

General Purpose Financial Statements

For the year ended 30 June 2024



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Wingecarribee Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
Statement by Councillors and Management	3
Primary Financial Statements:	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Contents for the notes to the Financial Statements	9
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	75
On the Financial Statements (Sect 417 [3])	76

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.

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:

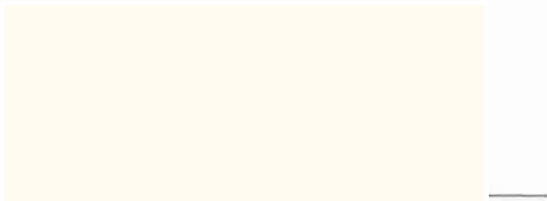
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

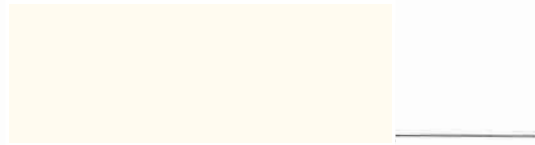
- present fairly Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

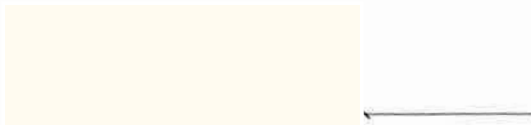
Signed in accordance with a resolution of Council made on 9 September 2024.



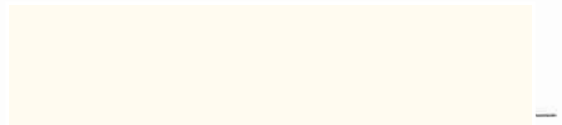
Mr Jesse Fitzpatrick
Mayor
Date: 30/10/2024



Clr Erin Foley
Deputy Mayor
Date: 30/10/2024



Lisa Miscamble
General Manager
Date: 30/10/2024



Pav Kuzmanovski
Responsible Accounting Officer
Date: 30/10/2024

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	Rates and annual charges	B2-1	95,547	90,034
24,039	User charges and fees	B2-2	25,440	23,584
2,729	Other revenue	B2-3	3,107	3,354
9,433	Grants and contributions provided for operating purposes	B2-4	13,118	26,644
25,133	Grants and contributions provided for capital purposes	B2-4	41,842	32,805
4,886	Interest and investment income	B2-5	10,961	6,601
–	Other income	B2-6	1,551	799
160,378	Total income from continuing operations		191,566	183,821
Expenses from continuing operations				
47,715	Employee benefits and on-costs	B3-1	46,288	41,908
45,681	Materials and services	B3-2	56,511	71,809
433	Borrowing costs	B3-3	496	611
43,098	Depreciation, amortisation and impairment of non-financial assets	B3-4	41,201	38,050
3,642	Other expenses	B3-5	3,301	5,080
–	Net loss from the disposal of assets	B4-1	6,540	15,540
140,569	Total expenses from continuing operations		154,337	172,998
19,809	Operating result from continuing operations		37,229	10,823
19,809	Net operating result for the year attributable to Council		37,229	10,823
(5,324)	Net operating result for the year before grants and contributions provided for capital purposes		(4,613)	(21,982)

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

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		37,229	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	<u>(7,284)</u>	173,601
Other comprehensive income for the year		<u>(7,284)</u>	<u>173,601</u>
Total comprehensive income for the year attributable to Council		<u>29,945</u>	<u>184,424</u>

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

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	30,513	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 and contract cost assets	C1-6	11,275	17,244
Other	C1-9	1,163	968
Total current assets		256,761	234,054
Non-current assets			
Investments	C1-2	18,000	13,000
Receivables	C1-4	461	526
Infrastructure, property, plant and equipment	C1-7	2,282,885	2,250,681
Intangible assets	C1-8	314	395
Right of use assets	C2-1	580	574
Total non-current assets		2,302,240	2,265,176
Total assets		2,559,001	2,499,230
LIABILITIES			
Current liabilities			
Payables	C3-1	22,981	17,043
Contract liabilities	C3-2	38,574	15,662
Lease liabilities	C2-1	237	268
Borrowings	C3-3	2,035	2,733
Employee benefit provisions	C3-4	9,068	8,208
Provisions	C3-5	-	1,371
Total current liabilities		72,895	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
Provisions	C3-5	18,265	17,554
Total non-current liabilities		32,617	30,401
Total liabilities		105,512	75,686
Net assets		2,453,489	2,423,544
EQUITY			
Accumulated surplus		866,043	828,814
Revaluation surplus	C4-1	1,587,446	1,594,730
Total equity		2,453,489	2,423,544

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

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
Net operating result for the year		37,229	–	37,229	10,823	–	10,823
Other comprehensive income							
– Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	(7,284)	(7,284)	–	173,601	173,601
Total comprehensive income		37,229	(7,284)	29,945	10,823	173,601	184,424
Closing balance at 30 June		866,043	1,587,446	2,453,489	828,814	1,594,730	2,423,544

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

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	Rates and annual charges		95,196	90,930
23,610	User charges and fees		25,657	25,100
4,883	Interest received		9,594	3,712
34,580	Grants and contributions		80,432	55,257
–	Bonds, deposits and retentions received		1,832	1,673
2,761	Other		14,528	12,448
<i>Payments:</i>				
(47,473)	Payments to employees		(46,239)	(41,044)
(46,936)	Payments for materials and services		(64,320)	(84,173)
(372)	Borrowing costs		(499)	(637)
(3,653)	Other		(4,204)	(3,511)
61,197	Net cash flows from operating activities	G1-1	111,977	59,755
Cash flows from investing activities				
<i>Receipts:</i>				
20,225	Redemption of term deposits		191,500	207,500
1,143	Proceeds from sale of IPPE	B4-1	1,292	1,028
–	Sale of non current assets classified as held for sale	B4-1	–	–
–	Deferred debtors receipts		64	82
<i>Payments:</i>				
–	Acquisition of term deposits		(208,500)	(200,500)
(83,889)	Payments for IPPE		(80,062)	(60,048)
–	Purchase of intangible assets	C1-8	(21)	(45)
–	Deferred debtors advances made		17	–
(62,521)	Net cash flows from investing activities		(95,710)	(51,983)
Cash flows from financing activities				
<i>Receipts:</i>				
4,000	Proceeds from borrowings		4,000	–
<i>Payments:</i>				
(2,734)	Repayment of borrowings	C3-3a	(3,309)	(5,640)
–	Principal component of lease payments		(305)	(315)
1,266	Net cash flows from financing activities		386	(5,955)
(58)	Net change in cash and cash equivalents		16,653	1,817
10,000	Cash and cash equivalents at beginning of year		13,860	12,043
9,942	Cash and cash equivalents at end of year	C1-1	30,513	13,860
147,699	plus: Financial investments at end of year	C1-2	202,500	185,500
157,641	Total cash, cash equivalents and investments		233,013	199,360

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

Wingecarribee Shire Council

Contents for the notes to the Financial Statements for the year ended 30 June 2024

A About Council and these financial statements	11
A1-1 Basis of preparation	11
B Financial Performance	13
B1 Functions or activities	13
B1-1 Functions or activities – income, expenses and assets	13
B1-2 Components of functions or activities	13
B2 Sources of income	14
B2-1 Rates and annual charges	14
B2-2 User charges and fees	15
B2-3 Other revenue	16
B2-4 Grants and contributions	17
B2-5 Interest and investment income	21
B2-6 Other income	21
B3 Costs of providing services	22
B3-1 Employee benefits and on-costs	22
B3-2 Materials and services	23
B3-3 Borrowing costs	24
B3-4 Depreciation, amortisation and impairment of non-financial assets	25
B3-5 Other expenses	26
B4 Gains or losses	26
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	26
B5 Performance against budget	27
B5-1 Material budget variations	27
C Financial position	29
C1 Assets we manage	29
C1-1 Cash and cash equivalents	29
C1-2 Financial investments	29
C1-3 Restricted and allocated cash, cash equivalents and investments	30
C1-4 Receivables	32
C1-5 Inventories	33
C1-6 Contract assets and Contract cost assets	33
C1-7 Infrastructure, property, plant and equipment	34
C1-8 Intangible assets	37
C1-9 Other Assets	38
C2 Leasing activities	38
C2-1 Council as a lessee	38
C2-2 Council as a lessor	40
C3 Liabilities of Council	42
C3-1 Payables	42
C3-2 Contract Liabilities	43
C3-3 Borrowings	44
C3-4 Employee benefit provisions	46
C3-5 Provisions	47

Wingecarribee Shire Council

Contents for the notes to the Financial Statements for the year ended 30 June 2024

C4 Reserves	48
C4-1 Nature and purpose of reserves	48
D Council structure	49
D1 Results by fund	49
D1-1 Income Statement by fund	49
D1-2 Statement of Financial Position by fund	50
D2 Interests in other entities	50
D2-1 Subsidiaries, joint arrangements and associates not recognised	50
E Risks and accounting uncertainties	51
E1-1 Risks relating to financial instruments held	51
E2-1 Fair value measurement	54
E3-1 Contingencies	61
F People and relationships	64
F1 Related party disclosures	64
F1-1 Key management personnel (KMP)	64
F1-2 Interim Administrator / Administrator fees and associated expenses	65
F2 Other relationships	65
F2-1 Audit fees	65
G Other matters	66
G1-1 Statement of Cash Flows information	66
G2-1 Commitments	67
G3-1 Events occurring after the reporting date	67
G4 Statement of developer contributions	68
G4-1 Summary of developer contributions	68
G4-2 Developer contributions by plan	68
G4-3 Contributions not under plans	69
G5 Statement of performance measures	70
G5-1 Statement of performance measures – consolidated results	70
G5-2 Statement of performance measures by fund	71
H Additional Council disclosures (unaudited)	73
H1-1 Statement of performance measures – consolidated results (graphs)	73

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 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.

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 C1-7,
- 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
- Section 355 Committees of Council.

A1-1 Basis of preparation (continued)

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.

A separate statement of monies held in the Trust Fund is available for inspection at Council's offices by any person free of charge.

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

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

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

New accounting standards adopted during the year

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

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

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

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

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

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

B Financial Performance

B1 Functions or activities

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

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

\$ '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	39,063	49,810	30,678	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	87,678	89,787	85,660	92,762	2,018	(2,975)	37,430	45,186	1,866,270	1,844,867
Environment	27,296	19,556	15,062	16,553	12,234	3,003	9,896	4,116	219,071	200,393
Economy	2,408	1,719	2,304	1,828	104	(109)	34	75	21,957	21,164
Other	-	-	-	-	-	-	-	-	4,406	-
Total functions and activities	191,566	183,821	154,337	172,998	37,229	10,823	54,960	59,449	2,559,001	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).

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.

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.

B2-3 Other revenue

\$ '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

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)				
Financial assistance grant				
- Relating to current year	269	1,527	-	-
- Prepayment received in advance for subsequent year ¹	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	4,978	15,088	9,448	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	-	-	-	-
Non-cash contributions				
Bushfire services	-	-	8	434
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	-	-	8,046	1,931
Total special purpose grants and non-developer contributions (tied)	7,321	18,891	35,641	28,469
Total grants and non-developer contributions	13,118	26,644	35,641	28,469
Comprising:				
- State funding	6,783	17,976	20,849	24,011
- Commonwealth funding	6,206	8,638	6,744	2,653
- Other funding	129	30	8,048	1,805
	13,118	26,644	35,641	28,469

(1) \$5.528m of the 2024 – 2024 Financial Assistance Grant from Commonwealth Government was received by NSW Council in June 2024 and hence is reported as 2023 – 2024 income although it relates to 2024 – 2025 financial year.

B2-4 Grants and contributions (continued)

Developer contributions

\$ '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	13,118	26,644	41,842	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		12,432	25,433	12,538	7,489
Total grants and contributions		13,118	26,644	41,842	32,805

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		8,307	7,616	-	-
Add: Grants received and not recognised as revenue in the current year		30	54	36,833	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		8,768	8,809	36,890	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.

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.

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 discounts and premiums on financial instrument transactions			
– Interest free (and interest reduced) loans provided	G1-1	17	19
Total interest and investment income		10,961	6,601

B2-6 Other income

Reversal of impairment losses on receivables	C1-4	24	6
Reversal of impairment losses on contract assets		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

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 expensed		46,288	41,908

Material accounting policy information

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.

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		21,713	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		142,035	129,460
Less: capitalised costs		(85,524)	(57,651)
Total materials and services		56,511	71,809

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

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment	C1-7	2,494	2,495
Office equipment	C1-7	145	139
Furniture and fittings	C1-7	95	59
Infrastructure:			
– Buildings	C1-7	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	C1-7	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.

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of contract assets	C1-6	–	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

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		1,292	1,028
Less: carrying value of IPPE assets sold / written off	C1-7	(7,832)	(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)

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	13,118	3,685	39%	F
Capital grants and contributions	25,133	41,842	16,709	66%	F
The favourable budget variance primarily relates to "in-kind" development contribution works of \$8M, 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.					

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
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.					
Borrowing costs	433	496	(63)	(15)%	U
The variance of \$63K is due to forecasts of interest rates not aligning with market rates when the original budget was developed.					
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

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	10,915	2,397
Deposits at call	19,598	11,463
Total cash and cash equivalents	30,513	13,860

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	30,513	13,860
Balance as per Statement of Cash Flows	30,513	13,860

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	215,013	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.

C1-2 Financial investments (continued)

Amortised cost

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 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		233,013	199,360
Less: Externally restricted cash, cash equivalents and investments		(211,450)	(179,348)
Cash, cash equivalents and investments not subject to external restrictions		21,563	20,012
External restrictions			
External restrictions included in cash, cash equivalents and investments above comprise:			
Specific purpose unexpended grants – general fund		13,574	9,065
Specific purpose unexpended grants – sewer fund	D1-2	22,380	5,000
Water fund	D1-2	52,871	49,973
Sewer fund	D1-2	43,565	48,388
<i>Developer Contribution</i>			
-General	G4-1	23,780	21,290
- Water fund	D1-2,G4-1	21,170	18,036
- Sewer fund	D1-2,G4-1	15,610	14,731
<i>Specific purpose unexpended grants (recognised as revenue)</i>			
Domestic waste management		10,356	8,076
Stormwater fund	G4-1	100	661
Stormwater management		739	593
Environment levy		1,443	1,336
Quarry royalties		1,433	1,283
Total external restrictions		211,450	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 third party contractual arrangements.

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

(b) Internal allocations

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		17,462	12,937

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

C1-4 Receivables

\$ '000	Notes	2024	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)	–
Net receivables		27,837	461	28,083	526

Material accounting policy information

Recognition and measurement

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.

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.

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

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Costs are assigned to individual items of inventory on the basis of weighted average costs.

C1-6 Contract assets and Contract cost assets

Contract assets		11,268	17,244
Total contract assets and contract cost assets	E1b	11,268	17,244

Contract assets

Work relating to infrastructure grants		11,275	17,251
Less: impairment of contract assets		-	(7)
Total contract assets		11,275	17,244

Material accounting policy information

Contract assets

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.

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)	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)	(74,104)	742,859	(289,582)	453,277
– 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)	–	–	6,459	56,432	(10,191)	46,241
– 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	7,790	266,305	(54,839)	211,466
– 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)	–	–	(7,284)	3,183,025	(900,140)	2,282,885

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals 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)	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).

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

Material accounting policy information

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
		Roof	40 to 80
		Internal finishes	10 to 40
		Building services	25 to 50
Water and sewer assets		Stormwater assets	
Dams and reservoirs	100	Drains (lined)	100
Reservoir roof and structure	40 to 100	Pipes	80 to 100
Reticulation pipes	30 to 100	Flood control structure	80 to 120
Reticulation valves and hydrants	40 to 60		
Pumps	20		
Water meters	25		
Sewer manholes	70		
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.

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

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

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

Council includes options in the building leases to provide flexibility and certainty to Council operations and reduce costs of moving premises; the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

There are \$184,000 in potential future lease payments which are not included in lease liabilities as Council has assessed that the exercise of the option is not reasonably certain.

(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

C2-1 Council as a lessee (continued)

(b) Lease Liabilities

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

(c) 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

(d) Statement of Cash Flows

Total cash outflow for leases	381	445
	381	445

(e) 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. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide; these services are detailed in the leases.

None of the leases in place are individually material from a Statement of Financial Position or performance perspective.

C2-1 Council as a lessee (continued)

Material accounting policy information

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

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.

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 C1-7).

\$ '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 C1-7.			
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

Amount of IPPE leased out by Council under operating leases

Land	7,516	7,475
Buildings	5,285	4,876
Other Structures	380	378
Open Space and Recreation	1,817	1,930
Total amount of IPPE leased out by Council under operating leases	14,998	14,659

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

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		217	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	22,981	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

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

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2023 Current
Funds to construct Council controlled assets	(i)	36,765	14,054
Funds received prior to performance obligation being satisfied (upfront payments - AASB 15)	(ii)	33	11
Statutory and regulatory charges and fees received in advance	(iii)	1,353	1,224
Prepaid lease	(iv)	360	331
Other		63	42
Total contract liabilities		38,574	15,662

Notes

(i) Council has received funding to construct assets including sewer treatment plants 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.

Significant Changes in Contract Liabilities

Contract liabilities include \$22 million for Moss Vale Sewer Treatment Plant and \$10.5 Million for Moss Vale Bypass.

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	87
User charges and fees received in advance:			
Statutory and regulatory		742	959
Other income (prepaid lease)		331	292
Total revenue recognised that was included in the contract liability balance at the beginning of the period		15,080	6,757

C3-3 Borrowings

\$ '000	Notes	2024	2024	2023	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.

(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	Closing balance
Loans – secured	14,777	(3,309)	–	–	3,981	15,449
Lease liability (Note C2-1b)	580	(305)	–	–	309	584
Total liabilities from financing activities	15,357	(3,614)	–	–	4,290	16,033

\$ '000	2022		Non-cash movements			2023
	Opening Balance	Cash flows	Acquisition	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
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
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Total facilities

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

Bank overdraft facilities ¹	600	600
Credit cards/purchase cards	250	250
	850	850

Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	36	38
	36	38

Undrawn facilities

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

– Bank overdraft facilities	600	600
– Credit cards/purchase cards	214	212
	814	812

Breaches and defaults

Additional financing arrangements information

Breaches and defaults

C3-3 Borrowings (continued)

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.

C3-4 Employee benefit provisions

\$ '000	2024		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

Long-term employee benefit obligations

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

C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Asset remediation/restoration:				
Landfill remediation/restoration	–	18,265	1,371	17,554
Sub-total – asset remediation/restoration	–	18,265	1,371	17,554
Total provisions	–	18,265	1,371	17,554

Movements in provisions

\$ '000	Landfill remediation	Total
2024		
At beginning of year	18,925	18,925
Decrement Provision ^{B2-6}	(660)	(660)
Total provisions at end of year	18,265	18,265
2023		
At beginning of year	17,313	17,313
Additional provisions ^{B3-5}	1,612	1,612
Total 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

C3-5 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

IPPE Revaluation surplus

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	69,914	4,496	21,137
User charges and fees	12,463	11,260	1,717
Interest and investment income	3,657	3,548	3,756
Other revenues	3,107	–	–
Grants and contributions provided for operating purposes	13,118	–	–
Grants and contributions provided for capital purposes	29,022	2,906	9,914
Net gains from disposal of assets	–	–	–
Other income	1,321	1,010	633
Total income from continuing operations	132,602	23,220	37,157
Expenses from continuing operations			
Employee benefits and on-costs	38,922	4,198	3,168
Materials and services	38,980	9,032	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	112,091	20,788	21,458
Operating result from continuing operations	20,511	2,432	15,699
Net operating result attributable to Council	20,511	2,432	15,699
Net operating result for the year before grants and contributions provided for capital purposes	(8,511)	(474)	5,785

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	10,139	9,695	10,679
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		11,275	–	–
Other		1,163	–	–
Total current assets		104,783	70,123	81,855
Non-current assets				
Investments	C1-3a	–	9,000	9,000
Receivables		461	–	–
Infrastructure, property, plant and equipment		1,575,028	273,703	434,154
Intangible assets		314	–	–
Right of use assets		580	–	–
Total non-current assets		1,576,383	282,703	443,154
Total assets		1,681,166	352,826	525,009
LIABILITIES				
Current liabilities				
Payables		16,447	1,215	5,319
Contract liabilities		16,079	109	22,386
Lease liabilities		237	–	–
Borrowings		1,412	–	623
Employee benefit provision		7,469	784	815
Total current liabilities		41,644	2,108	29,143
Non-current liabilities				
Lease liabilities		347	–	–
Borrowings		13,414	–	–
Employee benefit provision		509	54	28
Provisions		18,265	–	–
Total non-current liabilities		32,535	54	28
Total liabilities		74,179	2,162	29,171
Net assets		1,606,987	350,664	495,838
EQUITY				
Accumulated surplus		555,337	101,042	209,664
Revaluation surplus		1,051,650	249,622	286,174
Total equity		1,606,987	350,664	495,838

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.

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:

- Market risk - 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.

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
		due	< 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	24,091	1,381	237	1,643	8,072	35,424
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

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	22,981
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	38,430
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

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 C1-7).

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				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2024	2023
		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)		–	–	1,167	1,217	1,167	1,217
Buildings		–	–	164,294	141,888	164,294	141,888
Other Structures		–	–	9,166	8,258	9,166	8,258
Roads		–	–	453,277	548,949	453,277	548,949
Bridges		–	–	43,658	38,681	43,658	38,681
Footpaths		–	–	46,241	39,552	46,241	39,552
Bulk Earthworks		–	–	291,048	292,553	291,048	292,553
Stormwater Drainage		–	–	211,466	190,359	211,466	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	C1-7	–	–	2,282,885	2,250,681	2,282,885	2,250,681

E2-1 Fair value measurement (continued)

Valuation techniques

Level 2 measurements

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).

Level 3 measurements

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

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:

E2-1 Fair value measurement (continued)

- 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 englobo 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.

Roads, Bridges, Bulk Earthworks & Footpaths

This asset class comprises:

- Road carriageways

E2-1 Fair value measurement (continued)

- 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)

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.

E2-1 Fair value measurement (continued)

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.

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

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	(7,284)	173,601
Other movements		
Purchases (GBV)	88,116	62,364
Disposals (WDV)	(7,832)	(16,568)
Depreciation and impairment	(40,796)	(37,651)
Closing balance	2,282,885	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.

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

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.

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 \$42,886 (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.

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.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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
\$ '000						
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.

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			
(ii) 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

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		37,229	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		(25)	(52)
(Increase) / decrease of inventories		(74)	(218)
(Increase) / decrease of other current assets		(195)	(55)
(Increase) / decrease of contract asset		5,969	(10,407)
Increase / (decrease) in payables		4,680	433
Increase / (decrease) in accrued interest payable		(3)	(26)
Increase / (decrease) in other accrued expenses payable		(678)	758
Increase / (decrease) in other liabilities		1,939	1,822
Increase / (decrease) in contract liabilities		22,912	5,933
Increase / (decrease) in employee benefit provision		960	371
Increase / (decrease) in other provisions	C3-5	(660)	1,612
Net cash flows from operating activities		111,977	59,755

(b) Non-cash investing and financing activities

Bushfire grants		8	434
Other dedications		8,046	1,931
	B2-4	8,054	2,365

G2-1 Commitments

Capital commitments (exclusive of GST)

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

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.

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	G4-2	–	65	–	(54)	11
Community Facilities Library	G4-2	927	110	52	–	1,089
Administration (MVEC)	G4-2	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	–	189	–	3,901
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	2,956	(3,215)	60,660

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

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	–	66	–	1,380
Water		895	–	46	–	941
RRC		94	–	5	–	99
ASH		11	–	1	–	12
Administration		480	–	25	–	505
Management Contribution		41	–	2	–	43
Total	G4-1	3,712	–	189	–	3,901

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}	1,896	1.27%	(3.20)%	8.35%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	149,693				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	136,575	71.31%	67.66%	66.67%	> 60.00%
Total continuing operating revenue ¹	191,535				
3. Unrestricted current ratio					
Current assets less all external restrictions	48,226	2.78x	3.03x	4.09x	> 1.50x
Current liabilities less specific purpose liabilities	17,357				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ^{1,2}	42,934	10.45x	5.15x	10.46x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,110				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	4,837	4.80%	6.07%	5.14%	< 10.00%
Rates and annual charges collectable	100,808				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	233,013	23.52	17.68	23.76	> 3.00
Monthly payments from cash flow of operating and financing activities	9,906	months	months	months	months

(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

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}	(6.48)%	(8.98)%	2.60%	0.01%	26.89%	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	67.87%	59.92%	87.48%	91.05%	73.32%	92.76%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.78x	3.03x	27.05x	37.64x	2.12x	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}	5.17x	6.29x	∞	∞	317.51x	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	21.46 months	7.02 months	∞	72.32 months	∞	51.44 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

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

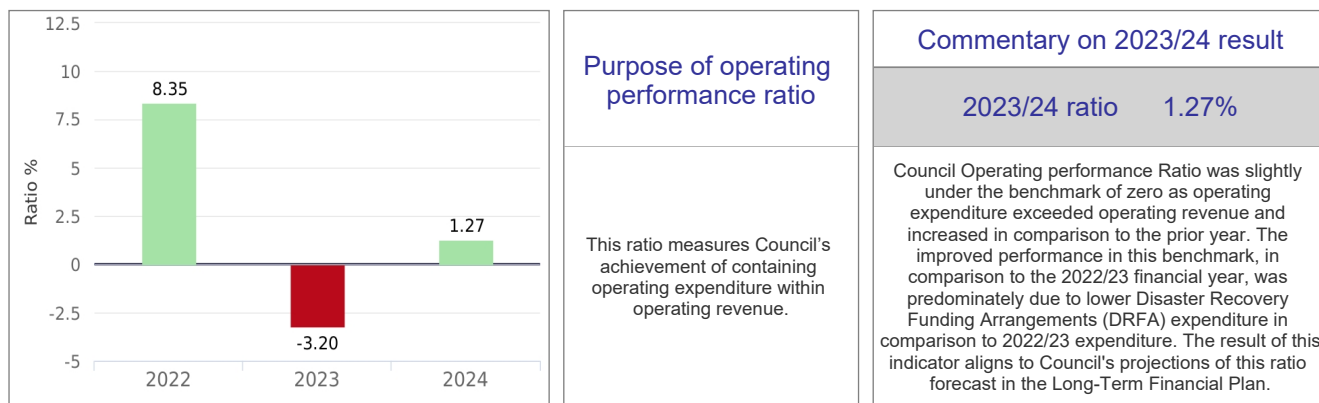
(2) Excludes net loss on disposal of assets and landfill remediation and restoration

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

End of the audited financial statements

H Additional Council disclosures (unaudited)

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



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 1.27%

Council Operating performance Ratio was slightly under the benchmark of zero as operating expenditure exceeded operating revenue and increased in comparison to the prior year. The improved 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.

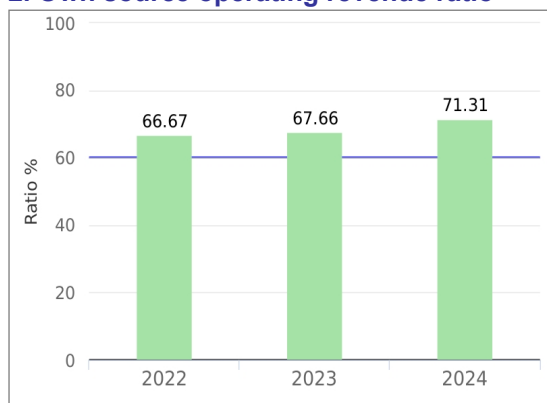
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2023/24 result

2023/24 ratio 71.31%

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.

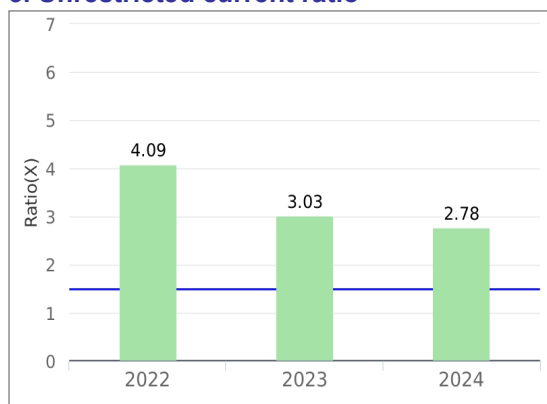
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2023/24 result

2023/24 ratio 2.78x

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.

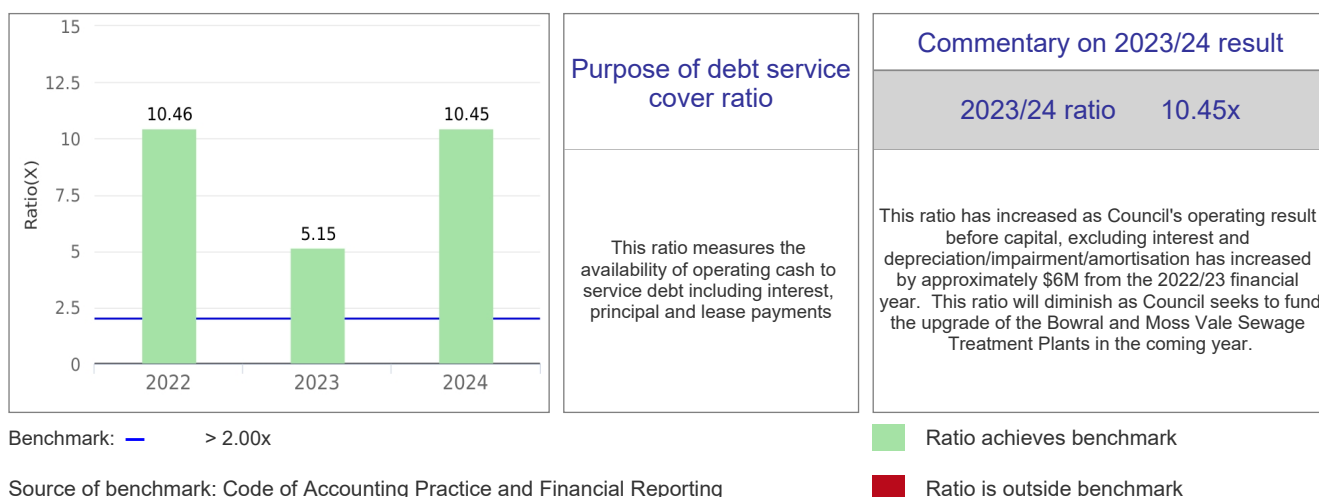
Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

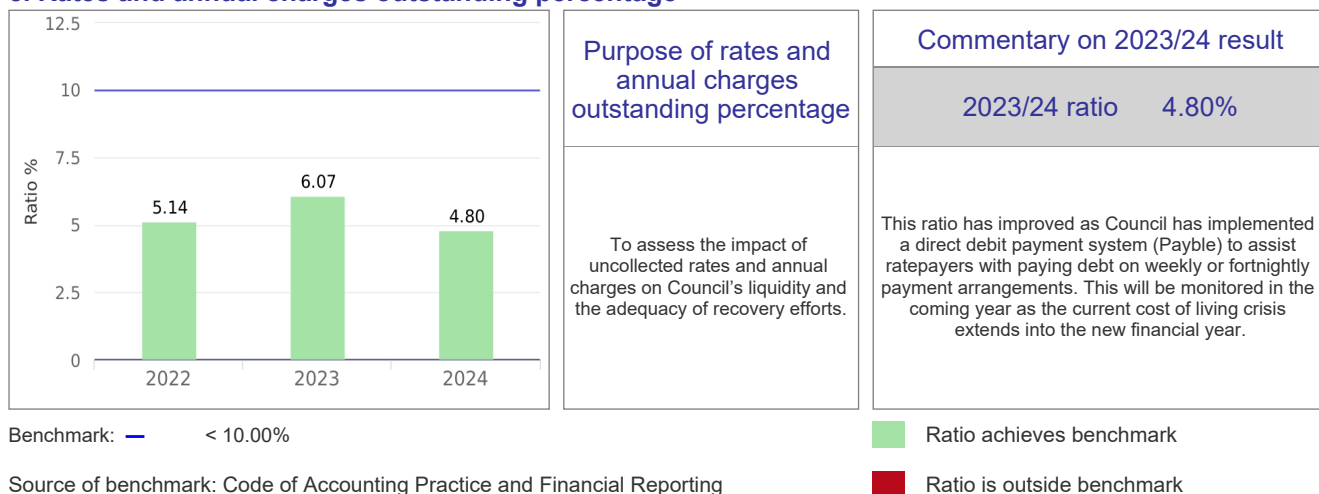
Ratio achieves benchmark

Ratio is outside benchmark

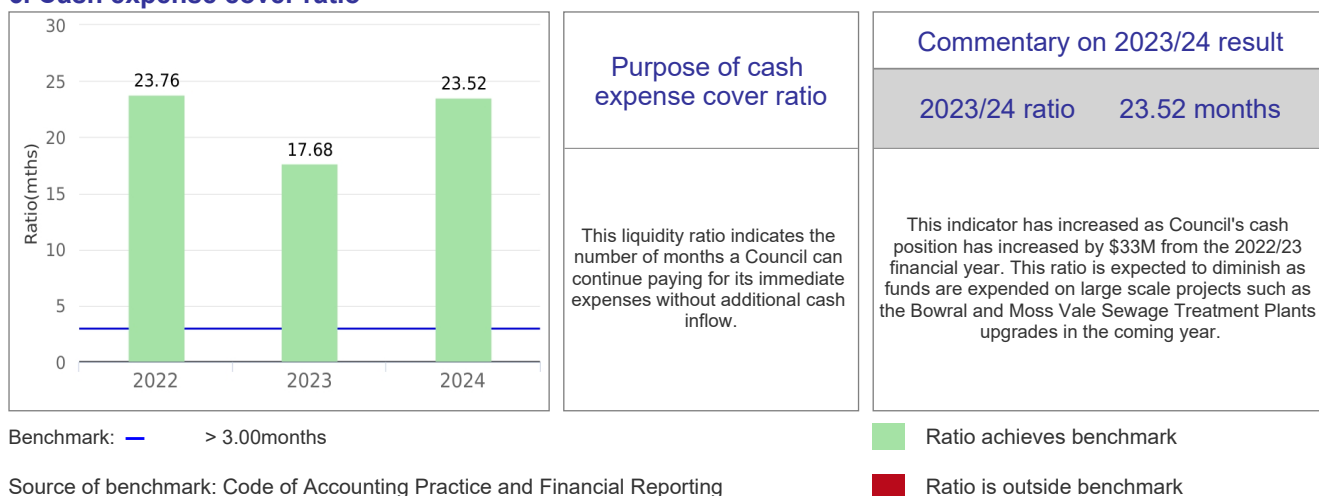
H1-1 Statement of performance measures – consolidated results (graphs) (continued)



5. Rates and annual charges outstanding percentage



6. Cash expense cover ratio





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

To the Councillors of Wingecarribee Shire Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



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

31 October 2024
SYDNEY



Mr Jesse Fitzpatrick
Mayor
Wingecarribee Shire Council
PO Box 141
MOSS VALE NSW 2577

Contact: Furqan Yousuf
Phone no: 02 9275 7470
Our ref: R008-2124742775-8641

31 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	95.5	90.0	6.1
Grants and contributions revenue	55.0	59.5	7.6
Operating result from continuing operations	37.2	10.8	244
Net operating result before capital grants and contributions	-4.6	-22.0	79.0

Rates and annual charges revenue (\$95.6 million) increased by \$5.5 million (6.1 per cent) in 2023–24 mainly due to rate peg increase of 4.1 per cent.

Grants and contributions revenue (\$55.0 million) decreased by \$4.5 million (7.6 per cent) in 2023–24 mainly due to:

- decrease of \$2.0 million of financial assistance grants. Council received 85% of financial assistance grants for 2024–25 in advance (100% in 2022–23)
- decrease of \$23.6 million in grants received for transport and communication.

The above decreases were partially offset by:

- increase of \$4.0 million in grants received for recreation and culture
- increase of \$4.3 million in stormwater management funding
- increase of \$6.1 million in donated non-cash contributions
- increase of \$6.4 million in sewerage services funding received during the year.

Council’s operating result from continuing operations (\$37.2 million including depreciation, amortisation and impairment expense of \$41.2 million) was \$26.4 million higher than the 2022–23 result, mainly due to the:

- increase in rates and annual charges revenue by \$5.5 million
- decrease in materials and services expenses by \$15.3 million
- decrease in net loss from the disposal of assets by \$9.0 million.

The net operating result before capital grants and contributions (deficit of \$4.6 million) was \$17.4 million higher than the 2022–23 result, mainly due to the increase in rates and annual charges revenue and a decrease in materials and services expenses, as mentioned above.

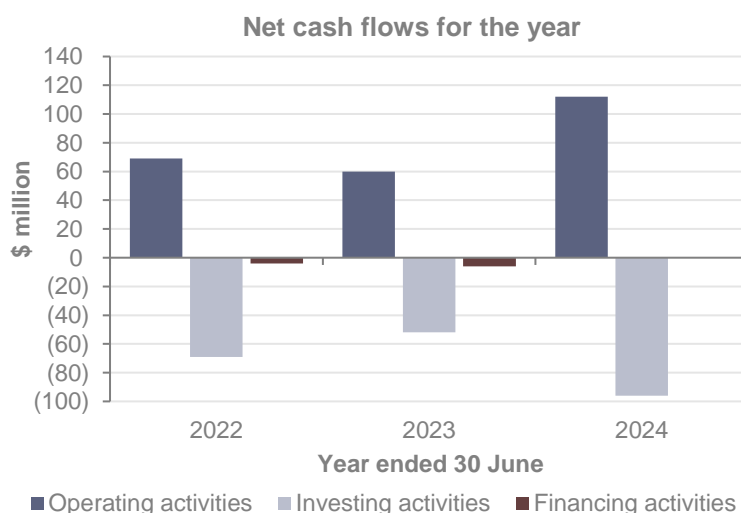
STATEMENT OF CASH FLOWS

The Council’s cash and cash equivalents balance at 30 June 2024 was \$30.5 million (\$13.9 million as at 30 June 2023). There was a net increase in cash and cash equivalents of \$16.6 million.

Net cash from operating activities increased by \$52.2 million, mainly due to an increase in cash receipts from grants and contributions and a decrease in payments for materials and services.

Net cash outflows from investing activities decreased by \$43.7 million, mainly due to increase in acquisition of term deposits and infrastructure, property, plant & equipment.

Net cash from financing activities increased by \$6.3 million mainly due to proceeds from borrowings.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	233.0	199.4	Externally restricted balances comprise mainly of specific purpose unexpended grants, developer contributions, domestic waste, water and sewer funds.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change. The Council's internally restricted cash and cash equivalents have increased by \$4.6 million mainly due to an increase in unexpended loan funds and bonds and deposits.
• External restrictions	211.5	179.3	
• Internal allocations	17.5	12.9	

Debt

At 30 June 2024, Council had:

- \$15.4 million in secured loans (\$14.8 million in 2022–23)
- \$0.6 million in bank overdraft facility with Nil used
- \$250,000 in credit card facility with \$36,000 used.

PERFORMANCE

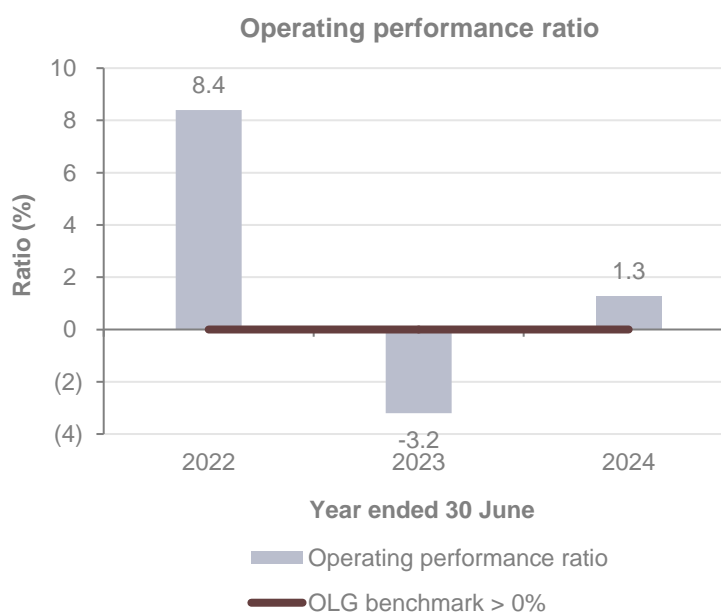
Performance measures

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

Operating performance ratio

Council exceeded the benchmark for the current reporting period.

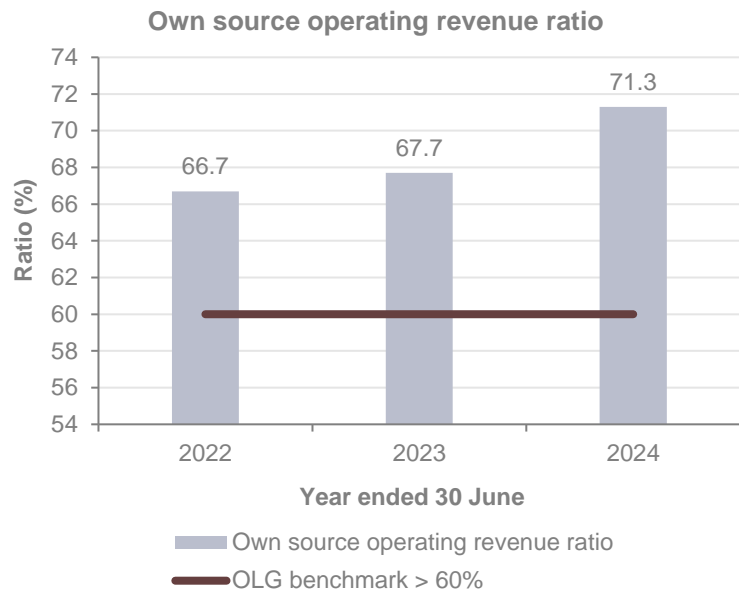
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than 0%.



Own source operating revenue ratio

Council exceeded the benchmark for the current reporting period.

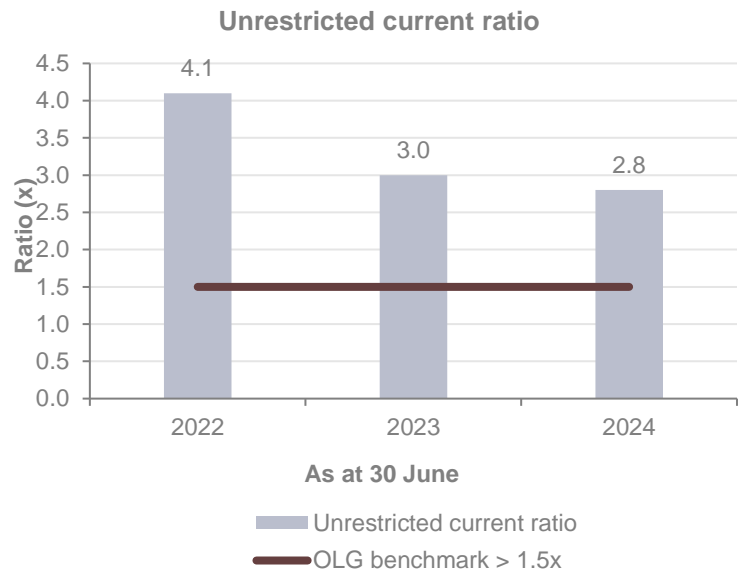
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60%.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

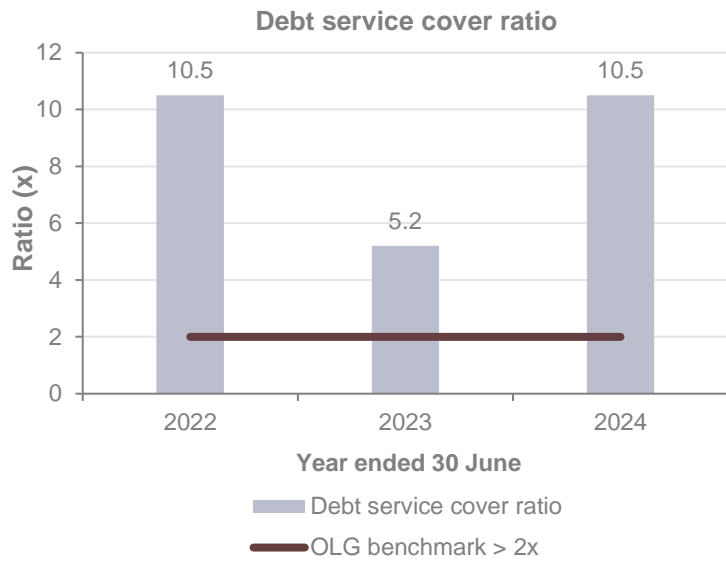
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

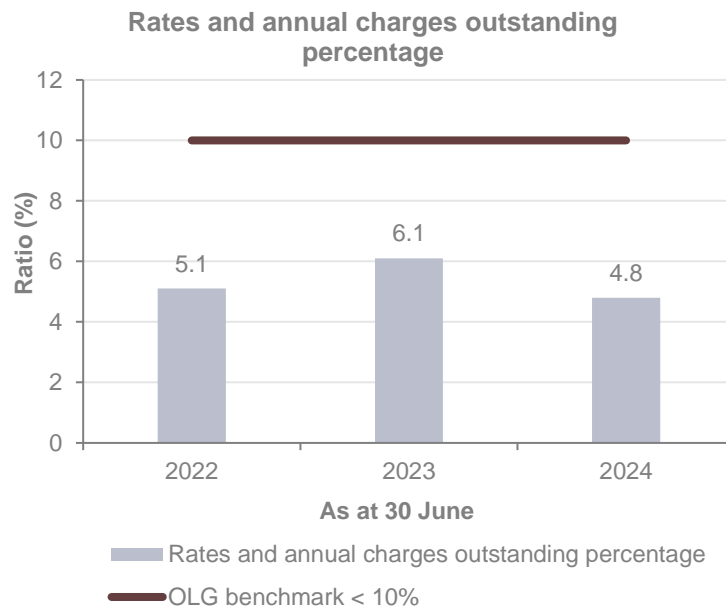
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

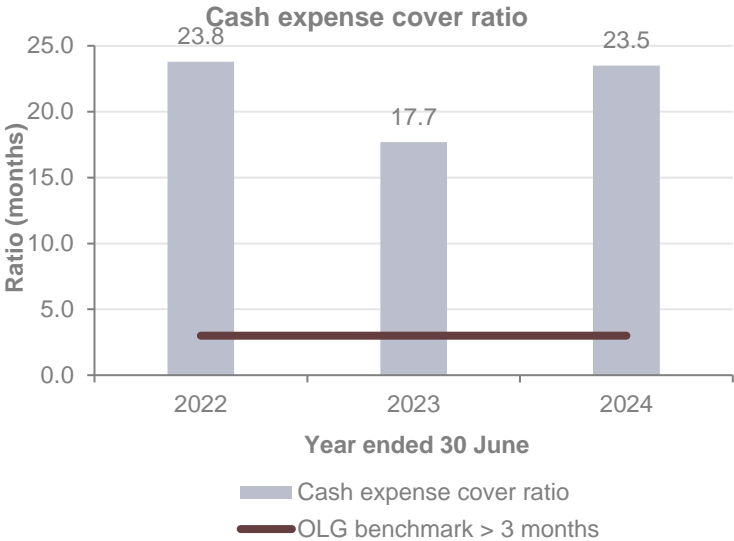
Council met the benchmark for the current reporting period.

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



Cash expense cover ratio

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



Infrastructure, property, plant and equipment renewals

Council renewed \$43.3 million of infrastructure, property, plant and equipment during the 2023–24 financial year. This was mainly due to an increase in capital work-in-progress. A further \$44.9 million was spent on new assets including, capital work-in-progress, buildings, roads, footpaths, water supply network, sewerage network, stormwater drainage and open space and recreational assets.

Legislative compliance

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

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

Furqan Yousuf
Director, Financial Audit

Delegate of the Auditor-General for New South Wales



Special Purpose Financial Statements

For the year ended 30 June 2024



We're with you

Wingecarribee Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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).

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 09 September 2024.

Clr Jesse Fitzpatrick
Mayor
30 October 2024

Lisa Miscamble
General Manager
30 October 2024

Pav Kuzmanovski
Responsible Accounting Officer
30 October 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	10,743	8,808
Fees	517	445
Interest and investment income	3,548	2,046
Grants and contributions provided for operating purposes	–	–
Other income	1,010	1,264
Total income from continuing operations	20,314	16,738
Expenses from continuing operations		
Employee benefits and on-costs	4,198	3,390
Materials and services	7,465	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	21,105	25,112
Deficit from continuing operations before capital amounts	(791)	(8,374)
Grants and contributions provided for capital purposes	2,906	1,646
Surplus from continuing operations after capital amounts	2,115	(6,728)
Surplus from all operations before tax	2,115	(6,728)
Surplus after tax	2,115	(6,728)
Plus opening accumulated surplus	98,609	105,070
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	317	267
Closing accumulated surplus	101,041	98,609
Return on capital %	(0.3)%	(3.2)%
Subsidy from Council	12,560	19,036
Calculation of dividend payable:		
Surplus after tax	2,115	(6,728)
Less: capital grants and contributions (excluding developer contributions)	(2,906)	(1,646)
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

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	1,432	1,318
Liquid trade waste charges	1	2
Fees	284	327
Interest and investment income	3,756	2,026
Other income	633	826
Total income from continuing operations	27,243	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	5,445	3,014
Grants and contributions provided for capital purposes	9,914	1,875
Surplus from continuing operations after capital amounts	15,359	4,889
Surplus from all operations before tax	15,359	4,889
Less: corporate taxation equivalent (25%) [based on result before capital]	(1,361)	(754)
Surplus after tax	13,998	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	1,361	754
Closing accumulated surplus	209,664	193,965
Return on capital %	1.3%	0.8%
Subsidy from Council	13,175	12,784
Calculation of dividend payable:		
Surplus after tax	13,998	4,135
Less: capital grants and contributions (excluding developer contributions)	(9,914)	(1,875)
Surplus for dividend calculation purposes	4,084	2,260
Potential dividend calculated from surplus	2,042	1,130

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	9,695	4,729
Investments	55,346	56,780
Receivables	4,465	3,813
Inventories	617	553
Total current assets	70,123	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	352,826	337,622
LIABILITIES		
Current liabilities		
Payables	1,215	854
Contract liabilities	109	169
Employee benefit provisions	784	619
Total current liabilities	2,108	1,642
Non-current liabilities		
Employee benefit provisions	54	54
Total non-current liabilities	54	54
Total liabilities	2,162	1,696
Net assets	350,664	335,926
EQUITY		
Accumulated surplus	101,042	98,610
Revaluation surplus	249,622	237,316
Total equity	350,664	335,926

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	10,679	4,736
Investments	61,876	56,883
Receivables	9,213	6,322
Inventories	87	76
Total current assets	81,855	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	525,009	471,493
LIABILITIES		
Current liabilities		
Payables	5,319	932
Contract liabilities	22,386	5,129
Borrowings	623	1,209
Employee benefit provisions	815	957
Total current liabilities	29,143	8,227
Non-current liabilities		
Borrowings	–	1,217
Employee benefit provisions	28	41
Total non-current liabilities	28	1,258
Total liabilities	29,171	9,485
Net assets	495,838	462,008
EQUITY		
Accumulated surplus	209,664	193,968
Revaluation surplus	286,174	268,040
Total equity	495,838	462,008

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.

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.

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.

Wingecarribee Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Wingecarribee Shire Council

To the Councillors of Wingecarribee Shire Council

Opinion

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

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



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

31 October 2023
SYDNEY

Special Schedules



For the year ended 30 June 2024



We're with you

Wingecarribee Shire Council

Special Schedules

for the year ended 30 June 2024

Contents	Page
Special Schedules:	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2024	5

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	288
Notional general income	c = a + b	55,971	58,549
Permissible income calculation			
Percentage increase	d	4.10%	4.60%
Plus percentage increase amount ³	f = d x (c + e)	2,295	2,693
Sub-total	g = (c + e + f)	58,266	61,242
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	61,267
Less notional general income yield	l	58,261	61,237
Catch-up or (excess) result	m = k - l	25	30
Carry forward to next year ⁶	p = m + n + o	25	30

Notes

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



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Wingecarribee Shire Council

To the Councillors of Wingecarribee Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



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

31 October 2024
SYDNEY

Wingecarribee Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	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	327,489	552,530	4.6%	56.4%	31.7%	7.3%	0.0%
	Unsealed roads	1,838	1,838	1,646	2,149	52,808	92,952	1.0%	58.0%	34.1%	6.9%	0.0%
	Bridges	129	129	20	26	43,658	50,721	83.3%	13.9%	1.5%	1.3%	0.0%
	Footpaths	75	75	230	539	46,241	56,432	65.0%	29.3%	5.1%	0.6%	0.0%
	Other road assets	62	62	887	1,100	72,980	97,377	28.0%	65.3%	6.5%	0.3%	0.0%
	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	834,224	1,141,060	11.6%	65.2%	19.0%	4.2%	0.0%
Water supply network	Other	2,592	2,592	12,794	12,616	250,376	473,628	72.0%	16.6%	10.0%	0.6%	0.9%
	Sub-total	2,592	2,592	12,794	12,616	250,376	473,628	72.0%	16.6%	10.0%	0.6%	0.8%
Sewerage network	Other	7,534	7,534	11,326	11,100	381,632	581,814	77.2%	16.5%	3.0%	1.1%	2.2%
	Sub-total	7,534	7,534	11,326	11,100	381,632	581,814	77.2%	16.5%	3.0%	1.1%	2.2%
Stormwater drainage	Other	5,934	5,934	682	470	211,466	261,305	36.9%	32.1%	24.0%	4.0%	3.0%
	Sub-total	5,934	5,934	682	470	211,466	261,305	36.9%	32.1%	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	1,884,025	2,745,996	42.3%	39.4%	14.6%	2.9%	0.8%

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

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

Wingecarribee Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

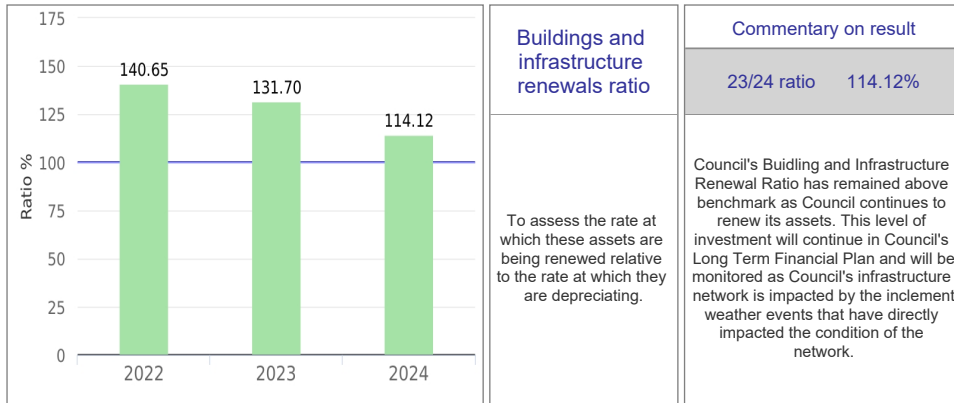
\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	43,257	114.12%	131.70%	140.65%	> 100.00%
Depreciation, amortisation and impairment	37,905				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	35,082	1.79%	1.66%	1.72%	< 2.00%
Net carrying amount of infrastructure assets	1,964,756				
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	2,745,996				

(*) 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.

Wingecarribee Shire Council

Report on infrastructure assets as at 30 June 2024



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.

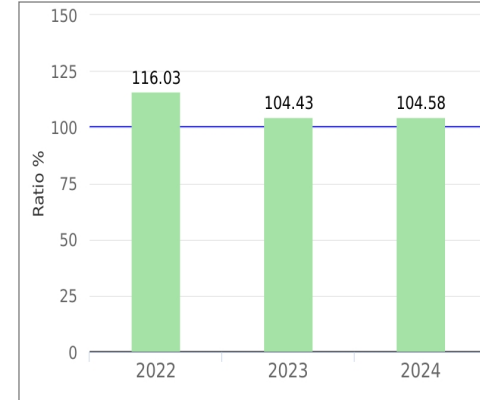
Benchmark: — > 100.00%

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.

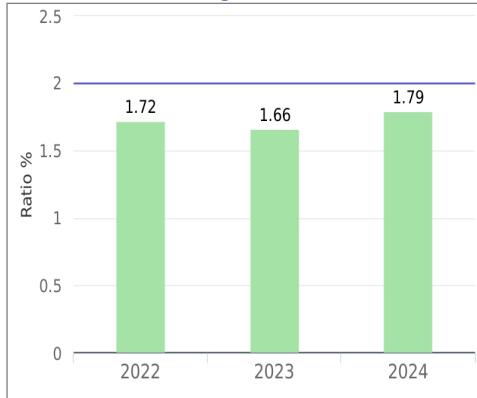
Benchmark: — > 100.00%

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.

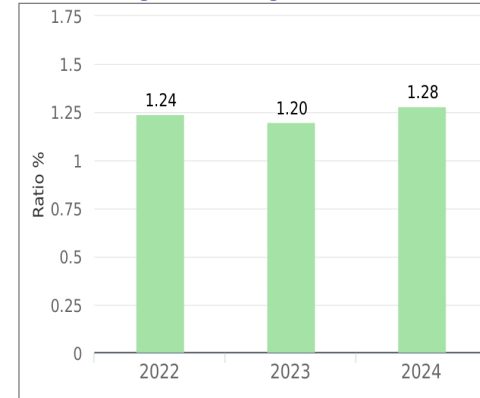
Benchmark: — < 2.00%

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.

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							
Depreciation, amortisation and impairment	170.86%	191.90%	21.01%	19.62%	18.34%	50.01%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	1.87%	1.68%	1.04%	1.09%	1.97%	1.96%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	115.29%	136.48%	98.61%	91.45%	98.00%	82.98%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	1.48%	1.32%	0.55%	0.59%	1.29%	1.31%	

(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.