medical practices, with free CV assessment. We help practices and Doctors to ask the right questions to ensure they are the right fit for the location.

152 new GPs were recruited in the past financial year, 79 positions directly by RDN.

Dr. Richard Colbran: We support locums as a respite service but it has become a business. The trend is not ideal for regional communities and it is very costly.

RDN takes no administration fee. We are allowed to allocate 15% to outreach and we give 50% of that to communities.

We are compiling a report for Councils with data trends for doctor numbers.

Cr. Jamie Chaffey: We care about retaining people in our communities. You are now required to support metropolitan areas now. Is your funding contingent on that?

Dr. Colbran: Money is tight in Governments. We do work in the city, in all the AMS's. The 10,000 GPs in Sydney are our target audience, so we have to work with them. The Government wants the whole system working together.

Tenterfield Mayor Cr Bronwyn Petie: What satisfaction levels do you get from doctors and practices.

Dr. Colbran: We have a 95% satisfaction rate from doctors we support. Practices are small businesses and we need to remember that. Some of them need to be better, to adapt to contemporary work expectations and to make the GP role more appealing.

Cr. Steve Allen, Mayor of Bellingen Shire (and a pharmacist): It is difficult to attract people to GP roles instead of specialising. Are you looking at better utilising the allied professionalism including pharmacies?

Dr. Colbran: Scope of practice is something we are focusing on. Colleges are actually removing rural placements and we need to watch that. Optimising scope of practice to support health outcomes would include pharmacists.

Mayor of Bland Shire Cr. Brian Monaghan: Overseas Doctors can now go to the cities....?

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Dr. Colbran: 1500 of our doctors are overseas trained. Those incentives to send people to rural locations have been taken away. Continuity is important to regional communities and we have seen doctors relocate to the city as soon as possible.

Mayor Monaghan: Is an increased rural Medicare rebate possible?

Dr. Colbran: The Doctors Associations do this lobbying. One of the problems is we just move people from practices to hospitals. The health care providers have not increased.

**Parliamentary Secretary for Health and Parliamentary Secretary for Regional Health,
Dr. Michael Holland**
[full speech attached]

Dr. Holland talked about how safe working staffing levels are being rolled out. Ratios in nursing have long been a contention in nursing, as they have attracted nurses to other states. For what the NSW Government considers safe working levels in our hospitals, use this link:
<https://www.health.nsw.gov.au/workforce/Pages/safe-staffing-levels.aspx>

Dr. Holland said Ambulance services are important and we have seen increased funding. \$274mil to upgrade staffing at selected locations.

HECS fee incentives do exist, with \$20,000 for the 1st year and following years, \$10,000.

New hospital in Eurobodalla and accommodation is a concern. \$200mil. is being invested across NSW for essential worker accommodation.

Workforce recruitment of up to 80 generalists has been successful.

Cowra Council Mayor Cr. Ruth Fagan: I'm concerned about health councils not being supported or retained. Community committees are important.

Dr. Holland: I was not aware that this was a problem and I will report it to the Minister.

Mayor Fagan: Cowra is getting a new hospital. Is there any possibility we could employ a resident doctor with the hospital?

Dr. Holland: The small business model needs to change, as Dr. McGirr said. We do need new approaches.

Q: What about the international doctors who are driving Ubers?

A: We value our international doctors and need to work with our Federal Government to improve the pathways and remove the barriers.

LGNSW Update

Forbes Shire Mayor Cr. Phyllis Miller OAM is on the CMA Executive and is a Director of LGNSW (Regional/Rural). She provided a brief update on behalf of LGNSW and the organisation's President Cr. Darriea Turley AM (a Councillor in Broken Hill).

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Mayor Miller emphasized that 20 Oct. is the deadline for LGNSW conference motions. She also reiterated that Cr. Jamie Chaffey and Cr. Scott Ferguson will be missed and applauded their contributions.

Michelle Maxwell, Director, Strategy, Governance and Delivery, Regional Health Division – NSW Health

Michelle provided an update of the implementation of recommendations from the Regional Health Inquiry, stating that as at 30 June, 2024 a total of 25 of 34 recommendations had been implemented / followed up on.

Michael also detailed the current Regional Health MPS strategy framework process. She reiterated that consultation is ongoing and they are keen to receive further input from Councils.

[Presentation attached]

Coolamon Shire Council Mayor Cr. David McCann voiced his community's appreciation that their MPS is to be upgraded but asked for an update on the work.

Michelle: We will look into that for you.

Founder of 'Heart of the Nation' Greg Page (also founding member of The Wiggles)

Greg Page is best known as the original lead singer and a founding member of the children's band The Wiggles from 1991 to 2006 and then again in 2012. He has also recorded a number of solo albums and published his autobiography.

Since suffering a sudden cardiac arrest in 2020 during a Wiggles reunion concert, Greg has become an advocate for community capacity building for immediate response to a sudden cardiac arrest. He founded the charity "Heart of the Nation", which promotes more widespread access to automated external defibrillators (AEDs) and aims to increase public awareness of defibrillator locations across Australia, as well as encouraging businesses to keep a defibrillator on-site.

Greg gave the examples of Orange and Parkes, where publicly accessible AEDs have been rolled out. He said that the solution to improving the survival rate of sudden cardiac arrest (a shocking 5%) lies with community capacity to respond.

Forbes Shire Mayor Cr. Phyllis Miller OAM: We've got them but need more.

Tenterfield Shire Mayor Cr. Bronwyn Petrie: I'm concerned they could be abused or stolen. Do they have GPS trackers?

Greg: Yes, ours also have a sim card.

Upper Lachlan Shire Mayor Cr. Pam Kensit: Do those sim cards tell you when they need maintenance?

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Greg: If a Council purchases them, it is really their responsibility to maintain them.

Greg explained that Heart of the Nation is a charity with a singular cause and he makes no money from it.

Greg's presentation is attached. Here is the link to the Heart of the Nation website:

<https://www.heartofthenation.com.au/>

Acting CMA Chairman and Mayor of Temora Shire Cr. Rick Firman OAM took to the lectern to acknowledge the service of retiring mayors present at the meeting, paying special tribute to outgoing Chairman Cr. Jamie Chaffey of Gunnedah Shire and presenting him with a framed caricature of himself.

Mayor Chaffey has really lifted the professionalism of the Country Mayors Association of NSW. He has been passionate and dedicated in his role. He admitted to feeling emotional as he addressed the meeting for the final time and held the portrait that will ensure he does not take himself too seriously, as he vowed to hang it in his office when he takes the seat of Parkes.

There being no further business, the meeting was formally closed at 1:10 pm.

Postscript Note:

The Royal Flying Doctor Service of Australia CEO Greg Sam sent a letter to the CMA expressing his regret for not being able to make it to the meeting.

"We would appreciate an opportunity to address a future CMA meeting about the recent and ongoing evolution of the services we provide to rural Australians, and we are always receptive to input and perspectives that may help to shape our service delivery models going forward."

Mr. Sam invited the CMA Acting Chairman to tour the RFDS base at Broken Hill.

Cr Rick Firman OAM
Acting Chairman of the Country Mayor's Association of NSW

The next meeting (AGM) is scheduled for 15 November 2024 in the Theatrette, NSW Parliament, Sydney. It will have a Skills and Education theme. Please RSVP by 6 November to assist with morning tea catering.

DRAFT

8 MEETING CLOSURE