



**LACHLAN SHIRE
COUNCIL**
Wiradjuri Country

ANNUAL FINANCIAL STATEMENTS & GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2024

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

58-64 Molong Street
CONDOBOLIN NSW 2877

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

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

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

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

Lachlan Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

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

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

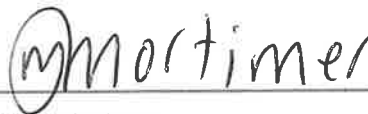
Signed in accordance with a resolution of Council made on 24 September 2025.



Arthur John Medcalf OAM
Mayor
24 September 2025



Alan Stoneham
Interim General Manager
24 September 2025



Megan Mortimer
Councillor
24 September 2025



Karen Pegler
Responsible Accounting Officer
24 September 2025

Lachlan 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			
13,764	Rates and annual charges	B2-1	13,300	11,874
3,618	User charges and fees	B2-2	4,841	4,215
1,153	Other revenues	B2-3	1,144	769
18,074	Grants and contributions provided for operating purposes	B2-4	28,740	33,120
3,304	Grants and contributions provided for capital purposes	B2-4	11,595	20,480
2,315	Interest and investment income	B2-5	3,163	2,015
333	Other income	B2-6	515	542
42,561	Total income from continuing operations		63,298	73,015
	Expenses from continuing operations			
11,578	Employee benefits and on-costs	B3-1	12,015	11,818
13,289	Materials and services	B3-2	22,325	14,376
325	Borrowing costs	B3-3	364	436
11,534	Depreciation, amortisation and impairment of non-financial assets	B3-4	12,004	12,256
2,170	Other expenses	B3-5	826	1,149
—	Net loss from the disposal of assets	B4-1	1,768	368
38,896	Total expenses from continuing operations		49,302	40,403
3,665	Operating result from continuing operations		13,996	32,612
3,665	Net operating result for the year attributable to Council		13,996	32,612
362	Net operating result for the year before grants and contributions provided for capital purposes		2,401	12,132

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

Lachlan 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		13,996	32,612
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	29,560	42,673
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	–	(53,340)
Total items which will not be reclassified subsequently to the operating result		29,560	(10,667)
Total other comprehensive income for the year		29,560	(10,667)
Total comprehensive income for the year attributable to Council		43,556	21,945

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

Lachlan Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	30,280	16,945
Investments	C1-2	32,501	37,600
Receivables	C1-4	6,957	4,759
Inventories	C1-5	2,807	2,313
Contract assets and contract cost assets	C1-6	2,881	3,197
Other		218	74
Total current assets		75,644	64,888
Non-current assets			
Investments	C1-2	20,500	19,150
Receivables	C1-4	344	393
Inventories	C1-5	215	215
Infrastructure, property, plant and equipment (IPPE)	C1-7	667,465	626,142
Intangible assets	C1-8	200	160
Total non-current assets		688,724	646,060
Total assets		764,368	710,948
LIABILITIES			
Current liabilities			
Payables	C3-1	4,639	4,022
Contract liabilities	C3-2	14,164	3,899
Borrowings	C3-3	474	469
Employee benefit provisions	C3-4	3,417	3,385
Provisions	C3-5	104	101
Total current liabilities		22,798	11,876
Non-current liabilities			
Borrowings	C3-3	5,403	5,878
Employee benefit provisions	C3-4	143	135
Provisions	C3-5	231	822
Total non-current liabilities		5,777	6,835
Total liabilities		28,575	18,711
Net assets		735,793	692,237
EQUITY			
Accumulated surplus		303,779	289,783
IPPE revaluation reserve		432,014	402,454
Council equity interest		735,793	692,237
Total equity		735,793	692,237

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

Lachlan Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		289,783	402,454	692,237	257,171	413,121	670,292
Net operating result for the year		13,996	–	13,996	32,612	–	32,612
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	29,560	29,560	–	42,673	42,673
Impairment (loss) reversal relating to IPP&E	C1-7	–	–	–	–	(53,340)	(53,340)
Other comprehensive income		–	29,560	29,560	–	(10,667)	(10,667)
Total comprehensive income		13,996	29,560	43,556	32,612	(10,667)	21,945
Closing balance at 30 June		303,779	432,014	735,793	289,783	402,454	692,237

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

Lachlan 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				
Receipts:				
13,764	Rates and annual charges		13,242	11,843
3,618	User charges and fees		2,866	3,765
2,315	Interest received		2,926	1,345
21,378	Grants and contributions		50,916	43,607
–	Bonds, deposits and retentions received		324	–
1,486	Other		6,508	5,088
Payments:				
(11,578)	Payments to employees		(11,915)	(11,597)
(13,289)	Payments for materials and services		(22,955)	(13,634)
(325)	Borrowing costs		(327)	(350)
–	Bonds, deposits and retentions refunded		–	(6)
(2,171)	Other		(6,326)	(6,633)
15,198	Net cash flows from operating activities	G1-1	35,259	33,428
Cash flows from investing activities				
Receipts:				
–	Redemption of term deposits		37,600	42,750
1,225	Proceeds from sale of IPPE		1,211	1,138
–	Sale of non-current assets classified as 'held for sale'		–	–
–	Deferred debtors receipts		5	11
Payments:				
–	Acquisition of term deposits		(33,851)	(47,000)
(16,581)	Payments for IPPE		(26,335)	(29,047)
–	Purchase of intangible assets		(84)	(55)
(15,356)	Net cash flows from/(used in) investing activities		(21,454)	(32,203)
Cash flows from financing activities				
Payments:				
(469)	Repayment of borrowings		(470)	(465)
(469)	Net cash flows from financing activities		(470)	(465)
(627)	Net change in cash and cash equivalents		13,335	760
16,185	Cash and cash equivalents at beginning of year		16,945	16,185
15,558	Cash and cash equivalents at end of year	C1-1	30,280	16,945
–	plus: Investments on hand at end of year	C1-2	53,001	56,750
15,558	Total cash, cash equivalents and investments		83,281	73,695

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

Lachlan Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 24 September 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (ii) estimated tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- 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 to Notes B2-2– B2-4.

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Water Supply business
- Sewerage business

A1-1 Basis of preparation (continued)

The Trust Fund

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

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

Goods and Services Tax (GST)

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

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

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

Volunteer services

Volunteers services are minimal in Lachlan Shire Council and have not been recognised in the income statement.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2024 reporting period.

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

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

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2024. None of these standards had a significant impact on the reported financial position or financial performance.

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**
- **Equivalent standard for JO's is AASB 2021-6 Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards**

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										
Community Services	4,091	3,465	1,870	1,705	2,221	1,760	3,654	1,092	22,778	20,774
Tourism & Economic Development	2,915	7,062	2,082	1,397	833	5,665	2,122	3,139	19,143	20,414
Transport	19,363	24,662	18,183	12,755	1,180	11,907	19,090	27,771	483,811	448,569
Governance & Financial Control	23,253	24,622	7,945	7,864	15,308	16,758	11,297	14,651	47,529	47,407
People & Environment	3,604	3,140	4,454	4,266	(850)	(1,126)	526	571	6,514	8,820
Recreation	1,317	1,697	4,694	4,493	(3,377)	(2,796)	1,317	3,580	60,819	48,480
Service Infrastructure	8,755	8,367	10,074	7,923	(1,319)	444	2,328	2,796	123,775	116,484
Other	–	–	–	–	–	–	1	–	(1)	–
Total functions and activities	63,298	73,015	49,302	40,403	13,996	32,612	40,335	53,600	764,368	710,948

B1-2 Components of functions or activities

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

Community Services

Includes connecting with our Aboriginal communities, assistance with successful transition from school to training to employment, childcare services and facilities that meet the needs of young families, support for the elderly in our community, community participation in arts and cultural activities, improved health care for the community and social outcomes for those with disabilities, and wellbeing of youth

Tourism & Economic Development

Includes camping areas and caravan parks, facilitating tourism and area promotion, advocating and facilitating industrial development and real estate development and sales

Transport

Includes provision and maintenance of roads, bridges, pedestrian and cycle paths, parking areas

Governance & Financial Control

Includes an effective and responsive Council, financial controls, legislative compliance, corporate and governance support, communication with residents, and strategic management of villages and Crown Reserves

People & Environment

Includes waste management, community land, animal control, community safety, preservation of heritage, noxious plants and insect/vermin control, emergency services, town planning and building control, street lights and street cleaning

Recreation

Includes lakes and rivers, community buildings, streetscapes, parks & gardens, sporting facilities and playgrounds, libraries and cemeteries

Service Infrastructure

Includes provision and maintenance of water and sewerage utilites and stormwater drainage

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	1,617	1,393
Farmland	5,970	5,077
Mining	139	118
Business	380	331
Less: pensioner rebates (mandatory)	(55)	(52)
Rates levied to ratepayers	8,051	6,867
Pensioner rate subsidies received	29	30
Total ordinary rates	8,080	6,897
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,169	1,105
Stormwater management services	50	51
Water supply services	1,674	1,597
Sewerage services	1,898	1,815
Waste management services (non-domestic)	476	459
Less: pensioner rebates (mandatory)	(104)	(110)
Annual charges levied	5,163	4,917
Pensioner annual charges subsidies received:		
– Water	18	18
– Sewerage	15	16
– Domestic waste management	24	26
Total annual charges	5,220	4,977
Total rates and annual charges	13,300	11,874

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)		
Water supply services	2,963	2,069
Sewerage services	10	4
Total specific user charges	2,973	2,073
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Regulatory/ statutory fees	159	142
Section 10.7 certificates (EP&A Act)	17	21
Section 603 certificates	17	15
Total fees and charges – statutory/regulatory	193	178
(ii) Fees and charges – other (incl. general user charges (per s608))		
Aerodrome	10	11
Caravan park	748	674
Cemeteries	35	34
Child care	345	334
Library and art gallery	4	3
Park rents	29	18
Transport for NSW works (state roads not controlled by Council)	35	117
Saleyards	2	13
Waste disposal tipping fees	106	117
Hall hire	12	6
Meals on wheels and community care	86	95
Private works – section 67	263	541
Other	–	1
Total fees and charges – other	1,675	1,964
Total other user charges and fees	1,868	2,142
Total user charges and fees	4,841	4,215
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	12	6
User charges and fees recognised at a point in time	4,829	4,209
Total user charges and fees	4,841	4,215

Material accounting policy information

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

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

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

B2-3 Other revenues

\$ '000	2024	2023
Legal fees recovery – rates and charges (extra charges)	69	64
Commissions and agency fees	172	168
Diesel rebate	149	95
Insurance claims recoveries	7	–
Sales – general	108	69
Reimbursements – Other	297	223
Other	342	150
Total other revenue	1,144	769

Timing of revenue recognition for other revenue

Other revenue recognised over time	–	–
Other revenue recognised at a point in time	1,144	769
Total other revenue	1,144	769

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)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	475	1,854	–	–
Financial assistance – local roads component	172	1,079	–	–
Payment in advance - future year allocation				
Financial assistance – general component	6,879	7,469	–	–
Financial assistance – local roads component	3,771	4,249	–	–
Other				
Other grants	61	–	–	–
Amount recognised as income during current year	11,358	14,651	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water supplies	95	36	1,692	2,678
Sewerage services	–	12	36	54
Bushfire and emergency services	357	194	12	121
Child care	538	566	–	–
Community care	531	523	–	–
Community services	4	–	2,577	1,944
Environmental programs	4	–	–	–
Floodplain management	10	–	–	–
Economic development	–	27	–	–
Library	–	–	40	45
Library – per capita	43	34	–	–
Noxious weeds	81	80	–	–
Public halls	–	–	31	38
Recreation and culture	–	97	1,122	1,423
Aerodromes	–	–	–	271
Tourism	–	–	2,122	6,349
Town planning	34	30	–	–
Street lighting	43	43	–	–
Transport (flood damage)	10,056	2,922	–	–
Transport (roads to recovery)	2,129	2,129	–	–
Transport (other roads and bridges funding)	2	8,431	3,497	7,039
Transport for NSW contributions (regional roads, block grant)	3,406	3,342	–	400
Business development	28	–	–	–
Youth	3	3	–	–
Roads and bridges	–	–	209	–
Other contributions	18	–	–	–
Total special purpose grants and non-developer contributions – cash	17,382	18,469	11,338	20,362
Total special purpose grants and non-developer contributions (tied)	17,382	18,469	11,338	20,362
Total grants and non-developer contributions	28,740	33,120	11,338	20,362
Comprising:				
– Commonwealth funding	14,261	17,591	2,910	2,318
– State funding	14,179	15,506	8,219	18,008
– Other funding	300	23	209	36
	28,740	33,120	11,338	20,362

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	G3				
S 7.12 – fixed development consent levies		–	–	240	103
S 64 – water supply contributions		–	–	13	12
S 64 – sewerage service contributions		–	–	4	3
Total developer contributions – cash		–	–	257	118
Total developer contributions		–	–	257	118
Total contributions		–	–	257	118
Total grants and contributions		28,740	33,120	11,595	20,480
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		–	1,178	–	20,399
Grants and contributions recognised at a point in time		28,740	31,942	11,595	81
Total grants and contributions		28,740	33,120	11,595	20,480

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and non-developer contributions				
Unspent funds at 1 July	9,534	1,345	3,673	11,762
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	8,205	–	–
Add: Funds received and not recognised as revenue in the current year	10,048	183	–	2,193
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(6,160)	(192)	–	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(118)	(7)	(2,511)	(10,282)
Unspent grants and non-developer contributions at 30 June	13,304	9,534	1,162	3,673
Unspent Developer Contributions				
Unspent funds at 1 July	–	–	379	351
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	276	128
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(117)	(100)
Unspent developer contributions at 30 June	–	–	538	379

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include development of reports and promotion of events. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

B2-4 Grants and contributions (continued)

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	125	123
– Cash and investments	3,038	1,892
Total interest and investment income	3,163	2,015

Interest and investment income is attributable to:

Unrestricted investments/financial assets:

Overdue rates and annual charges (general fund)	52	55
General Council cash and investments	2,464	1,413

Restricted investments/funds – external:

Developer contributions		
– Section 7.12	22	14
– Section 64	1	1
Water fund operations	243	258
Sewerage fund operations	377	272
Domestic waste management operations	4	2

Total interest and investment income	3,163	2,015
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Material accounting policy information

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

B2-6 Other income

\$ '000	Notes	2024	2023
Rental income			
Leaseback fees - council vehicles		113	111
Rental Income		305	422
Total rental income	C2-1	418	533
Other			
Revaluation/reassessment of Tip Rehabilitation provision		97	9
Total other		97	9
Total other income		515	542

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	10,193	9,615
Employee leave entitlements (ELE)	1,197	1,759
Superannuation	1,143	1,081
Workers' compensation insurance	491	308
Fringe benefit tax (FBT)	150	119
Protective clothing	51	44
Other	83	84
Total employee costs	13,308	13,010
Less: capitalised costs	(1,293)	(1,192)
Total employee costs expensed	12,015	11,818
Number of 'full-time equivalent' employees (FTE) at year end	119	147
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	148	162

Material accounting policy information

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		8,447	7,519
Contractor and consultancy costs			
– Aerodromes		10	540
– Animal Control		5	2
– Buildings Dwellings		159	156
– Caravan Parks		714	507
– Cemeteries		64	8
– Children's services		5	11
– Corporate Services		654	575
– Engineering office and operations		111	24
– Flood Works		1,715	1,774
– Halls and community centres		208	141
– Health		663	133
– Home and community care		8	7
– Libraries		20	23
– Medical Health Centres		9	10
– Noxious Weeds		3	3
– Other community services and amenities		25	32
– Other Economic Affairs		3,723	912
– Parks and reserves		829	66
– Pits and quarries		22	–
– Private Works		109	26
– Public Amenities		6	8
– Roads Infrastructure		12,597	11,456
– Rural fire service and SES		190	99
– Sewerage		1,791	714
– Sports grounds and recreation facilities		844	1,627
– Street Cleaning		9	8
– Swimming Pools		801	1,157
– Tourism		1,108	3,855
– Town Planning Office		110	77
– Waste		1,456	1,370
– Water		5,718	4,094
– Works Depots/Workshops/Plant		902	380
– Western Plains Regional Development – Youth Services		202	171
Audit Fees	F2-1	130	65
Councillor and Mayoral fees and associated expenses	F1-2	357	216
Advertising		22	28
Bank charges		38	35
Cleaning		230	154
Computer software charges		354	337
Electricity and heating		733	592
Insurance		848	793
Postage		33	31
Printing and stationery		64	63
Street lighting		138	119
Telephone and communications		99	97
Tourism expenses (excluding employee costs)		150	4
Valuation fees		40	37
Training costs (other than salaries and wages)		220	145
Audit, Risk & Improvement Committee		9	8
Investment advisory service		12	12
Legal expenses:			
– Legal expenses: debt recovery		21	18
– Legal expenses: other		75	66
Total materials and services		46,810	40,305

B3-2 Materials and services (continued)

\$ '000	2024	2023
Less: capitalised costs	(24,485)	(25,929)
Total materials and services	22,325	14,376

Material accounting policy information

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

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on loans		325	347
Total interest bearing liability costs		325	347
Total interest bearing liability costs expensed		325	347
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	39	89
Total other borrowing costs		39	89
Total borrowing costs expensed		364	436

Material accounting policy information

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

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		1,350	1,775
Office equipment		55	278
Furniture and fittings		75	115
Land improvements (depreciable)		56	54
Infrastructure:	C1-7		
– Buildings – non-specialised		97	94
– Buildings – specialised		1,314	1,349
– Other structures		990	909
– Roads		4,919	4,593
– Bridges		383	358
– Footpaths		131	119
– Stormwater drainage		158	142
– Water supply network		1,699	1,748
– Sewerage network		616	634
Other assets:			
– Library books		21	14
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5, C1-7	96	34
Intangible assets	C1-8	44	40
Total depreciation and amortisation costs		12,004	12,256
Impairment / revaluation decrement of IPPE			
Infrastructure:	C1-7		
– Roads		–	53,340
Total gross IPPE impairment / revaluation decrement costs		–	53,340
Amounts taken through revaluation reserve	C1-7	–	(53,340)
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	–
Total depreciation, amortisation and impairment for non-financial assets		12,004	12,256

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

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

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of receivables			
Other		(6)	210
Total impairment of receivables	C1-4	(6)	210
Other			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		27	16
– NSW fire brigade levy		50	43
– NSW rural fire service levy		522	547
– Other contributions/levies		3	7
Donations, contributions and assistance to other organisations (Section 356)		190	177
– Lachlan & Western Regional Services Inc		56	56
– Lower Lachlan Community Services		59	56
Write-down of inventories held for sale or distribution		(75)	37
Total other expenses		826	1,149

Material accounting policy information

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

Impairment expenses are recognised when identified.

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		25	–
Less: carrying amount of property assets sold/written off		(35)	(44)
Gain (or loss) on disposal		(10)	(44)
Gain (or loss) on disposal of plant and equipment			
	C1-7		
Proceeds from disposal – plant and equipment		1,186	1,138
Less: carrying amount of plant and equipment assets sold/written off		(1,370)	(975)
Gain (or loss) on disposal		(184)	163
Gain (or loss) on disposal of infrastructure			
	C1-7		
Less: carrying amount of infrastructure assets sold/written off		(1,574)	(487)
Gain (or loss) on disposal		(1,574)	(487)
Gain (or loss) on disposal of term deposits			
	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		37,600	42,750
Less: carrying amount of term deposits sold/redeemed/matured		(37,600)	(42,750)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(1,768)	(368)

Material accounting policy information

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

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 28 July 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				
Other revenues	1,153	1,144	(9)	(1)% U
Operating grants and contributions	18,074	28,740	10,666	59% F
The majority of this favourable budget variance relate to the payment of over \$10m in grants for flood restoration works				
Capital grants and contributions	3,304	11,595	8,291	251% F
This favourable budget variance relates to the recognition of income from capital projects which were completed in the financial year with grant milestone funding being received.				
Interest and investment revenue	2,315	3,163	848	37% F
Due to the higher than budgeted grants funding, interest on investments was higher than anticipated.				
Other income	333	515	182	55% F
This favourable variance in related to the tip restoration provision movement and is not a cash item.				
Expenses				
Borrowing costs	325	364	(39)	(12)% U
This variance does not relate to loan interest but is due to the unwinding of the discount on the tip restoration provision.				
Depreciation, amortisation and impairment of non-financial assets	11,534	12,004	(470)	(4)% U
Net losses from disposal of assets	—	1,768	(1,768)	∞ U
Statement of cash flows				
Cash flows from operating activities	15,198	35,259	20,061	132% F
This favourable variance relates to the increase in grants funding discussed above.				
Cash flows from investing activities	(15,356)	(21,454)	(6,098)	40% U
Council completed several large projects this year including road including several large bridges and the Visitor Information Centre. The variance is compensated by an inflow of grants income.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	21,568	3,689
Cash equivalent assets		
– Deposits at call	8,712	13,256
Total cash and cash equivalents	30,280	16,945

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	30,280	16,945
Balance as per the Statement of Cash Flows	30,280	16,945

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost				
Long term deposits	32,501	20,500	37,600	19,150
Total	32,501	20,500	37,600	19,150
Total financial investments	32,501	20,500	37,600	19,150
Total cash assets, cash equivalents and investments	62,781	20,500	54,545	19,150

Material accounting policy information

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

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

Financial assets

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

Classification

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

- amortised cost
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position.

C1-2 Financial investments (continued)

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.

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	83,281	73,695
Less: Externally restricted cash, cash equivalents and investments	(28,318)	(28,525)
Cash, cash equivalents and investments not subject to external restrictions	54,963	45,170
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	11,217	2,727
External restrictions – included in liabilities	11,217	2,727
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	501	344
Developer contributions – water fund	27	26
Developer contributions – sewer fund	8	8
Specific purpose unexpended grants (recognised as revenue) – general fund	3,249	10,480
Water fund	6,446	7,272
Sewer fund	6,035	6,777
Stormwater management	746	694
Meals on wheels	51	65
Lachlan aged and community services	–	25
Domestic waste management	38	107
External restrictions – other	17,101	25,798
Total external restrictions	28,318	28,525

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

C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	689	443	614	1,032
Interest and extra charges	254	–	412	–
User charges and fees	4,259	–	2,353	–
Accrued revenues				
– Interest on investments	1,148	–	753	–
Deferred debtors	–	42	–	47
Net GST receivable	728	–	817	–
Other debtors	(7)	–	(7)	–
Total	7,071	485	4,942	1,079
Less: provision for impairment				
Rates and annual charges	–	(141)	–	(686)
User charges and fees	(114)	–	(183)	–
Total provision for impairment – receivables	(114)	(141)	(183)	(686)
Total net receivables	6,957	344	4,759	393

\$ '000	2024	2023
Movement in provision for impairment of receivables		
Balance at the beginning of the year	869	691
+ new provisions recognised during the year	16	232
– amounts already provided for and written off this year	(69)	–
– amounts provided for but recovered during the year	(561)	(54)
Balance at the end of the year	255	869

C1-4 Receivables (continued)

Material accounting policy information

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

Impairment

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

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

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

When considering the ECL for rates and annual charges debtors, Council 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 as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

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

The 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, or when the receivables are over 2 years past due, whichever occurs first.

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

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

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Real estate for resale	–	215	–	215
Stores and materials	2,807	–	2,313	–
Total inventories at cost	2,807	215	2,313	215
Total inventories	2,807	215	2,313	215

(ii) Other disclosures

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(a) Details for real estate development				
Residential	–	215	–	215
Total real estate for resale	–	215	–	215

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

Represented by:

Acquisition costs	–	215	–	215
Total costs	–	215	–	215
Total real estate for resale	–	215	–	215

Movements:

Real estate assets at beginning of the year	–	215	–	215
Total real estate for resale	–	215	–	215

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

Land held for resale

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

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

C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	2,881	—	3,197	—
Total contract assets and contract cost assets	2,881	—	3,197	—

Contract assets

Work relating to infrastructure grants	2,881	—	3,197	—
Total contract assets	2,881	—	3,197	—

Significant changes in contract assets

Council has performed works relating to Council owned assets, for which grant funding has been sourced, and, at the end of the financial year had not received the grant funds.

Grants include:

- Multi Sport Centre Grant - SRA Amenities upgrade
- Fixing Local Roads - School Precinct Safety works, Lachlan Valley Way and Busby Street works
- Growing Local Economies - Lachlan Visitor Information Centre

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	Depreci- ation expense	Impairment loss / revaluation decrements (recognise d in P/L)	Impairment loss / revaluation decrements (recognise d in equity)	WIP transfers	Adjust- ments and transfers	Revalu- ation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	44,208	–	44,208	9,001	7,049	–	–	–	–	(24,053)	(509)	–	35,696	–	35,696
Plant and equipment	27,332	(15,535)	11,797	2,144	158	(1,371)	(1,350)	–	–	11	1	–	20,968	(9,578)	11,390
Office equipment	1,777	(1,515)	262	157	–	(49)	(55)	–	–	–	–	–	882	(567)	315
Furniture and fittings	1,527	(1,077)	450	–	151	(65)	(75)	–	–	22	(1)	–	1,370	(887)	483
Land:															
– Operational land	9,036	–	9,036	–	–	(36)	–	–	–	–	1	–	9,001	–	9,001
– Community land	5,330	–	5,330	–	50	–	–	–	–	8	–	–	5,388	–	5,388
Land improvements – non-depreciable	655	–	655	–	18	(448)	–	–	–	765	–	–	991	–	991
Land improvements – depreciable	1,244	(528)	716	–	855	–	(56)	–	–	1,120	–	36	3,286	(615)	2,671
Infrastructure:															
– Buildings – non-specialised	5,241	(1,299)	3,942	–	–	–	(97)	–	–	12	–	210	5,539	(1,472)	4,067
– Buildings – specialised	69,647	(31,591)	38,056	170	640	(316)	(1,314)	–	–	4,561	2	2,312	79,080	(34,970)	44,110
– Other structures	28,401	(10,011)	18,390	284	519	–	(990)	13	(13)	757	(12)	1,196	31,915	(11,771)	20,144
– Roads including kerb & gutter	510,711	(138,479)	372,232	431	1,742	–	(4,919)	–	–	9,572	–	19,768	546,497	(147,673)	398,824
– Bridges	38,703	(12,212)	26,491	955	–	(548)	(383)	–	–	4,479	1	1,402	44,823	(12,427)	32,396
– Footpaths	6,591	(2,053)	4,538	341	905	(57)	(131)	–	–	727	–	237	8,827	(2,268)	6,559
– Stormwater drainage	14,241	(3,676)	10,565	902	133	(24)	(158)	–	–	113	–	527	16,073	(4,015)	12,058
– Water supply network	117,610	(58,543)	59,067	735	65	(57)	(1,699)	–	–	1,482	(1)	2,908	125,757	(63,257)	62,500
– Sewerage network	44,179	(24,558)	19,621	307	86	(9)	(616)	–	–	354	(1)	964	47,148	(26,443)	20,705
– Other infrastructure	–	–	–	–	–	–	–	(13)	13	–	–	–	–	–	–
Other assets:															
– Library books	205	(130)	75	–	28	–	(21)	–	–	–	–	–	129	(47)	82
Reinstatement, rehabilitation and restoration assets (refer Note 16):															
– Tip assets	1,435	(724)	711	–	–	–	(96)	–	–	–	(530)	–	906	(821)	85
Total infrastructure, property, plant and equipment	928,073	(301,931)	626,142	15,427	12,399	(2,980)	(11,960)	–	–	(70)	(1,049)	29,560	984,276	(316,811)	667,465

(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	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Adjust- ments and transfers	Revalu- ation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	26,521	–	26,521	4,701	17,541	–	–	–	(4,506)	(49)	–	44,208	–	44,208
Plant and equipment	25,779	(15,073)	10,706	59	3,782	(975)	(1,775)	–	–	–	–	27,332	(15,535)	11,797
Office equipment	1,721	(1,237)	484	10	46	–	(278)	–	–	–	–	1,777	(1,515)	262
Furniture and fittings	1,483	(963)	520	4	41	–	(115)	–	–	–	–	1,527	(1,077)	450
Land:														
– Operational land	6,409	–	6,409	–	–	–	–	–	–	–	2,627	9,036	–	9,036
– Community land	3,484	–	3,484	–	–	–	–	–	–	–	1,846	5,330	–	5,330
Land improvements – non-depreciable	655	–	655	–	–	–	–	–	–	–	–	655	–	655
Land improvements – depreciable	1,227	(475)	752	–	18	–	(54)	–	–	–	–	1,244	(528)	716
Infrastructure:														
– Buildings – non-specialised	4,173	(1,580)	2,593	–	19	(40)	(94)	–	–	(26)	1,490	5,241	(1,299)	3,942
– Buildings – specialised	68,130	(32,908)	35,222	162	3	(4)	(1,349)	–	61	35	3,926	69,647	(31,591)	38,056
– Other structures	25,806	(9,277)	16,529	186	592	–	(909)	–	725	(9)	1,276	28,401	(10,011)	18,390
– Roads including kerb & gutter	477,774	(75,823)	401,951	2,122	789	(487)	(4,593)	(53,340)	2,097	–	23,693	510,711	(138,479)	372,232
– Bridges	36,543	(11,173)	25,370	–	–	–	(358)	–	–	–	1,479	38,703	(12,212)	26,491
– Footpaths	5,987	(1,819)	4,168	144	95	–	(119)	–	2	–	248	6,591	(2,053)	4,538
– Stormwater drainage	11,722	(3,336)	8,386	39	230	–	(142)	–	1,582	–	470	14,241	(3,676)	10,565
– Water supply network	108,988	(52,605)	56,383	–	219	–	(1,748)	–	–	–	4,213	117,610	(58,543)	59,067
– Sewerage network	41,016	(22,166)	18,850	–	–	–	(634)	–	–	–	1,405	44,179	(24,558)	19,621
Other assets:														
– Library books	173	(116)	57	–	32	–	(14)	–	–	–	–	205	(130)	75
Reinstatement, rehabilitation and restoration assets (refer Note 16):														
– Tip assets	2,989	(690)	2,299	–	–	–	(34)	–	–	(1,554)	–	1,435	(724)	711
Total infrastructure, property, plant and equipment	850,580	(229,241)	621,339	7,427	23,407	(1,506)	(12,216)	(53,340)	(39)	(1,603)	42,673	928,073	(301,931)	626,142

(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

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

Council buildings with a replacement cost exceeding \$750,000 are componentised with each component having a different useful life.

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

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

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

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

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry - specialised	50 to 100
Other plant and equipment	5 to 15	Buildings: other - non - specialised	20 to 40
Other Assets			
Library Books	5 to 10		
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 100	Pipes -Drains	80 to 100
Bores	20 to 40	Pipes - Culverts	50 to 100
Reticulation pipes: PVC	70 to 80	Pits	50 to 100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20 to 50	Swimming pools	50
Sealed roads: structure	80 to 100	Other open space/recreational assets	20
Unsealed road pavement	20	Other infrastructure	20
Bridge: concrete	100	Solar Panels	25
Bridge: other	50		
Sealed Road pavements	80-100		
Kerb and Gutter	up to 40		
Footpaths	up to 60		
Cycle paths	30		

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

Street Furniture

50-60

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

Land under roads

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

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

Crown reserves

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

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

Rural Fire Service assets

Council does not recognise firefighting equipment purchased on behalf of the rural fire service in the financial statements, as Council deems that they do not have care and control over these assets.

Council recognises buildings, including fire sheds, in the financial statements.

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
Software		
Opening values at 1 July		
Gross book value	678	623
Accumulated amortisation	(518)	(478)
Net book value – opening balance	160	145
Movements for the year		
Purchases	84	55
Amortisation charges	(44)	(40)
Closing values at 30 June		
Gross book value	762	678
Accumulated amortisation	(562)	(518)
Total software – net book value	200	160
Total intangible assets – net book value	200	160

Material accounting policy information

IT development and software

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

C2 Leasing activities

C2-1 Council as a lessor

Operating leases

Council leases out a number of properties and /or plant and equipment to community groups and staff; these leases have been classified as operating leases for financial reporting purposes.

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

\$ '000	2024	2023
(i) Assets held as investment property		
(ii) Assets held as property, plant and equipment		
Council provides operating leases on Council buildings for the purpose of supporting economic development and the community.		
Lease income (excluding variable lease payments not dependent on an index or rate)	306	422
Leaseback fees - council vehicles	112	111
Total income relating to operating leases for Council assets	418	533

C2-1 Council as a lessor (continued)

Amount of IPPE leased out by Council under operating leases

Council leases out buildings and land which are valued as per below:

Reconciliation of IPPE assets leased out as operating leases

\$ '000	Land 2024	Land 2023	Buildings - Specialised 2024	Buildings - Specialised 2023
Opening balance as at 1 July	1,417	1,395	5,498	3,966
Depreciation expense	—	—	(44)	(44)
Adjustments and transfers	—	22	—	—
Revaluation increments to equity (ARR)	—	—	378	1,576
Closing balance as at 30 June	1,417	1,417	5,832	5,498
\$ '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 operating leases:

< 1 year	255	196
1–2 years	17	42
2–3 years	17	42
3–4 years	17	42
Total undiscounted lease payments to be received	306	322

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Payables				
Government departments and agencies	29	—	30	—
Prepaid rates	234	—	261	—
Goods and services	1,512	—	1,648	—
Goods and services – capital expenditure	1,923	—	1,556	—
Accrued expenses:				
– Borrowings	32	—	34	—
– Salaries and wages	331	—	271	—
– Other expenditure accruals	108	—	76	—
Security bonds, deposits and retentions	470	—	146	—
Total payables	4,639	—	4,022	—
Total payables	4,639	—	4,022	—

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

\$ '000	2024	2023
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	114	111
Other liabilities	144	96
Total payables	258	207

Material accounting policy information

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	14,058	—	3,712	—
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	106	—	187	—
Total grants received in advance		14,164	—	3,899	—
Total contract liabilities		14,164	—	3,899	—

Notes

(i) Council has received funding to construct assets including sporting and showground facilities, public amenities 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.

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

\$ '000	2024	2023
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	3,226	10,468
Operating grants (received prior to performance obligation being satisfied)	81	7
Total revenue recognised that was included in the contract liability balance at the beginning of the period	3,307	10,475

Material accounting policy information

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

C3-3 Borrowings

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured ¹	474	5,403	469	5,878
Total borrowings	474	5,403	469	5,878

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E.

(a) Changes in liabilities arising from financing activities

	2023		Non-cash movements			2024
	Opening Balance	Cash flows	Acquisition	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$ '000						
Loans – secured	6,347	(470)	–	–	–	5,877
Total liabilities from financing activities	6,347	(470)	–	–	–	5,877

	2022		Non-cash movements			2023
	Opening Balance	Cash flows	Acquisition	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$ '000						
Loans – secured	6,812	(465)	–	–	–	6,347
Total liabilities from financing activities	6,812	(465)	–	–	–	6,347

(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	500	500
Credit cards/purchase cards	55	50
Total financing arrangements	555	550

Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	17	16
Total drawn financing arrangements	17	16

Undrawn facilities

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

– Bank overdraft facilities	500	500
– Credit cards/purchase cards	38	34
Total undrawn financing arrangements	538	534

Additional financing arrangements information

Breaches and defaults

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

C3-4 Employee benefit provisions

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Annual leave	1,265	–	1,268	–
Sick leave	258	–	343	–
Long service leave	1,641	143	1,549	135
Gratuities	44	–	34	–
Other leave	209	–	191	–
Total employee benefit provisions	3,417	143	3,385	135

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,776	2,217
	2,776	2,217

Description of and movements in provisions

Material accounting policy information

Other long-term employee benefit obligations

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

C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	104	231	101	822
Sub-total – asset remediation/restoration	104	231	101	822
Total provisions	104	231	101	822

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	923	923
Unwinding of discount	39	39
Derecognition of provision no longer required	(97)	(97)
Remeasurement effects	(530)	(530)
Total other provisions at end of year	335	335
2023		
At beginning of year	2,412	2,412

C3-5 Provisions (continued)

\$ '000	Other provisions	
	Asset remediation	Total
Unwinding of discount	89	89
Derecognition of provision no longer required	(9)	(9)
Remeasurement effects	(1,554)	(1,554)
Amounts used (payments)	(15)	(15)
Total other provisions at end of year	923	923

Nature and purpose of provisions

Asset remediation

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

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

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

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

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

Self-insurance

Council does not self-insure.

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	10,033	1,315	1,952
User charges and fees	1,182	3,626	33
Interest and investment revenue	2,453	305	405
Other revenues	1,139	–	5
Grants and contributions provided for operating purposes	28,613	112	15
Grants and contributions provided for capital purposes	9,867	1,692	36
Other income	515	–	–
Total income from continuing operations	53,802	7,050	2,446
Expenses from continuing operations			
Employee benefits and on-costs	10,729	848	438
Materials and services	17,351	3,844	1,130
Borrowing costs	364	–	–
Depreciation, amortisation and impairment of non-financial assets	9,477	1,833	694
Other expenses	92	492	242
Net losses from the disposal of assets	1,702	57	9
Total expenses from continuing operations	39,715	7,074	2,513
Operating result from continuing operations	14,087	(24)	(67)
Net operating result for the year	14,087	(24)	(67)
Net operating result attributable to each council fund	14,087	(24)	(67)
Net operating result for the year before grants and contributions provided for capital purposes	4,220	(1,716)	(103)

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	18,624	5,869	5,787
Investments	31,641	604	256
Receivables	4,971	1,694	292
Inventories	2,807	—	—
Contract assets and contract cost assets	2,881	—	—
Other	218	—	—
Total current assets	61,142	8,167	6,335
Non-current assets			
Investments	20,500	—	—
Receivables	344	—	—
Inventories	215	—	—
Infrastructure, property, plant and equipment	563,198	80,842	23,425
Intangible assets	200	—	—
Total non-current assets	584,457	80,842	23,425
Total assets	645,599	89,009	29,760
LIABILITIES			
Current liabilities			
Payables	4,639	—	—
Contract liabilities	11,598	2,566	—
Borrowings	474	—	—
Employee benefit provision	3,417	—	—
Provisions	104	—	—
Total current liabilities	20,232	2,566	—
Non-current liabilities			
Borrowings	5,403	—	—
Employee benefit provision	143	—	—
Provisions	231	—	—
Total non-current liabilities	5,777	—	—
Total liabilities	26,009	2,566	—
Net assets	619,590	86,443	29,760
EQUITY			
Accumulated surplus	244,789	48,656	10,334
Revaluation reserves	374,801	37,787	19,426
Council equity interest	619,590	86,443	29,760
Total equity	619,590	86,443	29,760

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

Council's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and investment portfolio with the assistance of independent advisors. Council has an investment policy which complies with the *Local Government Act* and Ministerial Investment Order 625. The policy is reviewed by Council and its staff 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.

The risks associated with the investments held are:

- **price risk** - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers, or factors affecting similar instruments traded in a market
- **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 purchasing investments within policy credit rating allowances. Council also seeks advice from independent advisors before placing funds in cash and investments.

(a) Market risk – interest rate

\$ '000	2024	2023
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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	617	700
-----------------------------	-----	-----

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

(b) Credit risk

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

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

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

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

Council makes suitable provision for doubtful receivables as required.

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges < 5 years	≥ 5 years	Total
2024				
Gross carrying amount	–	1,050	82	1,132
2023				
Gross carrying amount	–	1,356	290	1,646

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts 0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	Total
2024						
Gross carrying amount	7,460	1,147	14	1	683	9,305
Expected loss rate (%)	0.47%	0.00%	2.74%	0.00%	11.50%	1.23%
ECL provision	35	–	–	–	79	114
2023						
Gross carrying amount	6,230	8	73	13	1,248	7,572
Expected loss rate (%)	0.47%	0.00%	2.74%	0.00%	12.20%	2.42%
ECL provision	29	–	2	–	152	183

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2024							
Payables	0.00%	470	4,525	–	–	4,995	4,639
Borrowings	4.31%	–	774	3,584	3,627	7,985	5,877
Total financial liabilities		470	5,299	3,584	3,627	12,980	10,516
2023							
Payables	0.00%	111	3,911	–	–	4,022	4,022
Borrowings	4.31%	–	813	3,152	4,833	8,798	6,347
Total financial liabilities		111	4,724	3,152	4,833	12,820	10,369

Loan agreement breaches

There were no breaches to the loan agreements during the reporting year.

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Non-current assets classified as 'held for sale'

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

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

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

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

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

Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements									
Infrastructure, property, plant and equipment	C1-7								
Plant and equipment	30/06/2024	30/06/2019	—	—	11,391	11,797	11,391	11,797	
Office equipment	30/06/2024	30/06/2019	—	—	315	262	315	262	
Furniture and Fittings	30/06/2024	30/06/2019	—	—	483	450	483	450	
Operational land	30/06/2021	30/06/2021	7,195	7,231	1,805	1,805	9,000	9,036	
Community Land	30/06/2021	30/06/2021	—	—	5,388	5,330	5,388	5,330	
Land Improvements – non depreciable	30/06/2021	30/06/2021	—	—	991	655	991	655	
Land Improvements – depreciable	30/06/2021	30/06/2021	—	—	2,670	716	2,670	716	
Buildings – Non Specialised	30/06/2023	30/06/2023	2,865	2,690	1,202	1,252	4,067	3,942	
Buildings Specialised	30/06/2023	30/06/2023	1,860	1,790	42,249	36,266	44,109	38,056	
Other Structures	30/06/2023	30/06/2023	—	—	20,146	18,390	20,146	18,390	
Roads	01/07/2019	01/07/2019	—	—	398,824	372,232	398,824	372,232	
Bridges	01/07/2019	01/07/2019	—	—	32,397	26,491	32,397	26,491	
Footpaths	01/07/2019	01/07/2019	—	—	6,559	4,538	6,559	4,538	
Water Supply network	30/06/2022	30/06/2022	—	—	62,500	59,067	62,500	59,067	
Sewer Supply Network	30/06/2022	30/06/2022	—	—	20,704	19,621	20,704	19,621	
Library Books	30/06/2024	30/06/2021	—	—	82	75	82	75	
Tip restoration assets	30/06/2024	20/06/2023	—	—	85	711	85	711	
Stormwater Drainage	01/07/2019	01/07/2019	—	—	12,058	10,565	12,058	10,565	
Total infrastructure, property, plant and equipment			11,920	11,711	619,849	570,223	631,769	581,934	

Non-recurring fair value measurements

Transfers between level 1 and level 2 fair value hierarchies

Council's policy for determining transfers between fair value hierarchies is:

- at the end of the reporting period.

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

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture and Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. A stocktake on Plant & Equipment was undertaken by PP&E Valuations (NSW) Pty Ltd, as at 30 June 2024. As part of the stocktake and verification they assessed the current carrying value against the potential Fair Value of the asset. Fair Value assessments were done on a sample of the higher value assets with the current carrying values all within 10% of the estimated Fair Value.

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

Operational Land

Operational land was revalued as at 30 June 2021 by Australis Asset Advisory Group.

Where a lack of directly comparable sales evidence was available, or a significant level of adjustment was required between sales evidence and the asset, a Level 3 has been assigned to the asset. In other cases, where there was active and liquid sales evidence available and significant adjustments have not been applied, a Level 2 has been assigned to the asset.

At 30 June 2024, Council undertook a fair value assessment to index this asset class using market value for land in the Shire, to ensure that the carrying value approximates fair value.

Community Land

Community land was revalued as at 30 June 2021. The carrying amount of these assets as advised by the NSW Valuer General is assumed to approximate fair value due to the nature of the items.

At 30 June 2024, Council undertook a fair value assessment to index this asset class using land values changes in the Shire as supplied by the NSW Valuer General, to ensure that the carrying value approximates fair value.

Land improvements – depreciable

Land improvements – depreciable. A stock take was undertaken by PP&E Valuations (NSW) Pty Ltd. as at 30 June 2024. As part of the stocktake and verification they assessed the current carrying value against the potential Fair Value of the asset. The cost approach is deemed a Level 3 input.

As land improvements – depreciable are considered of a specialist nature and no active market for the assets can be observed, fair value has been measured on the basis of a Cost approach (Level 3). Under this methodology the gross replacement cost was assessed on the basis that it reflected a modern equivalent asset with similar service potential.

Land improvements – non depreciable

Land improvements – non depreciable are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. A stocktake on Land Improvements was undertaken by PP&E Valuations (NSW) Pty Ltd, as at 30 June 2024. As part of the stocktake and verification they assessed the current carrying value against the potential Fair Value of the asset. The cost approach is deemed a Level 3 input.

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

Buildings – Non Specialised and Specialised

Non-specialised and Specialised Buildings were revalued as at 30 June 2023 by PP&E Valuations (NSW) Pty Ltd.

At 30 June 2024, Council undertook a fair value assessment to index this asset class using publicly available indices, to ensure that the carrying value approximates fair value.

Other Structures

E2-1 Fair value measurement (continued)

Other Structures were revalued as at 30 June 2023 by PP&E Valuations (NSW) Pty Ltd.

At 30 June 2024, Council undertook a fair value assessment to index this asset class using publicly available indices, to ensure that the carrying value approximates fair value.

Roads

Roads were revalued as at 1 July 2019 by AssetVal.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, an accepted valuation method under AASB 13. The cost approach is deemed a Level 3 input.

While the replacement cost of assets can be supported by market supplied evidence (Level 2), other unobservable inputs such as estimates of useful life and asset condition were also required (Level 3).

Roads comprise road carriageway, roadside shoulders and road furniture. Assets are componentised into four elements/components: Formation, pavement (base & sub-base) as well as seal, where applicable.

At 30 June 2024, Council undertook a fair value assessment to index this asset class using relevant publicly available indices, to ensure that the carrying value approximates fair value.

Bridges

Bridges were revalued as at 1 July 2019 by AssetVal.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, an accepted valuation method under AASB 13. The cost approach is deemed a Level 3 input.

While the replacement cost of assets can be supported by market supplied evidence (Level 2), other unobservable inputs such as estimates of useful life and asset condition were also required (Level 3).

At 30 June 2024, Council undertook a fair value assessment to index this asset class using relevant publicly available indices, to ensure that the carrying value approximates fair value.

Footpaths

Footpaths were revalued as at 1 July 2019 by AssetVal. Cycle Paths are included in the footpath valuation.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, an accepted valuation method under AASB 13. The cost approach is deemed a Level 3 input.

While the replacement cost of assets can be supported by market supplied evidence (Level 2), other unobservable inputs such as estimates of useful life and asset condition were also required (Level 3).

At 30 June 2024, Council undertook a fair value assessment to index this asset class using relevant publicly available indices, to ensure that the carrying value approximates fair value.

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

Kerb and Gutter

Kerb and Gutter were revalued as at 1 July 2019 by AssetVal.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, and accepted valuation method under AASB 13. The cost approach is deemed a Level 3 input.

While the replacement cost of assets can be supported by market supplied evidence (Level 2), other unobservable inputs such as estimates of useful life and asset condition were also required (Level 3).

At 30 June 2024, Council undertook a fair value assessment to index this asset class using relevant publicly available indices, to ensure that the carrying value approximates fair value.

Water Supply Network

Assets within this asset class comprise reservoirs, pumping stations and water pipelines.

E2-1 Fair value measurement (continued)

The Water Supply network was revalued as at 30 June 2022, by Australis Asset Advisory Group.

The 'cost approach' (level 3) estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other unobservable inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impact significantly on the final determination of fair value. Additionally, due to limitations in the historical records of very long-lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets were indexed in 2024 at 5.07%, in line with the NSW Reference Rates Manual issued by Department of Primary Industries - Office of Water.

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

Sewer Network

Assets within this asset class comprise reservoirs, pumping stations and sewer pipelines.

The Sewer Supply network was revalued as at 30 June 2022, by Australis Asset Advisory Group.

The 'cost approach' (level 3) estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other unobservable inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impact significantly on the final determination of fair value. Additionally, due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets were indexed in 2024 at 5.07%, in line with the NSW Reference Rates Manual issued by Department of Primary Industries - Office of Water.

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

Stormwater

Stormwater was revalued as at 1 July 2019 by Rapid Map Services Pty Ltd, in conjunction with Asset & Facilities Management Consulting Pty Ltd.

Assets within this class comprise stormwater pit structures including end pipe, endwall and channel points and stormwater pipe assets including culverts and channels.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, an accepted valuation method under AASB 13. The cost approach is deemed a Level 3 input.

The 'cost approach' (level 3) estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other unobservable inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impact significantly on the final determination of fair value.

At 30 June 2024, Council undertook a fair value assessment to index this asset class using relevant publicly available indices, to ensure that the carrying value approximates fair value.

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

Tip Assets

Assets in this class represent the expected cost of reinstatement, rehabilitation and restoration of Tip Sites within the Shire.

A review of the costings and how the landfill sites will be rehabilitated was undertaken by Councils' Environmental and Waste Officer in April 2022 for Condobolin and Lake Cargelligo after receiving a landfill engineered design by Robert H. Amaral. Fair Value determined by "Cost Approach" Level 3.

Fair value measurements using significant unobservable inputs (level 3)

The valuation process for level 3 fair value measurements

Valuation process for level 3 fair valuation measurement in determined by Council in conjunction with independent valuers prior to the valuation being undertaken.

E2-1 Fair value measurement (continued)

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 and equipment	Historical cost	Pattern of consumption Asset condition Remaining useful life Residual value
Office equipment	Historical cost	Pattern of consumption Asset condition Remaining useful life Residual value
Furniture and fittings	Historical cost	Pattern of consumption Asset condition Remaining useful life Residual value
Community land	Valuer-General valuations	Market value
Non-depreciable land improvements	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Depreciable land improvements	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Buildings	Industry cost indexes	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Other structures	Industry cost indexes	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Roads	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Bridges	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Footpaths	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Stormwater drainage	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost

E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Other open space/recreational assets	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Other infrastructure	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Library books	Cost approach	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Remediation asset	Cost approach	Discount rate Remaining useful life
Investment Properties		
Commercial land, office and retail	Market value	Investment yields Improved rate per square metre Site rate per square metre

E2-1 Fair value measurement (continued)

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

\$ '000	Total IPP&E	
	2024	2023
Opening balance	570,223	588,294
Total gains or losses for the period		
Recognised in profit or loss – realised (refer to Note B4-1)	(184)	(368)
Recognised in other comprehensive income – revaluation surplus	28,763	38,643
Other movements		
Transfers from/(to) level 2 FV hierarchy	(73)	(2,440)
Purchases (GBV)	35,926	13,050
Disposals (WDV)	(2,944)	(1,506)
Depreciation and impairment	(11,861)	(65,450)
Closing balance	619,850	570,223

Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

In the 2024 year, two non specialised buildings were transferred from Level 3 to Level 2 as both properties are now rented.

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

E3-1 Contingencies (continued)

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

* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9% 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 for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$38,324.68. The last valuation of the Scheme was performed by Richard Boyfield FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$11,292.72. Council's expected contribution to the plan for the next annual reporting period is \$18,751.80.

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is 0.11%.

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

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

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

* Plus promotional increases

E3-1 Contingencies (continued)

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims and other matters

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

E3-1 Contingencies (continued)

(ii) Infringement notices/fines

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

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

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

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

(iii) Rural Fire Services

The Local Government Code of Accounting Practice and Financial Reporting 22/23 issued by the Office of Local Government at page 54 states "Councils need to assess whether they control any Rural Fire Service assets and recognise in their financial statements any material assets under their control."

In addition, AASB116 requires that an asset can only be recognised if it is probable that future economic benefits associated with the items will flow to the entity. Control is defined in the "AASB Conceptual Framework".

In response to the Code's assessment requirements and based on Council's review of:

1. effective control and
2. what entity receives the future economic benefits

of the rural fire fighting assets, Council has adopted an accounting position statement on the recognition of Rural Fire Service assets.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	947	993
Post-employment benefits	89	79
Other long-term benefits	174	179
Total	1,210	1,251

Other transactions with KMP and their related parties

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

Nature of the transaction		Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref					
2024						
Newspaper Advertising	1	16	–		–	–
Supply of Hardware	3	82	–		–	–
Erection of Buildings and Structures	4	27	–		–	–
RMS E-Safety Reports inc RFS vehicles, Vehicle Windscreen Replacements	5	8	–		–	–
Plumbing Services	6	3	–		–	–
Rental of Residential property	7	5	–		–	–
Lease Rental Income	8	14	–		–	–
Waste Collection and Private Works	9	16	–		–	–

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

Nature of the transaction			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
2023						
Newspaper Advertising	1	19	—		—	—
Building Certifications	2	9	—		—	—
Supply of Hardware	3	43	—		—	—
Erection of Buildings and Structures	4	9	—		—	—
RMS E-Safety Reports inc RFS vehicles, Vehicle Windscreen Replacements	5	5	—		—	—
Plumbing Services	6	4	—		—	—
Rental of Residential property	7	15	—		—	—
Lease Rental Income	8	14	—		—	—
Waste Collection and Private Works	9	9	—		—	—
1	KMP is employed by local newspaper in which Council advertises					
2	Council approved a DA for alterations to building					
3	Council purchases hardware from a KMP-owned business					
4	Council engages a KMP to erect buildings in accordance with its Procurement & Disposal Policy					
5	Council engages a KMP to provide automotive services					
6	Council engages plumbing services from a close relative of a KMP					
7	Council pays rent to a KMP					
8	Council receives rental income from a KMP					
9	Council provides waste collection services and conducts privates works to a Community Housing provider that a KMP manages					

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	26	28
Councillors' fees	142	132
Other Councillors' expenses (including Mayor)	189	56
Total	357	216

F2 Other relationships

F2-1 Audit fees

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

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements

	79	59
Remuneration for audit and other assurance services	79	59

Total Auditor-General remuneration

	79	59
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(i) Audit and other assurance services

Other audit and assurance services – Internal Audits

	51	6
Remuneration for audit and other assurance services	51	6

Total remuneration of non NSW Auditor-General audit firms

	51	6
--	----	---

Total audit fees

	130	65
--	-----	----

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	13,996	32,612
Add / (less) non-cash items:		
Depreciation and amortisation	12,004	12,256
(Gain) / loss on disposal of assets	1,768	368
Unwinding of discount rates on reinstatement provisions	39	89
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(1,540)	(1,611)
Increase / (decrease) in provision for impairment of receivables	(614)	178
(Increase) / decrease of inventories	(494)	227
(Increase) / decrease of other current assets	(144)	86
(Increase) / decrease of contract asset	316	(1,863)
Increase / (decrease) in payables	(136)	515
Increase / (decrease) in accrued interest payable	(2)	(3)
Increase / (decrease) in other accrued expenses payable	92	41
Increase / (decrease) in other liabilities	296	54
Increase / (decrease) in contract liabilities	10,265	(8,130)
Increase / (decrease) in employee benefit provision	40	187
Increase / (decrease) in other provisions	(627)	(1,578)
Net cash flows from operating activities	35,259	33,428

G2-1 Commitments

Capital commitments (exclusive of GST)

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

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

Property, plant and equipment

Sewerage and water infrastructure	3,622	218
Buildings	3,204	4,725
Plant and equipment	1,223	1,021
Other	110	1,037
Road infrastructure	–	2,656
Total commitments	8,159	9,657

These expenditures are payable as follows:

Within the next year	8,159	5,124
Later than one year and not later than 5 years	–	4,533
Total payable	8,159	9,657

Sources for funding of capital commitments:

Future grants and contributions	2,801	3,885
Externally restricted reserves	931	–
Internally restricted reserves	4,427	5,772
Total sources of funding	8,159	9,657

Details of capital commitments

Council has the following outstanding commitments

- Light Plant and Fleet
- Water asset upgrades & improvements in Tottenham & Condoblin
- Sewer pumping station upgrade in Condobolin
- Footpaths
- Condobolin new works depot

These projects are able to be fully funded. Grants to be paid in future years include approved funding from the Safe & Secure Water Program, Stronger Country Communities, Local Roads and Community Infrastructure, as well as Restart NSW 841 programs.

G3 Statement of developer contributions

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Community facilities	345	236	–	–	22	(100)	–	503	–
S7.11 contributions – under a plan	345	236	–	–	22	(100)	–	503	–
Total S7.11 and S7.12 revenue under plans	345	236	–	–	22	(100)	–	503	–
S64 contributions	33	–	–	–	–	–	–	33	–
Total contributions	378	236	–	–	22	(100)	–	536	–

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.

G3-2 Developer contributions by plan

	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
\$ '000		Cash	Non-cash Land	Non-cash Other					
CONTRIBUTION PLAN NUMBER 2021									
Community facilities	345	236	–	–	22	(100)	–	503	–
Total	345	236	–	–	22	(100)	–	503	–

G3-3 S64 contributions

S64 Water

Other	26	13	–	–	1	(13)	–	27	–
Total	26	13	–	–	1	(13)	–	27	–

S64 Sewer

Other	8	4	–	–	–	(4)	–	8	–
Total	8	4	–	–	–	(4)	–	8	–

G4 Statement of performance measures

G4-1 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}	4,163	8.05%	24.19%	11.13%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	51,703				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	22,963	36.28%	26.59%	32.02%	> 60.00%
Total continuing operating revenue ¹	63,298				
3. Unrestricted current ratio					
Current assets less all external restrictions	65,840	7.44x	7.04x	5.52x	> 1.50x
Current liabilities less specific purpose liabilities	8,849				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	16,531	19.82x	28.19x	23.29x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	834				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	1,245	8.37%	10.35%	9.32%	< 10.00%
Rates and annual charges collectable	14,866				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	83,281	23.80	27.06	28.56	> 3.00
Monthly payments from cash flow of operating and financing activities	3,499	months	months	months	months

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

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

G4-2 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}	13.62%	29.97%	(32.03)%	(18.64)%	(4.27)%	(2.48)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	28.48%	19.76%	74.41%	63.32%	97.91%	96.40%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	7.44x	7.04x	3.18x	1.73x	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	18.97x	26.17x	∞	∞	∞	∞	> 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	10.73%	14.22%	0.00%	0.00%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	20.47 months	25.98 months	∞	23.72 months	∞	55.84 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

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

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

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business:

58-64 Molong Street
Condobolin NSW 2877

Contact details

Mailing Address:

PO Box 216
Condobolin NSW 2877

Telephone: 02 6895 1900

Facsimile: 02 6895 3478

Opening hours:

8:30am - 4.30pm Monday to Friday

Internet: www.lachlan.nsw.gov.au

Email: council@lachlan.nsw.gov.au

Officers

Interim General Manager
Alan Stoneham

Responsible Accounting Officer
Karen Pegler

Public Officer
Karen Pegler

Auditors

Audit Office of NSW
GPO Box 12
SYDNEY NSW 2001

Elected members

Mayor
Arthur John Medcalf OAM

Councillors

P Phillips
J Bartholomew
M Mortimer
M Blewitt
M Rees
P Harris
D Brady
R Turner
J Coleman

Other information

ABN: 82 815 250 829



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Lachlan Shire Council

To the Councillors of Lachlan Shire Council

Opinion

I have audited the accompanying financial statements of Lachlan 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.



Min Cui
Delegate of the Auditor-General for New South Wales

8 October 2025
SYDNEY



John Medcalf OAM
Mayor
Lachlan Shire Council
58 – 64 Molong Street
Condobolin NSW 2877

Contact: Min Cui
Phone no: 02 9275 7419
Our ref: R008-2124742775-12873

8 October 2025

Dear Mayor

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

I have audited the general purpose financial statements (GPFS) of the Lachlan 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 \$m	2023 \$m	Variance %
Rates and annual charges revenue	13.3	11.9	↑ 11.8
Grants and contributions revenue	40.3	53.6	↓ 24.8
Operating result from continuing operations	14.0	32.6	↓ 57.1
Net operating result before capital grants and contributions	2.4	12.1	↓ 80.1

Rates and annual charges revenue (\$13.3 million) increased by \$1.4 million (11.8 per cent) in 2023–24 due to rate peg increase of 3.7 per cent together with an increase in the number of rateable properties.

Grants and contributions revenue (\$40.3 million) decreased by \$13.3 million (24.8 per cent) in 2023–24 due to:

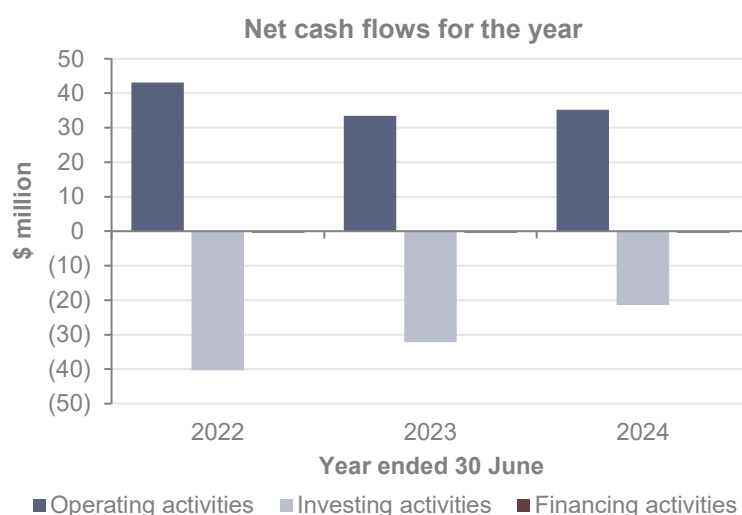
- decrease of \$3.4 million in financial assistance grants in 2023-24 as 95% of the grant was received in advance in 2022-23
- decrease of \$11.9 million of grants recognised received for transport (other roads and bridges funding)

Council's operating result from continuing operations (\$14.0 million including depreciation, amortisation and impairment expense of \$12.0 million) was \$18.6 million lower than the 2022–23 result. This is mainly due to the decrease in grants and contribution received during the year.

The net operating result before capital grants and contributions (\$2.4 million) was \$9.7million lower than the 2022–23 result. This is mainly due to the increase in materials and services expenses.

STATEMENT OF CASH FLOWS

- The increase in net cash flows from operating activities of \$1.8 million is due to the increase in rates and annual charges.
- The decrease in net cash outflows from investing activities of \$10.7 million is due to the decrease in acquisition of term deposits.
- The net cash flows from financial activities remained consistent with the prior year result.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	83.3	73.7	Externally restricted balances comprise mainly of developer contributions, water and sewer funds.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	28.3	28.5	

Debt

At 30 June 2024, Council had:

- \$5.9 million in secured loans (\$6.3 million in 2022-23)
- \$0.5 million in approved overdraft facility with nil drawn down
- \$55,000 in credit card facilities with \$17,000 used.

PERFORMANCE

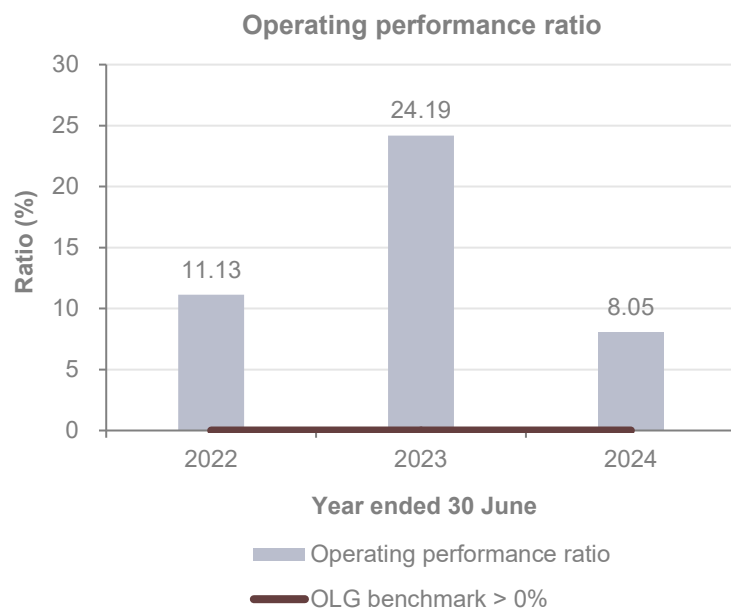
Performance measures

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

Operating performance ratio

Council exceeded the benchmark for the current reporting period.

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

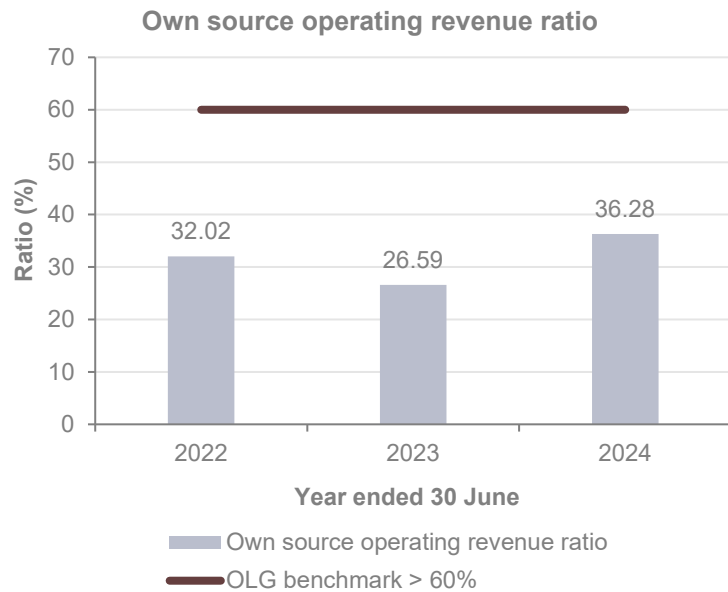


Own source operating revenue ratio

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

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

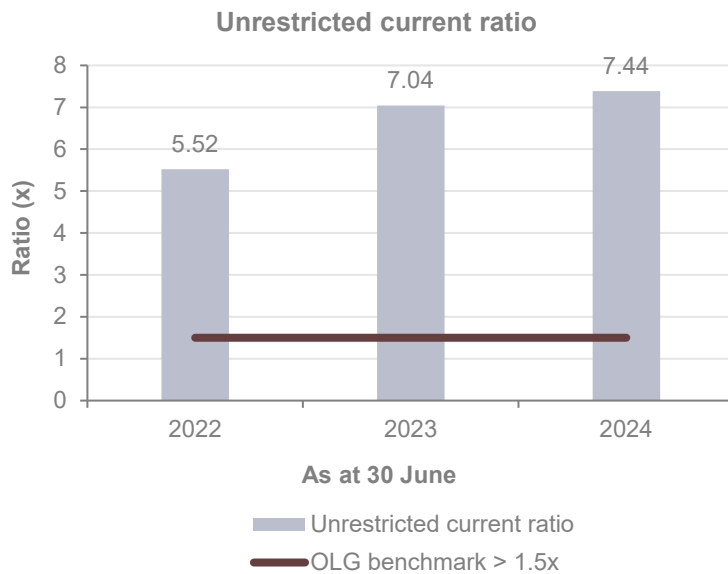
The high level of grants and contributions received by Council resulted in this ratio continuing to remain below the benchmark.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

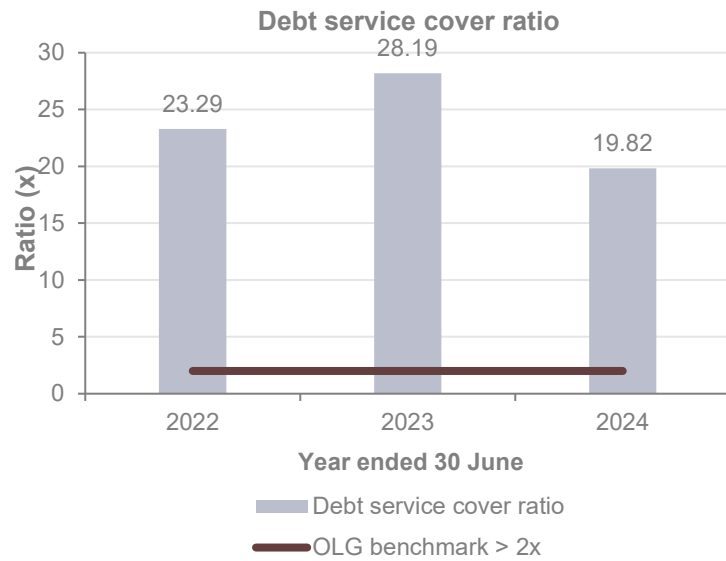
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

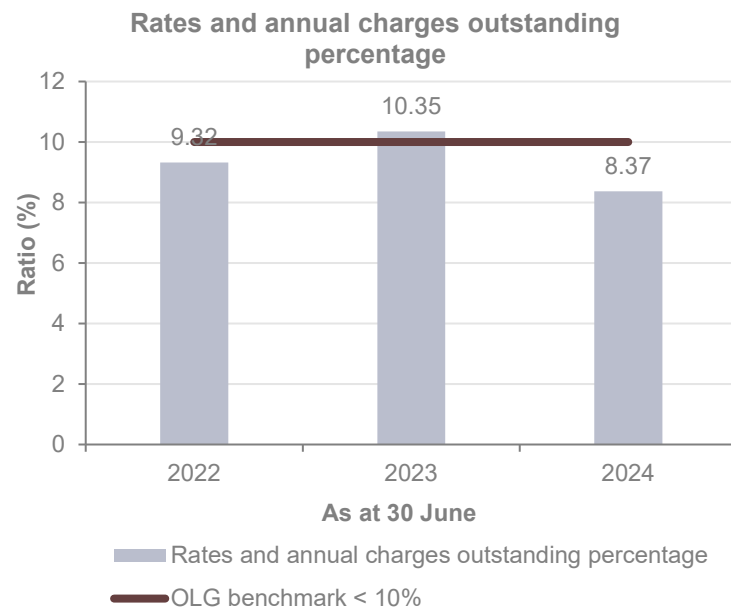
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

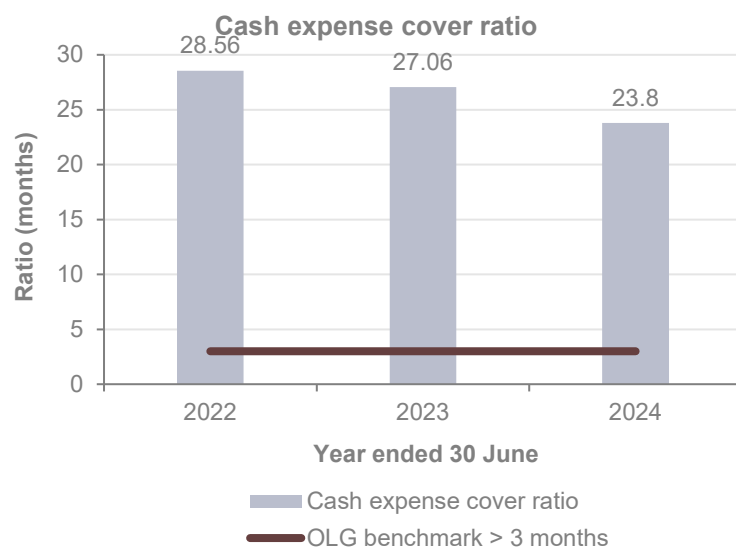
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$15.4 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on capital work in progress and plant and equipment. A further \$12.4 million was spent on new assets including capital work in progress, roads, footpaths and land improvements - depreciable.

OTHER MATTERS

Legislative compliance

My audit procedures identified:

- non-compliance with the *Local Government Act 1993*: The statutory date for submission of audited financial statements under the *Local Government Act 1993* is 31 October 2024. The Office of Local Government granted the Council an extension to 31 March 2025 under section 416(5) of the Act. However, due to a typographical error in the email address utilised by the OLG, the Council did not receive the extension approval and, due to this miscommunication, did not seek any further extensions. As a result, the submission deadline was not met, constituting a breach of the statutory reporting obligations under the *Local Government Act 1993*. This will be reported in the Management Letter.

Except for the matter outlined above, the Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.

Min Cui
Associate Director

Delegate of the Auditor-General for New South Wales



**LACHLAN SHIRE
COUNCIL**
Wiradjuri Country

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Special Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
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Income Statement of sewerage business activity	5
Statement of Financial Position of water supply business activity	6
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Background

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

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

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

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

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

Lachlan 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.

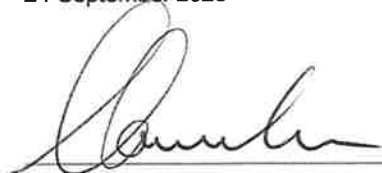
Signed in accordance with a resolution of Council made on 24 September 2025.



Arthur John Medcalf OAM

Mayor

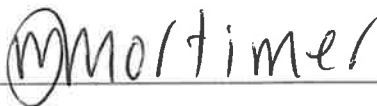
24 September 2025



Alan Stoneham

Interim General Manager

24 September 2025



Megan Mortimer

Councillor

24 September 2025



Karen Pegler

Responsible Accounting Officer

24 September 2025

Lachlan 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	1,315	1,747
User charges	3,626	2,662
Interest and investment income	305	306
Grants and contributions provided for operating purposes	112	54
Other income	–	1
Total income from continuing operations	5,358	4,770
Expenses from continuing operations		
Employee benefits and on-costs	848	740
Materials and services	3,665	2,399
Depreciation, amortisation and impairment	1,833	1,953
Water purchase charges	179	157
Net loss from the disposal of assets	57	–
Other expenses	492	396
Total expenses from continuing operations	7,074	5,645
Surplus (deficit) from continuing operations before capital amounts	(1,716)	(875)
Grants and contributions provided for capital purposes	1,692	2,678
Surplus (deficit) from continuing operations after capital amounts	(24)	1,803
Surplus (deficit) from all operations before tax	(24)	1,803
Surplus (deficit) after tax	(24)	1,803
Plus accumulated surplus	48,680	46,877
Closing accumulated surplus	48,656	48,680
Return on capital %	(2.1)%	(1.2)%
Subsidy from Council	5,192	3,901
Calculation of dividend payable:		
Surplus (deficit) after tax	(24)	1,803
Less: capital grants and contributions (excluding developer contributions)	(1,692)	(2,652)

Lachlan Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	1,952	1,865
User charges	33	32
Interest and investment income	405	293
Grants and contributions provided for operating purposes	15	28
Other income	5	6
Total income from continuing operations	2,410	2,224
Expenses from continuing operations		
Employee benefits and on-costs	438	460
Materials and services	1,130	812
Depreciation, amortisation and impairment	694	799
Net loss from the disposal of assets	9	—
Other expenses	242	205
Total expenses from continuing operations	2,513	2,276
Surplus (deficit) from continuing operations before capital amounts	(103)	(52)
Grants and contributions provided for capital purposes	36	54
Surplus (deficit) from continuing operations after capital amounts	(67)	2
Surplus (deficit) from all operations before tax	(67)	2
Surplus (deficit) after tax	(67)	2
Plus accumulated surplus	10,401	10,399
Closing accumulated surplus	10,334	10,401
Return on capital %	(0.4)%	(0.2)%
Subsidy from Council	1,110	919
Calculation of dividend payable:		
Surplus (deficit) after tax	(67)	2
Less: capital grants and contributions (excluding developer contributions)	(36)	(46)

Lachlan 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	5,869	1,681
Investments	604	3,722
Receivables	1,694	2,031
Total current assets	8,167	7,434
Non-current assets		
Investments	—	1,895
Infrastructure, property, plant and equipment	80,842	75,264
Total non-current assets	80,842	77,159
Total assets	89,009	84,593
LIABILITIES		
Current liabilities		
Contract liabilities	2,566	1,172
Total current liabilities	2,566	1,172
Total liabilities	2,566	1,172
Net assets	86,443	83,421
EQUITY		
Accumulated surplus	48,656	48,680
Revaluation reserves	37,787	34,741
Total equity	86,443	83,421

Lachlan 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	5,787	1,560
Investments	256	3,462
Receivables	292	464
Total current assets	6,335	5,486
Non-current assets		
Investments	–	1,763
Infrastructure, property, plant and equipment	23,425	21,577
Total non-current assets	23,425	23,340
Total assets	29,760	28,826
Net assets	29,760	28,826
EQUITY		
Accumulated surplus	10,334	10,401
Revaluation reserves	19,426	18,425
Total equity	29,760	28,826

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

Water Supplies

Comprising the whole of the operations and assets of the water supply systems servicing the towns of Condobolin, Lake Cargelligo, Tottenham, Tullibigeal, Burcher and Fifield.

Category 2

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

Sewerage Services

Comprising the whole of the operations and assets of the sewerage reticulation and treatment system servicing the towns of Condobolin, Lake Cargelligo and Tottenham.

Taxation equivalent charges

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

Notional rate applied (%)

Note – Material accounting policy information (continued)

Corporate income tax rate – **25%** (22/23 25%)

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

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

In accordance with section 4 of Department of Planning, Industry & 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 relevant corporate income tax rate, currently 25% (21/22 25%).

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

Note – Material accounting policy information (continued)

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

(iii) Dividends

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

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

Each dividend must be calculated and approved in accordance with 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, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to DPE – Water.

Lachlan Shire Council

Special Purpose Financial Statements
for the year ended 30 June 2024



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Lachlan Shire Council

To the Councillors of Lachlan Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Lachlan 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 Supplies
- Sewerage Services

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.

A handwritten signature in black ink, appearing to be 'Min Cui', with a stylized flourish at the end.

Min Cui
Delegate of the Auditor-General for New South Wales

8 October 2025
SYDNEY



**LACHLAN SHIRE
COUNCIL**
Wiradjuri Country

SPECIAL SCHEDULES **for the year ended 30 June 2024**

Contents	Page
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Report on infrastructure assets as at 30 June 2024	7

Lachlan Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	7,037	8,284
Plus or minus adjustments ²	b	4	(8)
Notional general income	$c = a + b$	7,041	8,276
Permissible income calculation			
Percentage increase	d	3.70%	4.50%
Plus percentage increase amount ³	$f = d \times (c + e)$	261	372
Sub-total	$g = (c + e + f)$	7,302	8,648
Plus (or minus) last year's carry forward total	h	986	3
Sub-total	$j = (h + i)$	986	3
Total permissible income	$k = g + j$	8,288	8,651
Less notional general income yield	l	8,284	8,645
Catch-up or (excess) result	$m = k - l$	3	6
Carry forward to next year ⁶	$p = m + n + o$	3	6

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

Lachlan Shire Council

To the Councillors of Lachlan Shire Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Lachlan 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.



Min Cui
Delegate of the Auditor-General for New South Wales

8 October 2025
SYDNEY

Lachlan Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	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				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	573	573	716	672	48,177	84,619	17.0%	7.0%	66.0%	8.0%	2.0%
	Sub-total	573	573	716	672	48,177	84,619	17.0%	7.0%	66.0%	8.0%	2.0%
Other structures	Other structures	–	–	71	80	20,144	31,915	19.0%	22.0%	54.0%	5.0%	0.0%
	Sub-total	–	–	71	80	20,144	31,915	19.0%	22.0%	54.0%	5.0%	0.0%
Roads	Roads including kerb & gutter	8,071	8,071	6,138	10,700	398,824	546,497	34.0%	40.0%	21.0%	5.0%	0.0%
	Bridges	–	–	–	6	32,396	44,823	0.0%	0.0%	0.0%	0.0%	100.0%
	Footpaths	77	77	100	123	6,559	8,827	58.0%	36.0%	4.0%	2.0%	0.0%
	Other road assets	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	–	–	40.0%	43.0%	16.0%	0.0%	0.0%
	Sub-total	8,148	8,148	6,238	10,829	437,779	600,147	31.8%	37.0%	19.2%	4.6%	7.4%
Water supply network	Water supply network	9,823	9,823	2,341	3,585	62,500	125,757	20.0%	28.0%	30.0%	10.0%	12.0%
	Sub-total	9,823	9,823	2,341	3,585	62,500	125,757	20.0%	28.0%	30.0%	10.0%	12.0%
Sewerage network	Sewerage network	6,718	6,718	1,165	1,104	20,705	47,148	10.0%	21.0%	29.0%	20.0%	20.0%
	Sub-total	6,718	6,718	1,165	1,104	20,705	47,148	10.0%	21.0%	29.0%	20.0%	20.0%
Stormwater drainage	Stormwater drainage	60	60	59	67	12,058	16,073	29.0%	52.0%	17.0%	2.0%	0.0%
	Sub-total	60	60	59	67	12,058	16,073	29.0%	52.0%	17.0%	2.0%	0.0%
Total – all assets		25,322	25,322	10,590	16,337	601,363	905,659	27.2%	31.8%	26.8%	6.4%	7.8%

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

Infrastructure asset condition assessment 'key'

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

Lachlan Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	4,125	40.02%	11.74%	57.25%	> 100.00%
Depreciation, amortisation and impairment	10,307				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	25,322	3.97%	4.24%	2.86%	< 2.00%
Net carrying amount of infrastructure assets	637,059				
Asset maintenance ratio					
Actual asset maintenance	16,337	154.27%	102.20%	116.83%	> 100.00%
Required asset maintenance	10,590				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	25,322	2.80%	3.03%	2.18%	
Gross replacement cost	905,659				

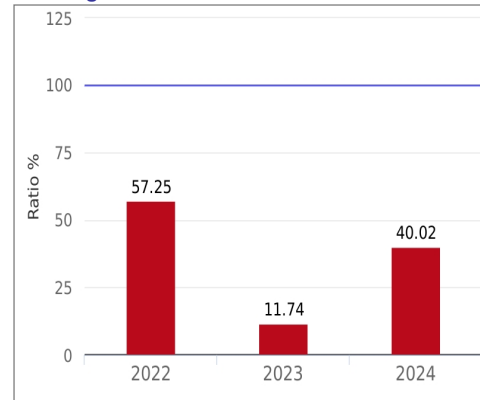
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Lachlan Shire Council

Report on infrastructure assets as at 30 June 2024

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

Commentary on result

23/24 ratio 40.02%

Council has received grant funding to construct new assets this year and in past years. Resources are focused on delivering these projects with insufficient additional resources to undertake renewal works.

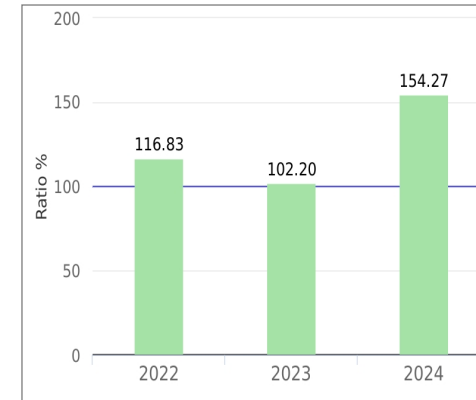
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result

23/24 ratio 154.27%

Council has undertaken considerable maintenance in the last 12 months to avoid the infrastructure backlog from increasing.

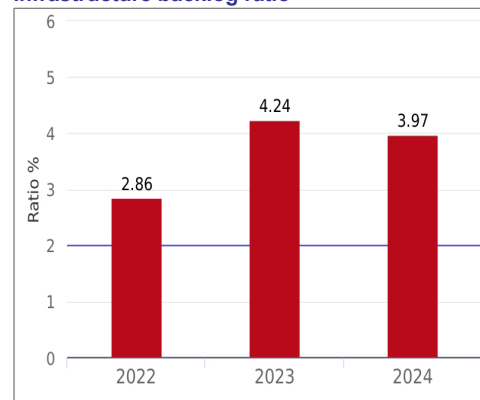
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result

23/24 ratio 3.97%

Council like many rural and remote organisations is unable to resource all infrastructure back logs.

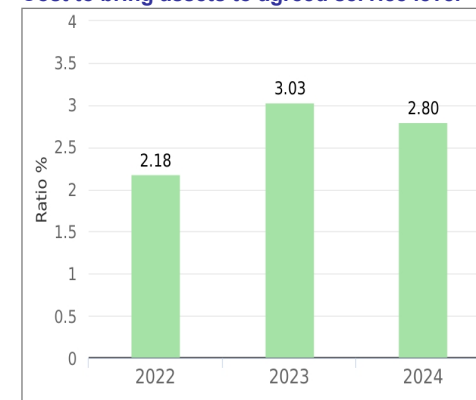
Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result

23/24 ratio 2.80%

Council's result is within normal ranges for this organisation

Lachlan 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	38.58%	11.16%	43.26%	28.60%	49.84%	20.98%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	1.59%	1.71%	15.72%	15.76%	32.45%	33.45%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	164.43%	111.83%	153.14%	88.25%	94.76%	71.67%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	1.20%	1.30%	7.81%	8.37%	14.25%	15.21%	
Gross replacement cost							

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