

# FINANCIAL STATEMENTS 2023-2024

General Purpose Financial Statements for the year ended 30 June 2024.

# Bathurst Regional Council

## ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

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*A vibrant regional centre that enjoys a rural lifestyle . . . . .  
A Region full of community spirit and shared prosperity.*



# Bathurst Regional Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

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*A vibrant regional centre that enjoys a rural lifestyle . . . . .  
A Region full of community spirit and shared prosperity.*



# Bathurst Regional Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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# Bathurst Regional Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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

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

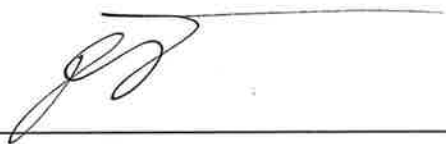
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

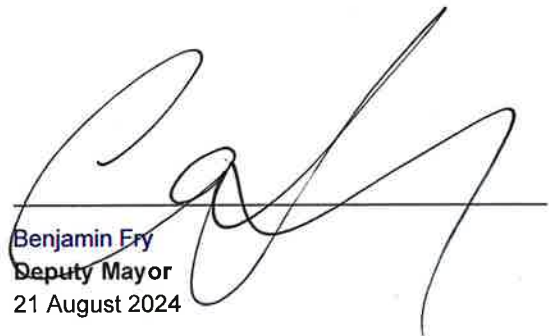
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 21 August 2024.



Jess Jennings  
Mayor  
21 August 2024



Benjamin Fry  
Deputy Mayor  
21 August 2024



David Sherley  
General Manager  
21 August 2024



Aaron Jones  
Responsible Accounting Officer  
21 August 2024

# Bathurst Regional Council

## Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Income from continuing operations</b>				
54,807	Rates and annual charges	B2-1	55,346	53,031
30,087	User charges and fees	B2-2	32,885	30,212
2,906	Other revenues		2,743	2,331
12,375	Grants and contributions provided for operating purposes	B2-3	18,843	18,490
25,305	Grants and contributions provided for capital purposes	B2-3	33,196	17,655
1,677	Interest and investment income		4,374	3,311
2,528	Other income		2,910	2,698
16,722	Net gain from the disposal of assets		-	-
352	Fair value increment on investment properties	C1-7	815	4,357
146,759	<b>Total income from continuing operations</b>		<b>151,112</b>	<b>132,085</b>
<b>Expenses from continuing operations</b>				
34,376	Employee benefits and on-costs	B3-1	38,170	35,479
48,912	Materials and services	B3-2	57,570	58,022
1,536	Borrowing costs		1,610	1,546
36,228	Depreciation, amortisation and impairment of non-financial assets	B3-3	27,129	34,717
2,452	Other expenses		2,582	2,264
-	Net loss from the disposal of assets		103	606
123,504	<b>Total expenses from continuing operations</b>		<b>127,164</b>	<b>132,634</b>
<b>23,255</b>	<b>Operating result from continuing operations</b>		<b>23,948</b>	<b>(549)</b>
<b>23,255</b>	<b>Net operating result for the year attributable to Council</b>		<b>23,948</b>	<b>(549)</b>
<b>2,050</b>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>(9,248)</b>	<b>(18,204)</b>

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

## Bathurst Regional Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Net operating result for the year – from Income Statement</b>		<b>23,948</b>	<b>(549)</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<u>84,699</u>	<u>184,106</u>
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>84,699</b>	<b>184,106</b>
<b>Total other comprehensive income for the year</b>		<b>84,699</b>	<b>184,106</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b>108,647</b>	<b>183,557</b>

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

## Bathurst Regional Council

## Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	14,983	7,647
Investments	C1-2	41,000	73,550
Receivables	C1-4	12,935	20,548
Inventories	C1-5	5,379	4,232
Contract assets and contract cost assets		3,151	1,075
Other		1,635	1,125
<b>Total current assets</b>		<b>79,083</b>	<b>108,177</b>
<b>Non-current assets</b>			
Investments	C1-2	17,800	17,300
Receivables	C1-4	505	527
Inventories	C1-5	11,403	11,403
Infrastructure, property, plant and equipment (IPPE)	C1-6	1,845,521	1,724,240
Investment property	C1-7	22,265	21,450
Right of use assets		192	165
<b>Total non-current assets</b>		<b>1,897,686</b>	<b>1,775,085</b>
<b>Total assets</b>		<b>1,976,769</b>	<b>1,883,262</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	13,317	14,559
Contract liabilities	C3-2	2,860	11,825
Lease liabilities		68	56
Borrowings	C3-3	13,925	5,291
Employee benefit provisions	C3-4	11,623	11,786
Provisions	C3-5	82	77
<b>Total current liabilities</b>		<b>41,875</b>	<b>43,594</b>
<b>Non-current liabilities</b>			
Payables	C3-1	895	1,152
Lease liabilities		135	115
Borrowings	C3-3	21,424	34,648
Employee benefit provisions	C3-4	426	465
Provisions	C3-5	3,249	3,170
<b>Total non-current liabilities</b>		<b>26,129</b>	<b>39,550</b>
<b>Total liabilities</b>		<b>68,004</b>	<b>83,144</b>
<b>Net assets</b>		<b>1,908,765</b>	<b>1,800,118</b>
<b>EQUITY</b>			
Accumulated surplus		725,765	701,817
IPPE revaluation reserve		1,183,000	1,098,301
<b>Council equity interest</b>		<b>1,908,765</b>	<b>1,800,118</b>
<b>Total equity</b>		<b>1,908,765</b>	<b>1,800,118</b>

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



## Bathurst Regional 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
<b>Opening balance at 1 July</b>		<b>701,817</b>	<b>1,098,301</b>	<b>1,800,118</b>	702,366	914,195	1,616,561
<b>Net operating result for the year</b>		<b>23,948</b>	<b>–</b>	<b>23,948</b>	(549)	–	(549)
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	<b>84,699</b>	<b>84,699</b>	–	184,106	184,106
<b>Other comprehensive income</b>		<b>–</b>	<b>84,699</b>	<b>84,699</b>	<b>–</b>	<b>184,106</b>	<b>184,106</b>
<b>Total comprehensive income</b>		<b>23,948</b>	<b>84,699</b>	<b>108,647</b>	<b>(549)</b>	<b>184,106</b>	<b>183,557</b>
<b>Closing balance at 30 June</b>		<b>725,765</b>	<b>1,183,000</b>	<b>1,908,765</b>	<b>701,817</b>	<b>1,098,301</b>	<b>1,800,118</b>

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

## Bathurst Regional Council

## Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
54,628	Rates and annual charges		54,983	52,821
29,977	User charges and fees		34,513	31,924
1,677	Interest received		4,618	2,187
37,864	Grants and contributions		30,940	36,907
–	Bonds, deposits and retentions received		511	38
5,082	Other		22,142	4,384
<i>Payments:</i>				
(34,014)	Payments to employees		(38,864)	(36,746)
(29,511)	Payments for materials and services		(69,677)	(63,521)
(1,536)	Borrowing costs		(1,619)	(1,464)
(2,176)	Other		(2,997)	(2,394)
61,991	<b>Net cash flows from operating activities</b>	G1-1	<b>34,550</b>	<b>24,136</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
155,645	Sale of investments		73,550	71,730
27,300	Sale of real estate assets		322	1,502
1,331	Proceeds from sale of IPPE		984	703
–	Deferred debtors receipts		52	170
<i>Payments:</i>				
(152,520)	Purchase of investments		(74,050)	(72,530)
(5,000)	Acquisition of term deposits		32,550	8,680
(51,787)	Payments for IPPE		(55,003)	(39,335)
(10,846)	Purchase of real estate assets		(960)	(134)
(35,877)	<b>Net cash flows from investing activities</b>		<b>(22,555)</b>	<b>(29,214)</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
700	Proceeds from borrowings		700	10,950
<i>Payments:</i>				
(5,291)	Repayment of borrowings		(5,290)	(5,435)
(50)	Principal component of lease payments		(69)	(55)
(4,641)	<b>Net cash flows from financing activities</b>		<b>(4,659)</b>	<b>5,460</b>
21,473	<b>Net change in cash and cash equivalents</b>		<b>7,336</b>	<b>382</b>
21,473	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>14,983</b>	<b>7,647</b>

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

# Bathurst Regional Council

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# Bathurst Regional Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 21 August 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these consolidated financial statements is 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 investment properties – refer Note C1-8
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (iii) estimated tip remediation provisions – refer Note C3-5
- (iv) 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 service
- Sewerage service

#### **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.

## A1-1 Basis of preparation (continued)

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

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

### Volunteer services

Council relies on some volunteer services in the operation of various Museums. The volunteer services, whilst helping the facilities, would not be purchased if not voluntarily provided and the value of those services cannot be reliably measured.

### New accounting standards and interpretations issued but not yet effective

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

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

### New accounting standards adopted during the year

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

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

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

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

### Going Concern

In preparing these financial statements, management and those charged with governance have made an assessment of the ability of the Council to continue as a going concern, which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business.

Management and those charged with governance are of the opinion the Council will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements after consideration of the following factors:

- at 30 June 2024, the Council reported:
  - a surplus of \$23.9 million
  - total current assets (\$79.1 million) excess of its total liabilities (\$68.0 million)
  - total cash, cash equivalents and investments of \$73.8 million
- the Council's operating and cash flow estimates for the next 12 months forecast the achievement of a surplus, inclusive of expected land sales (see Note C1-5)
- the Council has access to an overdraft facility of \$0.7 million (nil drawn down at 30 June 2024 and at the date of the auditor's report on these financial statements).

Considering the above factors, management and those charged with governance are of the opinion the Council will have sufficient cash available to enable it to pay its debts as and when they fall due for the next 12 months from the date of the auditor's report on these financial statements.

As such, the financial statements for the year ended 30 June 2024 have been prepared under the assumption of a going concern basis.

## 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
<b>Functions or activities</b>										
Governance	–	–	3,855	3,947	(3,855)	(3,947)	–	–	56	68
Administration	1,333	709	16,296	14,681	(14,963)	(13,972)	15	–	52,898	55,123
Public order and safety	567	644	3,109	2,701	(2,542)	(2,057)	464	1,142	15,704	14,908
Environment	14,834	13,912	13,219	15,443	1,615	(1,531)	913	789	231,465	249,505
Community services and education	2,831	2,906	2,578	2,594	253	312	2,237	2,080	14,294	13,956
Housing and community amenities	272	882	3,318	3,020	(3,046)	(2,138)	37	745	8,001	8,262
Water supplies	26,505	23,406	12,509	14,285	13,996	9,121	7,349	7,700	370,980	359,381
Sewerage services	20,403	17,807	10,340	14,850	10,063	2,957	1,843	820	215,869	200,942
Recreation and culture	14,115	9,324	25,715	23,155	(11,600)	(13,831)	4,272	1,549	325,457	312,153
Mining, manufacturing and construction	1,032	1,132	1,659	1,317	(627)	(185)	25	–	287	281
Transport and communication	23,189	11,727	29,363	31,228	(6,174)	(19,501)	24,431	11,358	715,274	656,726
Economic affairs	5,175	9,009	5,203	5,413	(28)	3,596	3,268	285	26,843	11,957
General Purpose Revenues	40,856	40,627	–	–	40,856	40,627	7,185	9,677	–	–
Other	–	–	–	–	–	–	–	–	(359)	–
<b>Total functions and activities</b>	<b>151,112</b>	<b>132,085</b>	<b>127,164</b>	<b>132,634</b>	<b>23,948</b>	<b>(549)</b>	<b>52,039</b>	<b>36,145</b>	<b>1,976,769</b>	<b>1,883,262</b>

## B1-2 Components of functions or activities

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

### Governance

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policy-making committees, public disclosure (e.g. GIPA), and legislative compliance.

### Administration

Includes corporate support and other support services, engineering works, and any Council policy

### Public order and safety

Includes Council's fire and emergency services levy, fire protection, emergency services, enforcement of regulations and animal control.

### Environment

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

### Community services and education

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation – as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services; children's' services, including family day care; child care; and other family and children services.

### Housing and community amenities

Includes public cemeteries; public conveniences; street lighting; town planning; other community amenities, including housing development and accommodation for families and children, aged persons, disabled persons, migrants and Indigenous persons.

### Water supplies

Includes maintenance and operation of dams, water filtration plant, reservoirs and the reticulation of the water supply.

### Sewerage services

Includes maintenance and operation of the sewerage network of pipes, pump stations and treatment works.

### Recreation and culture

Includes public libraries; museums; art galleries; community centres and halls, including public halls and performing arts venues; sporting grounds and venues; swimming pools; parks; gardens; lakes; and other sporting, recreational and cultural services.

### Mining, manufacturing and construction

Includes building control, quarries and pits.

### Transport and communication

Urban local, urban regional, includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

### Economic affairs

Includes camping areas and caravan parks; tourism and area promotion; industrial development promotion; sale yards and markets; real estate development; commercial nurseries; and other business undertakings.



## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	22,000	21,085
Farmland	2,340	2,247
Mining	12	12
Business	6,596	6,389
Less: pensioner rebates (mandatory)	(671)	(661)
<b>Rates levied to ratepayers</b>	<b>30,277</b>	<b>29,072</b>
Pensioner rate subsidies received	369	364
<b>Total ordinary rates</b>	<b>30,646</b>	<b>29,436</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	7,568	7,215
Stormwater management services	405	400
Water supply services	3,427	3,354
Sewerage services	12,586	11,967
Waste management services (non-domestic)	1,076	1,009
Section 611 charges	32	34
Less: pensioner rebates (mandatory)	(439)	(430)
Less: pensioner rebates (Council policy)	(195)	(191)
<b>Annual charges levied</b>	<b>24,460</b>	<b>23,358</b>
Pensioner annual charges subsidies received:		
– Water	115	114
– Sewerage	113	112
– Domestic waste management	12	11
<b>Total annual charges</b>	<b>24,700</b>	<b>23,595</b>
<b>Total rates and annual charges</b>	<b>55,346</b>	<b>53,031</b>

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
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>		
Water supply services	13,984	11,519
Sewerage services	2,004	1,956
Waste management services (non-domestic)	3,473	3,955
<b>Total specific user charges</b>	<b>19,461</b>	<b>17,430</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>		
Planning and building regulation	1,274	1,363
Private works – section 67	36	168
Section 603 certificates	95	85
<b>Total fees and charges – statutory/regulatory</b>	<b>1,405</b>	<b>1,616</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>		
Advertising	17	6
Aerodrome	112	172
Art gallery	–	3
Cemeteries	2	8
Child care	624	863
Bathurst rail museum	220	217
Chifley home	19	20
Entertainment centre	707	515
Library and art gallery	19	17
Mount Panorama	2,896	2,446
National motor racing museum	461	453
Tourism	1,185	977
Transport for NSW works (state roads not controlled by Council)	4,712	4,141
Sewerage	694	931
Water	210	287
Other	141	110
<b>Total fees and charges – other</b>	<b>12,019</b>	<b>11,166</b>
<b>Total other user charges and fees</b>	<b>13,424</b>	<b>12,782</b>
<b>Total user charges and fees</b>	<b>32,885</b>	<b>30,212</b>

### Material accounting policy information

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

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

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

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

## B2-3 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>General purpose (untied)</b>				
Financial assistance	333	2,324	-	-
<b>Payment in advance - future year allocation</b>				
Financial assistance	6,852	7,753	-	-
<b>Amount recognised as income during current year</b>	<b>7,185</b>	<b>10,077</b>	<b>-</b>	<b>-</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Bushfire and emergency services	291	310	31	47
Community care	2,237	2,061	-	19
Community centres	22	-	-	-
Economic development	117	125	3,082	160
Environmental programs	187	195	71	779
Floodplain management	41	-	-	-
Heritage and cultural	1,006	478	(17)	357
LIRS subsidy	4	10	-	-
Mount Panorama	-	96	-	(7)
Other councils – joint works/services	518	336	-	-
Recreation and culture	292	59	2,236	446
Sewerage services	-	-	205	-
Storm/flood damage	-	447	-	-
Strategic planning	15	637	-	-
Street lighting	109	108	-	-
Transport (aerodrome)	-	-	1,546	(4)
Transport (cycleways)	-	-	951	359
Transport (roads and bridges)	-	-	720	-
Transport (roads to recovery)	2,608	-	-	-
Transport for NSW contributions (regional roads, block grant)	853	795	-	1,083
Transport (other roads and bridges funding)	3,173	2,703	3,392	1,237
Waste management	96	-	-	-
Water supplies	-	-	5,638	6,971
Other specific grants	40	-	211	12
Other contributions	-	5	-	39
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>11,609</b>	<b>8,365</b>	<b>18,066</b>	<b>11,498</b>
<b>Non-cash contributions</b>				
Dedications	-	-	536	-
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	-	-	9,329	2,696
Heritage/cultural	-	-	170	120
Other	-	-	-	49
<b>Total other contributions – non-cash</b>	<b>-</b>	<b>-</b>	<b>10,035</b>	<b>2,865</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>11,609</b>	<b>8,365</b>	<b>28,101</b>	<b>14,363</b>
<b>Total grants and non-developer contributions</b>	<b>18,794</b>	<b>18,442</b>	<b>28,101</b>	<b>14,363</b>
<b>Comprising:</b>				
– Commonwealth funding	11,903	12,896	2,138	2,163
– State funding	6,267	4,617	15,634	9,525
– Other funding	624	929	10,329	2,675
	<b>18,794</b>	<b>18,442</b>	<b>28,101</b>	<b>14,363</b>

## B2-3 Grants and contributions (continued)

## Developer contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Developer contributions:</b>					
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.11 – contributions towards amenities/services	G3	–	–	1,746	1,743
S 64 – water supply contributions		–	–	1,711	729
S 64 – sewerage service contributions		–	–	1,638	820
Other developer contributions		49	48	–	–
<b>Total developer contributions – cash</b>		<b>49</b>	<b>48</b>	<b>5,095</b>	<b>3,292</b>
<b>Total developer contributions</b>		<b>49</b>	<b>48</b>	<b>5,095</b>	<b>3,292</b>
Total contributions		<b>49</b>	<b>48</b>	<b>5,095</b>	<b>3,292</b>
Total grants and contributions		<b>18,843</b>	18,490	<b>33,196</b>	17,655
Total grants and contributions		<b>18,843</b>	18,490	<b>33,196</b>	17,655

## B2-3 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
<b>Unspent grants</b>				
Unspent funds at 1 July	2,590	1,173	8,476	4,784
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	3,375	1,770	–	8,153
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(2,010)	(353)	(8,040)	(4,461)
<b>Unspent funds at 30 June</b>	<b>3,955</b>	<b>2,590</b>	<b>436</b>	<b>8,476</b>
<b>Unspent contributions</b>				
Unspent funds at 1 July	32	–	45,858	44,681
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	53	98	9,267	4,341
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	(5)	(66)	(4,263)	(3,164)
<b>Unspent contributions at 30 June</b>	<b>80</b>	<b>32</b>	<b>50,862</b>	<b>45,858</b>

### Material accounting policy information

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

#### Capital grants

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

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

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

#### Developer contributions

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

## B2-3 Grants and contributions (continued)

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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.

## B3 Costs of providing services

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

\$ '000	2024	2023
Salaries and wages	27,190	26,788
Travel expenses	654	663
Employee leave entitlements (ELE)	4,691	2,841
Superannuation	3,573	3,408
Workers' compensation insurance	1,334	1,021
Fringe benefit tax (FBT)	155	155
Payroll tax	353	353
Training costs (other than salaries and wages)	342	282
Protective clothing	6	3
Other	102	111
<b>Total employee costs</b>	<b>38,400</b>	<b>35,625</b>
Less: capitalised costs	(230)	(146)
<b>Total employee costs expensed</b>	<b>38,170</b>	<b>35,479</b>

#### Material accounting policy information

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

#### Retirement benefit obligations

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

#### Superannuation plans

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

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

### B3-2 Materials and services

\$ '000	Notes	2024	2023
Consultancy costs		47	–
Raw materials and consumables		42,054	43,280
Contractor costs		2,386	2,060
Audit Fees	F2-1	211	121
Councillor and Mayoral fees and associated expenses	F1-2	334	330
Advertising		567	867
Bank charges		174	171
Cleaning		644	760
Electricity and heating		3,204	2,618
Fire control expenses		7	5
Insurance		1,826	1,611
Office expenses (including computer expenses)		104	106
Postage		136	131
Printing and stationery		173	199
Street lighting		816	653
Subscriptions and licences		1,938	2,208
Telephone and communications		499	470
Valuation fees		185	195
Other expenses		7	10
<b>Legal expenses:</b>			

continued on next page ...

## B3-2 Materials and services (continued)

\$ '000	2024	2023
– Legal expenses: planning and development	16	51
– Legal expenses: debt recovery	174	176
– Legal expenses: other	176	324
Expenses from short-term leases	93	72
Expenses from leases of low value assets	–	114
Variable lease expense relating to usage	104	66
Recycling services	1,695	1,424
<b>Total materials and services</b>	<b>57,570</b>	<b>58,022</b>

### Material accounting policy information

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

## B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment		2,729	2,511
Office equipment		231	321
Furniture and fittings		84	148
Land improvements (depreciable)		831	733
<b>Infrastructure:</b>			
– Buildings	C1-6	3,316	2,089
– Buildings – Leasehold Improvements		270	271
– Other structures		1,172	1,219
– Roads		11,674	7,427
– Bridges		866	7,993
– Footpaths		261	301
– Stormwater drainage		533	2,101
– Water supply network		2,326	3,600
– Sewerage network		1,929	5,308
– Swimming pools		360	173
Right of use assets		74	56
<b>Other assets:</b>			
– Other		443	438
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C3-5,C1-6	30	28
<b>Total depreciation and amortisation costs</b>		<b>27,129</b>	<b>34,717</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>27,129</b>	<b>34,717</b>

### Material accounting policy information

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-7 for IPPE assets.

#### Impairment of non-financial assets

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.



### B3-3 Depreciation, amortisation and impairment of non-financial assets (continued)

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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.

## B4 Performance against budget

### B4-1 Material budget variations

Council's original budget was adopted by the Council on 21 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Revenues</b>				
<b>Operating grants and contributions</b>	12,375	18,843	6,468	52% <b>F</b>
Council received \$4.4m in road repair grants to repair damage caused by the Nov 22 storm events. \$2.2m additional funds were received from RMCC for road maintenance on State-owned roads. Includes \$4.1m projects carryover from 2023 budget.				
<b>Capital grants and contributions</b>	25,305	33,196	7,891	31% <b>F</b>
Completed \$16m of funded carryover works that were not in original budget, including \$7m additional road & sewer assets from Council's residential land development activities, \$4.9m for various bridges, \$1.3m for Sawpit Creek open space and \$1.8m for Kelso Industrial land development. Partially offset by \$10m in projects that did not receive funding for Carrington Park grandstand and Aerodrome terminal.				
<b>Interest and investment revenue</b>	1,677	4,374	2,697	161% <b>F</b>
Interest rates achieved during the year for investments was significantly higher than anticipated during budget preparation (achieved average 5.02% but budget 3.58%).				
<b>Net gains from disposal of assets</b>	16,722	-	(16,722)	(100)% <b>U</b>
Delays in the planning and approval process for Council's land development program in 2022/23 resulted in later completion of land development during 2024 and sales did not commence until late in the year, with only 1 block sold.				
<b>Fair value increment on investment property</b>	352	815	463	132% <b>F</b>
Revaluation of investment property was higher than anticipated due to ongoing high CPI.				
<b>Other income</b>	2,528	2,910	382	15% <b>F</b>
Rental income from Council's properties was higher than anticipated following Council's push to optimise returns on its properties and also due to the high CPI increasing rents higher than expected. Additional leases at Council's aerodrome and extra rental from new fibre optic cables at Mt Panorama for races.				
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	34,376	38,170	(3,794)	(11)% <b>U</b>
Employees re-assigned during the year from capital work (which then had to be completed with contractors) to complete operating and maintenance activities (some of which were grant funded).				
<b>Materials and services</b>	48,912	57,570	(8,658)	(18)% <b>U</b>
Council completed additional \$4.4m in road repair/maintenance to repair damage caused after the Nov 22 storm events and \$2.2m additional was incurred for road maintenance on State-owned roads (both offset by additional operating grant income above).				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	36,228	27,129	9,099	25% <b>F</b>

## B4-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
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Review of asset useful lives resulted in lower depreciation for some asset classes.

<b>Net losses from disposal of assets</b>	-	103	(103)	∞	<b>U</b>
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Council demolished buildings with a carrying value of \$1.2m, including Macquarie Park toilet block and Works Depot meal room, prior to construction of new facilities. This loss on disposal was offset by gains on disposal of plant and equipment and land sales.

### Statement of cash flows

<b>Cash flows from operating activities</b>	61,991	34,550	(27,441)	(44)%	<b>U</b>
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Payments for materials and services over budget due mainly to continuation of grant programs for road and flood repairs, with outflows (expenses) in this year but the corresponding inflow (income) received in the prior year. Payments to employees for operating activities also \$4.9m over budget with employees re-assigned from Capital programs (investing activities).

<b>Cash flows from investing activities</b>	(35,877)	(22,555)	13,322	(37)%	<b>F</b>
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Delays to Council's land development program in 2022/23 resulted in late release of land and land sales not able to commence until late in 2023/2024. With high mortgage interest rates impacting the construction market, this resulted in income from land sales down \$16m on Budget.

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2024	2023
<b>Cash assets</b>		
Cash on hand and at bank	14,983	7,647
<b>Total cash and cash equivalents</b>	<b>14,983</b>	<b>7,647</b>

## C1-2 Financial investments

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
<b>Debt securities at amortised cost</b>				
Long term deposits	37,500	6,500	73,550	3,000
NCD's, FRN's (with maturities > 3 months)	3,500	11,300	–	14,300
<b>Total</b>	<b>41,000</b>	<b>17,800</b>	<b>73,550</b>	<b>17,300</b>
<b>Total financial investments</b>	<b>41,000</b>	<b>17,800</b>	<b>73,550</b>	<b>17,300</b>

### Material accounting policy information

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

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

#### Financial assets

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

#### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

#### Amortised cost

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. 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.

#### Fair value through other comprehensive income – equity instruments

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss. Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

#### Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. Net gains or losses, including any interest or dividend income, are recognised in profit or loss. Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>73,783</b>	<b>98,497</b>
Less: Externally restricted cash, cash equivalents and investments	<u>(70,873)</u>	<u>(98,381)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>2,910</b>	<b>116</b>

### External restrictions

External restrictions included in cash, cash equivalents and investments above comprise:

Specific purpose unexpended grants – general fund	4,384	11,059
Specific purpose unexpended grants – water fund	7	7
Specific purpose unexpended loans – general	503	448
Developer contributions – general	14,722	13,431
Developer contributions – water fund	11,615	10,001
Developer contributions – sewer fund	24,604	22,456
Water fund	9,401	12,225
Sewer fund	1,190	23,927
Stormwater management	1,085	782
Domestic waste management	3,362	4,045
<b>Total external restrictions</b>	<b>70,873</b>	<b>98,381</b>

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

\$ '000	2024	2023
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## (b) Internal allocations

### Internal allocations

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

Plant and vehicle replacement	460	–
Infrastructure replacement	355	–
Employees leave entitlement	65	–
Administration	300	–
Building maintenance and improvements	240	–
Cultural and community services	194	–
Depot maintenance	435	–
Environmental	93	–
Waste employee leave entitlements	229	–
Waste management	500	–
<b>Total internal allocations</b>	<b>2,871</b>	<b>–</b>

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

## C1-4 Receivables

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Rates and annual charges	2,551	218	2,320	193
Interest and extra charges	1,190	–	1,049	–
User charges and fees	4,366	–	4,013	–
Accrued revenues				
– Interest on investments	942	–	1,327	–
– Other income accruals	344	–	553	–
Deferred debtors	46	287	51	334
Government grants and subsidies	20	–	18	–
Net GST receivable	1,645	–	1,288	–
Sundry debtors	1,852	–	9,952	–
Other debtors	–	–	(2)	–
<b>Total</b>	<b>12,956</b>	<b>505</b>	<b>20,569</b>	<b>527</b>
<b>Less: provision for impairment</b>				
User charges and fees	(9)	–	(15)	–
Other debtors	(12)	–	(6)	–
<b>Total provision for impairment – receivables</b>	<b>(21)</b>	<b>–</b>	<b>(21)</b>	<b>–</b>
<b>Total net receivables</b>	<b>12,935</b>	<b>505</b>	<b>20,548</b>	<b>527</b>

### 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.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed into liquidation or has entered into bankruptcy proceedings, or when the receivables are over 1 years past due, whichever occurs first.

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
<b>(i) Inventories at cost</b>				
Real estate for resale	4,341	11,403	3,389	11,403
Stores and materials	765	–	607	–
Trading stock	273	–	236	–
<b>Total inventories at cost</b>	<b>5,379</b>	<b>11,403</b>	<b>4,232</b>	<b>11,403</b>
<b>Total inventories</b>	<b>5,379</b>	<b>11,403</b>	<b>4,232</b>	<b>11,403</b>

### Material accounting policy information

#### Raw materials and stores, work in progress and finished goods

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

#### Land held for resale

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

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



## C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period						At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>												
Plant and equipment	33,000	(22,027)	10,973	2,207	–	(65)	(2,729)	–	–	33,587	(23,200)	10,387
Office equipment	3,504	(2,986)	518	242	27	–	(231)	–	–	3,747	(3,190)	557
Furniture and fittings	2,109	(1,795)	314	–	16	–	(84)	–	–	2,110	(1,865)	245
<b>Land:</b>												
– Operational land	131,213	–	131,213	–	–	(34)	–	–	–	131,179	–	131,179
– Community land	37,186	–	37,186	–	–	–	–	–	–	37,186	–	37,186
– Land under roads (post 30/6/08)	2,533	–	2,533	–	–	–	–	–	–	2,533	–	2,533
Land improvements – depreciable	37,722	(9,910)	27,812	–	2,007	–	(831)	2,064	1,460	43,796	(11,285)	32,511
<b>Infrastructure:</b>												
– Buildings	374,127	(145,012)	229,115	–	1,497	(1,263)	(3,316)	–	12,330	393,679	(155,676)	238,003
– Buildings – leasehold improvements	5,404	(857)	4,547	–	–	–	(270)	–	298	5,780	(1,205)	4,575
– Other structures	49,040	(18,254)	30,786	70	3,478	(38)	(1,172)	(4,110)	3,730	54,693	(21,947)	32,746
– Roads	584,841	(236,600)	348,241	4,374	23,977	–	(11,674)	–	18,036	641,141	(258,187)	382,954
– Bridges	118,863	(54,316)	64,547	790	3,231	–	(866)	(27)	3,634	129,077	(57,768)	71,309
– Footpaths	25,037	(8,414)	16,623	–	886	–	(261)	2,046	989	29,492	(9,209)	20,283
– Bulk earthworks (non-depreciable)	174,406	–	174,406	497	2,488	–	–	–	10,482	187,873	–	187,873
– Stormwater drainage	224,753	(62,114)	162,639	2,538	3,240	–	(533)	–	8,637	242,445	(65,924)	176,521
– Water supply network	430,761	(150,482)	280,279	1,126	7,724	–	(2,326)	–	14,115	461,442	(160,524)	300,918
– Sewerage network	279,273	(136,191)	143,082	1,699	2,422	–	(1,929)	–	7,100	297,487	(145,113)	152,374
– Swimming pools	33,660	(16,378)	17,282	–	–	–	(360)	–	1,201	35,999	(17,516)	18,483
<b>Other assets:</b>												
– Other	54,823	(15,792)	39,031	–	499	–	(443)	27	2,687	59,363	(17,562)	41,801
<b>Reinstatement, rehabilitation and restoration assets (refer Note 15):</b>												
– Tip assets	3,169	(56)	3,113	–	–	–	(30)	–	–	3,169	(86)	3,083
<b>Total infrastructure, property, plant and equipment</b>	<b>2,605,424</b>	<b>(881,184)</b>	<b>1,724,240</b>	<b>13,543</b>	<b>51,492</b>	<b>(1,400)</b>	<b>(27,055)</b>	<b>–</b>	<b>84,699</b>	<b>2,795,778</b>	<b>(950,257)</b>	<b>1,845,521</b>

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period						At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>												
Plant and equipment	29,556	(20,087)	9,469	3,692	375	(52)	(2,511)	–	–	33,000	(22,027)	10,973
Office equipment	3,367	(2,665)	702	5	132	–	(321)	–	–	3,504	(2,986)	518
Furniture and fittings	2,081	(1,647)	434	28	–	–	(148)	–	–	2,109	(1,795)	314
<b>Land:</b>												
– Operational land	116,523	–	116,523	–	–	(1,604)	–	–	16,294	131,213	–	131,213
– Community land	22,875	–	22,875	–	–	–	–	–	14,311	37,186	–	37,186
– Land under roads (post 30/6/08)	1,564	–	1,564	–	–	–	–	–	969	2,533	–	2,533
Land improvements – depreciable	34,313	(8,624)	25,689	16	1,337	–	(733)	–	1,503	37,722	(9,910)	27,812
<b>Infrastructure:</b>												
– Buildings – non-specialised	226,395	(69,879)	156,516	217	1,942	–	(2,089)	–	72,529	374,127	(145,012)	229,115
– Buildings – specialised	5,404	(586)	4,818	–	–	–	(271)	–	–	5,404	(857)	4,547
– Other structures	44,672	(16,075)	28,597	239	1,199	(18)	(1,219)	–	1,988	49,040	(18,254)	30,786
– Roads	541,817	(209,502)	332,315	1,711	10,546	(905)	(7,427)	(6,896)	18,897	584,841	(236,600)	348,241
– Bridges	112,016	(50,190)	61,826	39	179	–	(7,993)	6,896	3,600	118,863	(54,316)	64,547
– Footpaths	22,513	(7,644)	14,869	255	873	–	(301)	–	927	25,037	(8,414)	16,623
– Bulk earthworks (non-depreciable)	160,749	–	160,749	1,933	2,009	–	–	–	9,715	174,406	–	174,406
– Stormwater drainage	207,975	(55,912)	152,063	10	1,990	–	(2,101)	–	10,677	224,753	(62,114)	162,639
– Water supply network	390,897	(137,014)	253,883	912	10,970	–	(3,600)	–	18,114	430,761	(150,482)	280,279
– Sewerage network	259,967	(122,249)	137,718	265	979	–	(5,308)	–	9,428	279,273	(136,191)	143,082
– Swimming pools	17,492	(2,608)	14,884	–	–	–	(173)	–	2,571	33,660	(16,378)	17,282
<b>Other assets:</b>												
– Other	50,839	(14,299)	36,540	53	293	–	(438)	–	2,583	54,823	(15,792)	39,031
<b>Reinstatement, rehabilitation and restoration assets (refer Note 15):</b>												
– Tip assets	3,169	(28)	3,141	–	–	–	(28)	–	–	3,169	(56)	3,113
<b>Total infrastructure, property, plant and equipment</b>	<b>2,254,184</b>	<b>(719,009)</b>	<b>1,535,175</b>	<b>9,375</b>	<b>32,824</b>	<b>(2,579)</b>	<b>(34,661)</b>	<b>–</b>	<b>184,106</b>	<b>2,605,424</b>	<b>(881,184)</b>	<b>1,724,240</b>

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

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

### Material accounting policy information

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

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Crown Lands and Water (CLAW).

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.

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

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	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	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
		<b>Stormwater assets</b>	
<b>Water and sewer assets</b>		Drains	120
Dams and reservoirs	70 to 300	Culverts	120
Bores	20 to 40	Flood control structures	120
Reticulation pipes: PVC	50 to 190		
Reticulation pipes: other	50 to 190		
Pumps and telemetry	40 to 70		
		<b>Other infrastructure assets</b>	
<b>Transportation assets</b>		Bulk earthworks	Non-depreciable
Sealed roads: surface	20 to 120	Swimming pools	50
Sealed roads: structure	20 to 120	Other open space/recreational assets	20
Unsealed roads	30	Other infrastructure	20
Bridge: concrete	80 to 210		
Bridge: other	80 to 210		
Road pavements	90 to 100		
Kerb, gutter and footpaths	100		

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

### Land under roads

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

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.

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

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.

## C1-7 Investment properties

\$ '000	2024	2023
<b>Owned investment property</b>		
Investment property on hand at fair value	22,265	21,450
<b>Total owned investment property</b>	<b>22,265</b>	<b>21,450</b>
<b>Owned investment property</b>		
<b>At fair value</b>		
Opening balance at 1 July	21,450	17,093
Net gain/(loss) from fair value adjustments	815	4,357
<b>Closing balance at 30 June</b>	<b>22,265</b>	<b>21,450</b>

### Material accounting policy information

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council.

## 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; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-8) and/or IPP&E (refer note C1-7) in the Statement of Financial Position.

#### (i) Assets held as investment property

Investment property operating leases relate to Council's leasing of the Post Office building. The leases for each tenant range in term from 1 to 7 years, with some having options for further periods up to 15 years.

#### Amount of IPPE leased out by Council under operating leases

\$ '000	2024	2023
Plant & Equipment	1,031	979
Land	5,236	5,236
Buildings	61,832	49,894
Land Improvements	5,703	4,085
Structures	4,227	3,983
<b>Total amount of IPPE leased out by Council under operating leases</b>	<b>78,029</b>	<b>64,177</b>

#### Material accounting policy information

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

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

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

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Goods and services	7,428	–	8,838	–
Accrued expenses:				
– Borrowings	112	–	121	–
– Salaries and wages	238	–	730	–
– Other expenditure accruals	202	–	194	–
Security bonds, deposits and retentions	3,219	895	2,451	1,152
Prepaid rates	2,118	–	2,225	–
<b>Total payables</b>	<b>13,317</b>	<b>895</b>	<b>14,559</b>	<b>1,152</b>

#### Material accounting policy information

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

#### Payables

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

### C3-2 Contract Liabilities

\$ '000	Notes	2024		2023	
		Current	Non-current	Current	Non-current
<b>Grants and contributions received in advance:</b>					
Funds to construct Council controlled assets	(i)	1,079	–	10,988	–
Grant Funds received prior to performance obligation being satisfied	(ii)	1,565	–	689	–
Contributions received prior to performance obligation being satisfied	(ii)	84	–	37	–
<b>Total grants received in advance</b>		<b>2,728</b>	<b>–</b>	<b>11,714</b>	<b>–</b>
<b>User fees and charges received in advance:</b>					
Other		132	–	111	–
<b>Total user fees and charges received in advance</b>		<b>132</b>	<b>–</b>	<b>111</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>2,860</b>	<b>–</b>	<b>11,825</b>	<b>–</b>

#### Notes

(i) Council has received funding to construct assets including sporting facilities, bridges and other infrastructure. The funds received are under enforceable contracts which require Council to construct identified assets which will be under Council's control on completion. 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 and contributions received but the revenue recognition criteria in AASB 15 have not been satisfied as the performance obligations are ongoing.

#### Significant changes in contract liabilities

Contract liabilities have decreased significantly from 2023 due to Council completing grant-funded projects from other levels of Government where the funds had been received in advance of project commencement and/or completion.

#### Material accounting policy information

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring

## C3-2 Contract Liabilities (continued)

a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

## C3-3 Borrowings

\$ '000	2024		2023	2023
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	13,925	21,424	5,291	34,648
<b>Total borrowings</b>	<b>13,925</b>	<b>21,424</b>	<b>5,291</b>	<b>34,648</b>

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

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

\$ '000	2023		Non-cash movements	2024
	Opening Balance	Payments	New Loans / Leases	Closing balance
Loans – secured	39,939	(5,290)	700	35,349
Lease liability (Note C2-1b)	171	(70)	102	203
<b>Total liabilities from financing activities</b>	<b>40,110</b>	<b>(5,360)</b>	<b>802</b>	<b>35,552</b>

\$ '000	2022		Non-cash movements	2023
	Opening Balance	Payments	New Loans / Leases	Closing balance
Loans – secured	34,424	(5,435)	10,950	39,939
Lease liability (Note C2-1b)	174	(3)	–	171
<b>Total liabilities from financing activities</b>	<b>34,598</b>	<b>(5,438)</b>	<b>10,950</b>	<b>40,110</b>

### (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 <sup>1</sup>	650	650
Credit cards/purchase cards	115	115
<b>Total financing arrangements</b>	<b>765</b>	<b>765</b>

#### Drawn facilities

Financing facilities drawn down at the reporting date are:

#### Undrawn facilities

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

– Bank overdraft facilities	650	650
– Credit cards/purchase cards	115	115
<b>Total undrawn financing arrangements</b>	<b>765</b>	<b>765</b>

### Additional financing arrangements information

#### Breaches and defaults

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

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

### C3-3 Borrowings (continued)

### C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	3,586	–	3,606	–
Long service leave	7,897	426	8,067	465
Rostered Day Off	140	–	113	–
<b>Total employee benefit provisions</b>	<b>11,623</b>	<b>426</b>	<b>11,786</b>	<b>465</b>

#### 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	7,897	8,067
	<u>7,897</u>	<u>8,067</u>

#### Material accounting policy information

##### Short-term obligations

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

##### Other long-term employee benefit obligations

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



## C3-5 Provisions

\$ '000	2024	2024	2023	2023
	Current	Non-Current	Current	Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	82	3,249	77	3,170
<b>Sub-total – asset remediation/restoration</b>	<b>82</b>	<b>3,249</b>	<b>77</b>	<b>3,170</b>
<b>Total provisions</b>	<b>82</b>	<b>3,249</b>	<b>77</b>	<b>3,170</b>

### Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
<b>2024</b>		
At beginning of year	3,247	3,247
Other	84	84
Total other provisions at end of year	<b>3,331</b>	<b>3,331</b>
<b>2023</b>		
At beginning of year	3,169	3,283
Other	78	(36)
Total other provisions at end of year	<b>3,247</b>	<b>3,247</b>

### 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 council tip.

#### 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 – tip

##### Restoration

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

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

The ultimate cost of environmental rehabilitation 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. 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.

## 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
<b>Income from continuing operations</b>			
Rates and annual charges	39,491	3,356	12,499
User charges and fees	14,935	15,121	2,829
Interest and investment revenue	2,751	503	1,120
Other revenues	2,665	45	33
Grants and contributions provided for operating purposes	18,615	115	113
Grants and contributions provided for capital purposes	19,784	8,974	4,438
Net gains from disposal of assets	(55)	28	27
Fair value increment on investment property	815	–	–
Other income	2,910	–	–
<b>Total income from continuing operations</b>	<b>101,911</b>	<b>28,142</b>	<b>21,059</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	29,506	4,297	4,367
Materials and services	42,141	8,862	6,567
Borrowing costs	1,064	546	–
Depreciation, amortisation and impairment of non-financial assets	22,144	2,913	2,072
Other expenses	225	1,311	1,046
Net losses from the disposal of assets	103	–	–
<b>Total expenses from continuing operations</b>	<b>95,183</b>	<b>17,929</b>	<b>14,052</b>
<b>Operating result from continuing operations</b>	<b>6,728</b>	<b>10,213</b>	<b>7,007</b>
<b>Net operating result for the year</b>	<b>6,728</b>	<b>10,213</b>	<b>7,007</b>
<b>Net operating result attributable to each council fund</b>	<b>6,728</b>	<b>10,213</b>	<b>7,007</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(13,056)</b>	<b>1,239</b>	<b>2,569</b>

## D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,385	9,408	1,190
Investments	4,781	11,615	24,604
Receivables	7,440	4,152	5,920
Inventories	5,379	–	–
Contract assets and contract cost assets	3,151	–	–
Other	1,568	29	38
<b>Total current assets</b>	<b>26,704</b>	<b>25,204</b>	<b>31,752</b>
<b>Non-current assets</b>			
Investments	17,800	–	–
Receivables	403	57	20,468
Inventories	11,403	–	–
Infrastructure, property, plant and equipment	1,336,513	345,361	163,647
Investment property	22,265	–	–
Right of use assets	191	–	1
<b>Total non-current assets</b>	<b>1,388,575</b>	<b>345,418</b>	<b>184,116</b>
<b>Total assets</b>	<b>1,415,279</b>	<b>370,622</b>	<b>215,868</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	12,213	678	426
Contract liabilities	2,860	–	–
Lease liabilities	68	–	–
Borrowings	18,033	469	–
Employee benefit provision	10,314	820	489
Provisions	82	–	–
<b>Total current liabilities</b>	<b>43,570</b>	<b>1,967</b>	<b>915</b>
<b>Non-current liabilities</b>			
Payables	668	–	–
Income received in advance	–	227	–
Lease liabilities	134	–	1
Borrowings	31,532	10,315	–
Employee benefit provision	426	–	–
Provisions	3,249	–	–
<b>Total non-current liabilities</b>	<b>36,009</b>	<b>10,542</b>	<b>1</b>
<b>Total liabilities</b>	<b>79,579</b>	<b>12,509</b>	<b>916</b>
<b>Net assets</b>	<b>1,335,700</b>	<b>358,113</b>	<b>214,952</b>
<b>EQUITY</b>			
Accumulated surplus	470,213	154,033	101,519
Revaluation reserves	865,487	204,080	113,433
<b>Total equity</b>	<b>1,335,700</b>	<b>358,113</b>	<b>214,952</b>

## D1-3 Details of internal loans

(in accordance with s410(3) of the *Local Government Act 1993*)

<b>Details of individual internal loans</b>	<b>Council ID / Ref</b>
Borrower (by purpose)	General Fund
Lender (by purpose)	Sewerage Fund
Date of Minister's approval	11 June 2024
Date raised	30 June 2024
Term years	5
Dates of maturity	30 June 2029
Rate of interest (%)	4.35%
Amount originally raised (\$'000)	\$25,000,000
Total repaid during year (principal and interest) (\$'000)	\$0
<b>Principal outstanding at end of year (\$'000)</b>	<b>\$25,000,000</b>

## D2 Interests in other entities

### D2-1 Subsidiaries

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 and the accounting policy described below.

Council's consolidated financial statements also include controlled entities with ownership interest of 50% or less.

Name of Operation/Entity	Principal activity
The Somerville Collection Ltd	Australian Fossil and Mineral Museum 224 Howick Street, Bathurst

Interests in Subsidiary	Ownership 2024	Ownership 2023	Voting rights 2024	Voting rights 2023
Council's interest in Subsidiary	0%	0%	20%	20%
Non-controlling interest in Subsidiary	100%	100%	80%	80%

#### The nature and extent of significant restrictions relating to the Subsidiary

The specimen collection is owned by the Australian Museum Trust.

The fixtures and fittings are owned by The Somerville Collection Limited, a company limited by guarantee.

#### The nature of risks associated with Council's interests in the Subsidiary

Council controls the day to day financial and operating activities of the museum including the receipt of its income, payment of its expenses and employment of staff, including the liability for the leave entitlements of those staff.

Council has resolved to support the operations of the museum to a maximum subsidy of \$250,000 each year into the future.

#### Other disclosures

Although Council's voting rights are only 20% and it owns none of the assets, because of the support of the day to day operations, Council considers that it has control over the operations.

#### Reporting dates of Subsidiary

The Somerville Collection balance date is 30 June.

### Summarised financial information for the Subsidiary

\$ '000	2024	2023
<b>Summarised statement of comprehensive income</b>		
Revenue	554	503
Expenses	(484)	(473)
<b>Profit for the period</b>	<b>70</b>	<b>30</b>
<b>Total comprehensive income</b>	<b>70</b>	<b>30</b>
<b>Summarised statement of financial position</b>		
Current assets	148	118
Non-current assets	235	194
<b>Total assets</b>	<b>383</b>	<b>312</b>
Current liabilities	7	7
<b>Total liabilities</b>	<b>7</b>	<b>7</b>
<b>Net assets</b>	<b>376</b>	<b>305</b>

## D2-1 Subsidiaries (continued)

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### **Material accounting policy information**

Subsidiaries are all entities (including structured entities) over which the Council has control. Control is established when the Council is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

These consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements. Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

## 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.

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

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	738	984
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

#### (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.

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

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

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors. There are no material receivables that have been subjected to a renegotiation 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 secure a charge over the land relating to the debts – 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 the payment of debt.

Council has a policy in the case of an aged pensioner who elects to do so, Council shall allow unpaid rates to accumulate and be paid from the estate of such aged pensioner or from the sale of the house.

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
<b>2024</b>				
Gross carrying amount	–	2,769	–	2,769
<b>2023</b>				
Gross carrying amount	–	2,513	–	2,513

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

### Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2024</b>						
Gross carrying amount	13,297	22	180	2	342	13,843
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	6.00%	0.15%
<b>ECL provision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>21</b>
<b>2023</b>						
Gross carrying amount	9,805	9,254	158	-	441	19,658
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	4.76%	0.11%
<b>ECL provision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>21</b>

### (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	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
<b>2024</b>							
Payables	0.00%	4,114	895	-	-	5,009	14,212
Borrowings	2.19%	-	6,130	20,217	15,889	42,236	35,349
<b>Total financial liabilities</b>		<b>4,114</b>	<b>7,025</b>	<b>20,217</b>	<b>15,889</b>	<b>47,245</b>	<b>49,561</b>
<b>2023</b>							
Payables	0.00%	14,559	1,152	-	-	15,711	15,711
Borrowings	3.87%	-	6,410	22,051	19,262	47,723	39,939
<b>Total financial liabilities</b>		<b>14,559</b>	<b>7,562</b>	<b>22,051</b>	<b>19,262</b>	<b>63,434</b>	<b>55,650</b>



## E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investment property

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).

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
<b>Recurring fair value measurements</b>							
<b>Investment property</b> C1-7							
230 Howick Street, Bathurst		22,265	21,450	–	–	22,265	21,450
<b>Total investment property</b>		<b>22,265</b>	<b>21,450</b>	<b>–</b>	<b>–</b>	<b>22,265</b>	<b>21,450</b>
<b>Infrastructure, property, plant and equipment</b> C1-6							
Plant and equipment		–	–	10,387	10,973	10,387	10,973
Office equipment		–	–	557	518	557	518
Furniture and fittings		–	–	245	314	245	314
Operational land		–	–	131,179	131,213	131,179	131,213
Community land		–	–	37,186	37,186	37,186	37,186
Land under roads (post 30/6/08)		–	–	2,533	2,533	2,533	2,533
Land improvements – depreciable		–	–	32,511	27,812	32,511	27,812
Buildings		–	–	238,363	229,115	238,363	229,115
Leasehold Improvements		–	–	4,575	4,547	4,575	4,547
Other structures		–	–	32,746	30,786	32,746	30,786
Roads		–	–	382,954	348,241	382,954	348,241
Bridges		–	–	71,309	64,547	71,309	64,547
Footpaths		–	–	20,283	16,623	20,283	16,623
Bulk earthworks (non-depreciable)		–	–	187,873	174,406	187,873	174,406
Stormwater drainage		–	–	176,521	162,639	176,521	162,639
Water supply network		–	–	300,918	280,279	300,918	280,279
Sewerage network		–	–	152,374	143,082	152,374	143,082
Swimming pools		–	–	18,123	17,282	18,123	17,282
Other assets		–	–	41,801	39,031	41,801	39,031
Tip		–	–	3,083	3,113	3,083	3,113
<b>Total infrastructure, property, plant and equipment</b>		<b>–</b>	<b>–</b>	<b>1,845,521</b>	<b>1,724,240</b>	<b>1,845,521</b>	<b>1,724,240</b>

### Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies 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:

#### Investment property

The investment property at 230 Howick Street, Bathurst was valued by Marsh Pty Ltd (AssetVal), registered valuers, in June 2023. The 2024 fair value includes an indexation using the Consumer Price Index, as shown in Note C1-8.

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

##### Land and Buildings

The buildings asset class includes any 'enclosable' roofed structure (4 walls), otherwise assets are classified as Other Structures. Land is classified as either operational or community by Council when acquired. Operational land includes those parcels that are used or earmarked for future use in Council's operations. Community land typically includes road and drainage reserves and open space areas.

Community land is valued at the current valuation provided by the Valuer General of NSW and does not have an active market. As such, these assets were classified as having been valued using level 3 valuation inputs. In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying value approximates the fair value.

Operational land and buildings were valued by Marsh Pty Ltd (AssetVal), Registered Valuers, in June 2023 using the cost approach. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While buildings were physically inspected and the unit rates based on square metres could be supported from market evidence (Level 2) other inputs (such as estimates of residual value and pattern of consumption) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets were classified as having been valued using Level 3 valuation inputs.

In June 2024, Council has undertaken a fair value assessment of this asset class to ensure the carrying value approximates the fair value.

##### Other Structures

This asset class includes any non-enclosable roofed or non-roofed structure (fewer than 4 walls). Other Structures were revalued in 2021 using the cost approach. This was derived via a number of methods, depending on the information available (historical cost, actual quotes/tenders, published component rates). Due to the highly varied nature of this asset class, only very small subsets of assets can be valued using the same basis. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying value approximates the fair value.

##### Roads

This asset class comprises the Road Carriageway, Guardrails, Kerb and Gutter, Signs and Traffic facilities.

The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter or other roadside drainage. The 'Cost Approach' using Level 3 inputs was used to value the road carriageway and other road infrastructure.

Roads were revalued by Council staff on 30 June 2020. Valuations for the road carriageway, comprising surface, pavement and formation earthworks were based on internal cost rates and the detailed asset information residing in Council's Asset Management System. Other Road Infrastructure was valued the same way.

The cost approach was utilised and while the unit rates based on square metres, linear metres or similar could be supported from market evidence (Level 2) other inputs (such as estimated pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying value approximates the fair value.

##### Bridges

## E2-1 Fair value measurement (continued)

Bridges were valued in 2020 by Bridge Knowledge using the cost approach and also included a condition assessment. The approach estimated the replacement for each bridge in its entirety; deck, approaches, railings and abutments.

All bridges were physically inspected and an assessment made of the component condition. Unit rates based on deck areas could be supported from market evidence (level 2) however other inputs (pattern of consumption, site-specific technical design issues) require extensive professional judgement and impact on the final determination of fair value. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying value approximates the fair value.

### Footpaths

Footpaths were revalued by Council Staff on 30 June 2020 using the cost approach using internal unit cost inputs (Level 3). Footpaths are inspected on either an annual or semi-annual basis for defects and condition and the results are included in the asset register (Confirm) system. In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying value approximates the fair value.

### Parking areas

Parking areas are valued and assessed on the same basis as roads.

### Bus Shelters

Bus Shelters are valued and assessed on the same basis as Other Structures.

### Aerodrome

This comprises the infrastructure assets that form the aerodrome. Equivalent asset classes have been valued using the same conditions and parameters as described above (runway surface, pavement and earthworks as for roads; parking areas, other structures and drainage like for like). Revalued by Council staff on 30 June 2020. Substantial professional judgement has been required to undertake this work and this class is therefore classified as Level 3. In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying value approximates the fair value.

### Water Supply network

Assets within this class comprise the infrastructure to supply a reticulated potable drinking water service to Bathurst and adjoining suburbs/villages. There is also a small non-potable service at Hillview Estate Napoleon Reef and a raw-water supply from Winburndale Dam used for irrigation of parks and playing fields in town.

In Bathurst, there is the Filtration Plant, Pump Stations, Reservoirs and reticulation pipe network. A revaluation was made as at 30 June 2022; the reticulation network valued on the basis outlined in the DPI NSW Reference Rates Manual and all other assets were revalued as part of a CNSWJO-wide contract with Australis Valuers. While this provides some degree of observability, a substantial amount of professional judgement is required due to limitations in the historical records of very long lived assets as there is some uncertainty regarding the actual design, specifications and dimensions of some assets. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying value approximates the fair value.

### Sewerage network

Assets within this class comprise the infrastructure to supply a reticulated waste water (sewerage) service to Bathurst and adjoining suburbs/villages. This is the Reticulation Pipe Network, Pump Stations and Treatment Plant. A revaluation was made as at 30 June 2022; the reticulation network valued on the basis outlined in the DPI NSW Reference Rates Manual and all other assets were revalued as part of a CNSWJO-wide contract with Australis Valuers. While this provides some degree of observability, a substantial amount of professional judgement is required due to limitations in the historical records of very long lived assets as there is some uncertainty regarding the actual design, specifications and dimensions of some assets. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying value approximates the fair value.

### Stormwater Drainage

Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices.

Drainage assets were revalued by Council staff on 30 June 2020. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

## E2-1 Fair value measurement (continued)

While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted 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. Consequently a high degree of professional judgement is required in establishing replacement cost and this asset class is classified as Level 3. In June 2024, Council has undertaken a fair value assessment to index this asset class to ensure the carrying value approximates the fair value.

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

#### b. 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.

\$ '000	Fair value (30/6/24) 2024	Valuation technique/s	Unobservable inputs
<b>Infrastructure, property, plant and equipment</b>			
Land & Buildings	479,093	Market approach; land values obtained from the Valuer General	Land value, land area, restricted use
Infrastructure	1,310,355	Cost approach	Based on actual costs and indexed where required. Estimation of remaining asset lives where infrastructure is below ground. Condition.
Other Assets	56,073	Cost approach	Based on actual costs and indexed where required.

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

\$ '000	Total 2024	2023
<b>Opening balance</b>	<b>1,724,240</b>	1,533,708
<b>Total gains or losses for the period</b>		
Recognised in other comprehensive income – revaluation surplus	<b>84,699</b>	184,106
<b>Other movements</b>		
Transfers from/(to) another asset class	–	–
Purchases (GBV)	<b>65,037</b>	43,666
Disposals (WDV)	<b>(1,400)</b>	(2,579)
Depreciation and impairment	<b>(27,055)</b>	(34,661)
<b>Closing balance</b>	<b>1,845,521</b>	1,724,240

### Highest and best use

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

## E3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

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

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

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

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

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

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The standard 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 standard employer contribution rates are:

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

- For 180 Point Members, Employers are required to contribute 8.0% of salaries to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

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 \$329,043. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 30/06/2022, and covers the period ended 30 June 2023.

## E3-1 Contingencies (continued)

Council's expected contribution to the plan for the next annual reporting period is \$266,014.

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

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

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of 0.92% as at 30 June 2024.

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

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

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

\* Plus promotional increases

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

### (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 had one bank guarantee at 30 June 2024 held by the Commonwealth Bank.

1. Rental bond for the premises used as the Bathurst Rail Museum for \$50,000

## 2. Other liabilities

## E3-1 Contingencies (continued)

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### (i) Third party claims

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

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

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

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

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

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

### (iii) Somerville collection

The Council is a member of a company Limited by Guarantee called the Somerville Collection.

The company was established to manage & maintain the Somerville Collection (made up of fossils, minerals and other features) which are exhibited in Bathurst at the Australian Fossil and Mineral Museum. The Company is a non profit entity. In the event that the Company is wound up, Council's liability is limited to a maximum of \$100.

## ASSETS NOT RECOGNISED

### (i) Land under roads

As permitted under AASB 1051 *Land Under Roads*, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/2008.

### (ii) Infringement notices/fines

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

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

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

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

## F People and relationships

### F1 Related party disclosures

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

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

\$ '000	2024	2023
<b>Compensation:</b>		
Short-term benefits	1,787	1,706
Post-employment benefits	170	160
<b>Total</b>	<b>1,957</b>	<b>1,866</b>

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

\$ '000	2024	2023
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The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	64	61
Councillors' fees	235	223
Other Councillors' expenses (including Mayor)	35	46
<b>Total</b>	<b>334</b>	<b>330</b>

## F2 Other relationships

### F2-1 Audit fees

\$ '000	2024	2023
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#### Auditors of the Council - NSW Auditor-General:

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

Audit of financial statements	105	87
<b>Remuneration for audit services</b>	<b>105</b>	<b>87</b>
<b>Total Auditor-General remuneration</b>	<b>105</b>	<b>87</b>



## G Other matters

### G1-1 Statement of Cash Flows information

#### (a) Reconciliation of net Operating Result to cash provided from operating activities

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>23,948</b>	(549)
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	27,129	34,717
(Gain) / loss on disposal of assets	103	606
Non-cash capital grants and contributions	(10,035)	(2,865)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	(815)	(4,357)
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	7,583	(9,916)
Increase / (decrease) in provision for impairment of receivables	–	(57)
(Increase) / decrease of inventories	(195)	1
(Increase) / decrease of other current assets	(510)	(53)
(Increase) / decrease of contract asset	(2,076)	1,409
Increase / (decrease) in payables	(1,410)	4,129
Increase / (decrease) in accrued interest payable	(9)	82
Increase / (decrease) in other accrued expenses payable	(484)	560
Increase / (decrease) in other liabilities	404	176
Increase / (decrease) in contract liabilities	(8,965)	2,159
Increase / (decrease) in employee benefit provision	(202)	(1,983)
Increase / (decrease) in other provisions	84	77
<b>Net cash flows from operating activities</b>	<b>34,550</b>	<b>24,136</b>

#### (b) Non-cash investing and financing activities

Other dedications	10,035	2,865
<b>Total non-cash investing and financing activities</b>	<b>10,035</b>	<b>2,865</b>

### 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:		
<b>Property, plant and equipment</b>		
Buildings	–	396
Roads	866	5,482
Sewer	1,173	1,353
Stormwater Drainage	92	–
Structures	708	1,072
Water	9,072	13,147
Other	–	1,374
<b>Total commitments</b>	<b>11,911</b>	<b>22,824</b>

## 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					
Drainage	5,725	438	–	–	125	(2,471)	–	3,817	–
Roads	4,652	1,299	–	–	185	(107)	–	6,029	–
Traffic facilities	12	1	–	–	1	–	–	14	–
Parking	250	20	–	–	5	–	–	275	–
Open space	596	559	–	–	29	–	–	1,184	–
Community facilities	1,790	1,901	–	–	56	(814)	–	2,933	–
<b>S7.11 contributions – under a plan</b>	<b>13,025</b>	<b>4,218</b>	<b>–</b>	<b>–</b>	<b>401</b>	<b>(3,392)</b>	<b>–</b>	<b>14,252</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>13,025</b>	<b>4,218</b>	<b>–</b>	<b>–</b>	<b>401</b>	<b>(3,392)</b>	<b>–</b>	<b>14,252</b>	<b>–</b>
S7.11 not under plans	373	91	–	–	12	(86)	–	390	–
S7.4 planning agreements	32	49	–	–	3	(4)	–	80	–
S64 contributions	32,457	3,357	–	–	1,190	(785)	–	36,219	–
<b>Total contributions</b>	<b>45,887</b>	<b>7,715</b>	<b>–</b>	<b>–</b>	<b>1,606</b>	<b>(4,267)</b>	<b>–</b>	<b>50,941</b>	<b>–</b>

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

### G3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
<b>CONTRIBUTION PLAN – Jordan Creek Stormwater Drainage Management</b>									
Drainage	653	15	–	–	28	–	–	696	–
<b>Total</b>	<b>653</b>	<b>15</b>	<b>–</b>	<b>–</b>	<b>28</b>	<b>–</b>	<b>–</b>	<b>696</b>	<b>–</b>

## G3-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year					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	Interest and investment income earned					
<b>CONTRIBUTION PLAN – Raglan Creek Stormwater Drainage</b>										
Drainage	3,410	173	–	–	43	(2,471)	–	1,155	–	
<b>Total</b>	<b>3,410</b>	<b>173</b>	<b>–</b>	<b>–</b>	<b>43</b>	<b>(2,471)</b>	<b>–</b>	<b>1,155</b>	<b>–</b>	
<b>CONTRIBUTION PLAN – Sawpit Creek Drainage</b>										
Drainage	707	177	–	–	13	–	–	897	–	
<b>Total</b>	<b>707</b>	<b>177</b>	<b>–</b>	<b>–</b>	<b>13</b>	<b>–</b>	<b>–</b>	<b>897</b>	<b>–</b>	
<b>CONTRIBUTION PLAN – Central Carparking Strategies</b>										
Parking	250	20	–	–	5	–	–	275	–	
<b>Total</b>	<b>250</b>	<b>20</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>275</b>	<b>–</b>	
<b>CONTRIBUTION PLAN – Community Facilities and Services Bathurst</b>										
Community facilities	1,790	1,901	–	–	56	(814)	–	2,933	–	
<b>Total</b>	<b>1,790</b>	<b>1,901</b>	<b>–</b>	<b>–</b>	<b>56</b>	<b>(814)</b>	<b>–</b>	<b>2,933</b>	<b>–</b>	
<b>CONTRIBUTION PLAN – Robin Hill Drainage</b>										
Drainage	492	–	–	–	21	–	–	513	–	
<b>Total</b>	<b>492</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>21</b>	<b>–</b>	<b>–</b>	<b>513</b>	<b>–</b>	

## G3-2 Developer contributions by plan (continued)

\$ '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						
<b>CONTRIBUTION PLAN – Eglinton Open Space &amp; Drainage</b>										
Drainage	463	73	–	–	20	–	–	556	–	
Open space	521	84	–	–	23	–	–	628	–	
<b>Total</b>	<b>984</b>	<b>157</b>	<b>–</b>	<b>–</b>	<b>43</b>	<b>–</b>	<b>–</b>	<b>1,184</b>	<b>–</b>	
<b>CONTRIBUTION PLAN – Bathurst Regional Open Space</b>										
Open space	75	475	–	–	6	–	–	556	–	
<b>Total</b>	<b>75</b>	<b>475</b>	<b>–</b>	<b>–</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>556</b>	<b>–</b>	
<b>CONTRIBUTION PLAN – Roadworks – New Residential Subdivisions</b>										
Roads	4,652	1,299	–	–	185	(107)	–	6,029	–	
<b>Total</b>	<b>4,652</b>	<b>1,299</b>	<b>–</b>	<b>–</b>	<b>185</b>	<b>(107)</b>	<b>–</b>	<b>6,029</b>	<b>–</b>	
<b>CONTRIBUTION PLAN - Bathurst Regional Traffic Generating Development</b>										
Traffic facilities	12	1	–	–	1	–	–	14	–	
<b>Total</b>	<b>12</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>14</b>	<b>–</b>	

## G3-3 Contributions not under plans

## CONTRIBUTIONS NOT UNDER A PLAN

Roads	76	6	–	–	3	–	–	85	–
Other	297	85	–	–	9	(86)	–	305	–
<b>Total</b>	<b>373</b>	<b>91</b>	<b>–</b>	<b>–</b>	<b>12</b>	<b>(86)</b>	<b>–</b>	<b>390</b>	<b>–</b>

## G4 Statement of performance measures

### G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022		Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(9,956)</b>	<b>(8.50)%</b>	(19.94)%	(20.80)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>117,101</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>98,258</b>	<b>65.38%</b>	71.70%	70.46%	> 60.00%
Total continuing operating revenue inclusive of all grants and contributions <sup>1</sup>	<b>150,297</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>15,871</b>	<b>0.59x</b>	0.96x	1.15x	> 1.50x
Current liabilities less specific purpose liabilities	<b>26,705</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>18,783</b>	<b>2.70x</b>	2.03x	2.46x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>6,969</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>3,959</b>	<b>6.68%</b>	6.32%	5.82%	< 10.00%
Rates and annual charges collectable	<b>59,231</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>58,983</b>	<b>5.97</b>	9.22	12.20	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>9,876</b>	<b>months</b>	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 <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(16.93)%</b>	(20.77)%	<b>6.46%</b>	(18.91)%	<b>15.46%</b>	(16.90)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>62.02%</b>	70.36%	<b>67.70%</b>	63.85%	<b>78.39%</b>	89.54%	> 60.00%
Total continuing operating revenue inclusive of all grants and contributions <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>0.59x</b>	0.96x	<b>12.81x</b>	3.68x	<b>34.70x</b>	79.19x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>1.47x</b>	1.56x	<b>8.60x</b>	2.77x	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	<b>9.13%</b>	8.64%	<b>0.00%</b>	0.00%	<b>0.00%</b>	0.00%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>1.60 months</b>	7.09 months	<b>16.80 months</b>	9.53 months	<b>25.84 months</b>	22.19 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note G4-1 above.

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

**End of the audited financial statements**



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Bathurst Regional Council

To the Councillors of Bathurst Regional Council

### Opinion

I have audited the accompanying financial statements of Bathurst Regional 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. The financial statements include the consolidated financial statements of the Council and the entities it controlled at the year's end or from time to time during the year.

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/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.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 B4-1 '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.



Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

31 October 2024  
SYDNEY



Cr Robert Taylor  
 Mayor  
 Bathurst Regional Council  
 Private Mail Bag 17  
 BATHURST NSW 2795

Contact: Cassie Malone  
 Phone no: 02 9275 7388  
 Our ref: R008-2124742775-8424

31 October 2024

Dear Mayor

## Report on the Conduct of the Audit for the year ended 30 June 2024 Bathurst Regional Council

I have audited the general purpose financial statements (GPFS) of the Bathurst Regional 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	55.3	53.0	↑ 4.3
Grants and contributions revenue	52.0	36.1	↑ 44.0
Operating result from continuing operations	23.9	(0.5)	↑ >100
Net operating result before capital grants and contributions	(9.2)	(18.2)	↑ 49.5

Rates and annual charges revenue (\$55.3 million) increased by \$2.3 million (4.3 per cent) in 2023–24, largely due to rate peg increase of 3.8 per cent.

Grants and contributions revenue increased by \$15.9 million (44 per cent) in 2023–24 mainly due to:

- \$5.2 million increase in roads to recovery and other roads and bridges funding
- \$6.6 million increase in non-cash contributions from subdivisions dedications
- \$2.9 million increase in economic development funding.

Council’s operating result from continuing operations (\$23.9 million surplus including depreciation, amortisation and impairment expense of \$27.1 million) was \$24.4 million higher than the 2022–23 result. This was mainly due to increase in grants and contributions revenue above, combined with decrease in depreciation and amortisation expense of \$7.6 million resulting from some assets' useful lives being reassessed during the year.

The net operating result before capital grants and contributions (deficit of \$9.2 million) was \$9.0 million higher than the 2022–23 result.

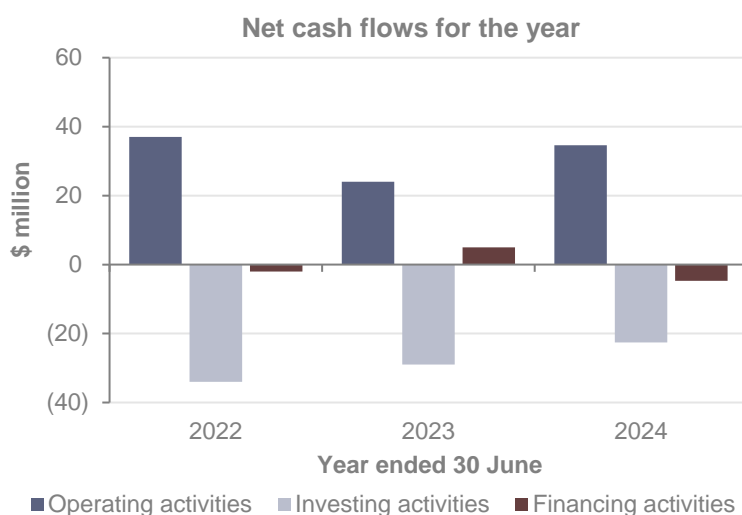
## STATEMENT OF CASH FLOWS

Cash balances (\$15.0 million) increased by \$7.3 million (95.9 per cent) in 2023–24.

Net cash flows from operating activities increased mainly due to increases in rates and annual charges and user charges and fees received during the year.

Net cash from investing activities decreased this year due to an increase in sales of investments and acquisition of term deposits.

Net cash flows from financing activities decreased this year due to a reduction in proceeds from borrowings.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>73.8</b>	<b>98.5</b>	Externally restricted balances comprise mainly of developer contributions, unspent grant monies and water and sewer funds.
Restricted and allocated cash, cash equivalents and investments:			From September 2023, the Council spent restricted funds on purposes other than their intended purposes during 2023–24, without the appropriate approvals required under the LG Act.
• External restrictions	70.9	98.4	
• Internal allocations	2.9	--	In June 2024, the Council obtained Ministerial approval to borrow \$25.0 million from the sewer fund to the general fund with a loan term of five years. This reduced the balance of external restrictions for the sewer fund to \$1.2 million at 30 June 2024.

Internal allocations are determined by council policies or decisions, which are subject to change.

## Debt

At 30 June 2024, Council had:

- \$35.3 million in secured loans (\$39.9 million in 2022–23)
- \$0.7 million in approved overdraft facility with nil drawn down
- \$0.1 million in credit card facility with nil drawn down.

## PERFORMANCE

### Performance measures

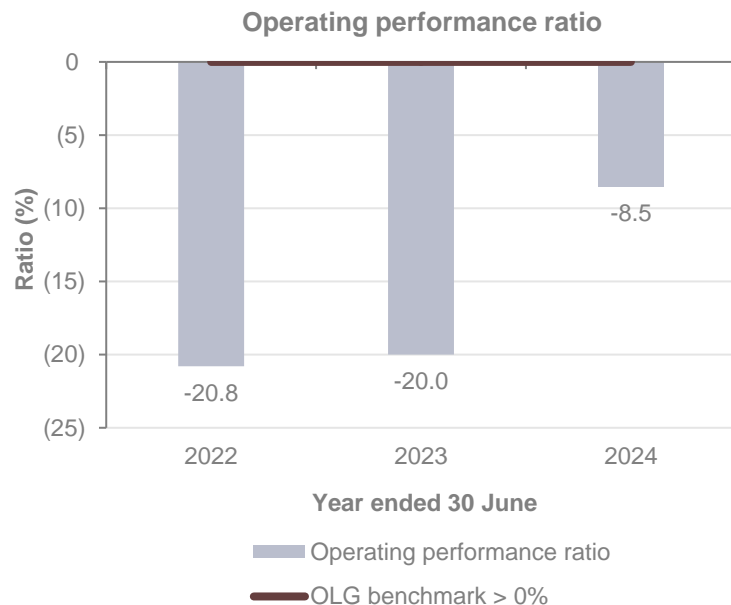
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

From September 2023, the Council spent restricted funds on purposes other than their intended purposes during 2023–24, without the appropriate approvals required under the LG Act. In June 2024, the Council obtained Ministerial approval to borrow \$25.0 million from the sewer fund to the general fund with a loan term of five years.

### Operating performance ratio

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

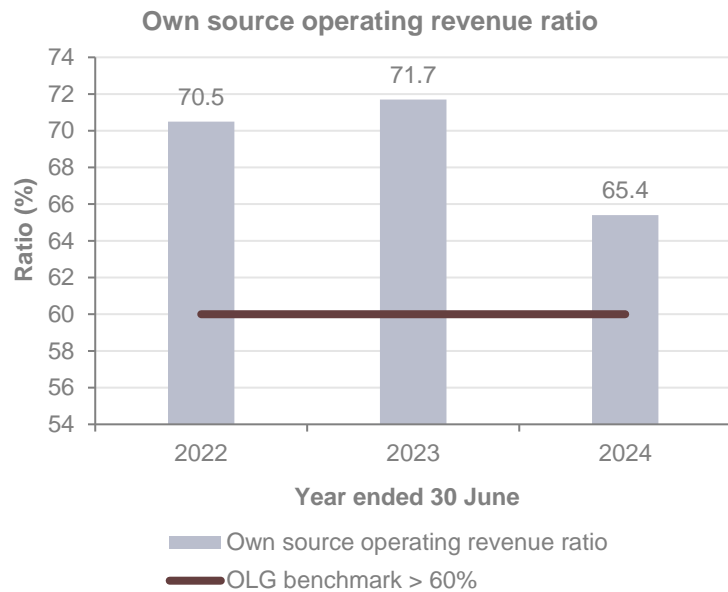
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



### Own source operating revenue ratio

Council met the benchmark for the current reporting period.

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

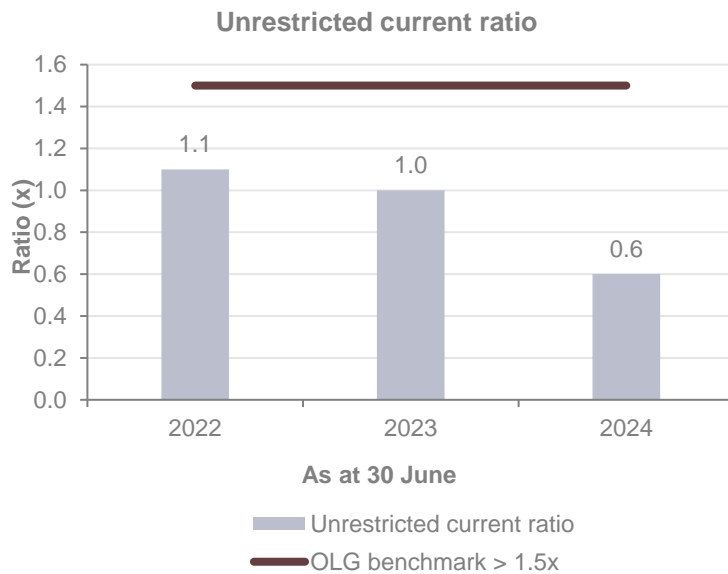


### Unrestricted current ratio

The Council did not meet 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.

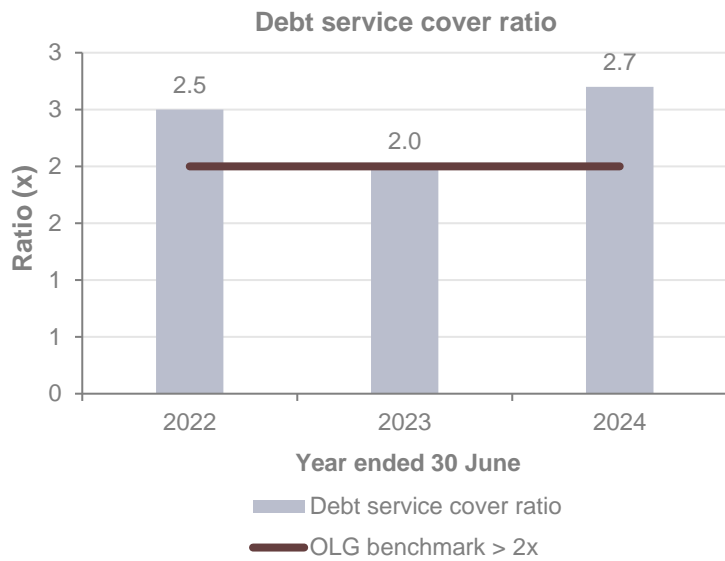
As mentioned above, the Council spent restricted funds on purposes other than their intended purposes during 2023–24. In June 2024, the Council borrowed \$25.0 million from the sewer fund, which reduced the externally restricted amounts for the sewer fund. This further decreased the unrestricted current ratio this year.



### Debt service cover ratio

Council met the benchmark for the current reporting period.

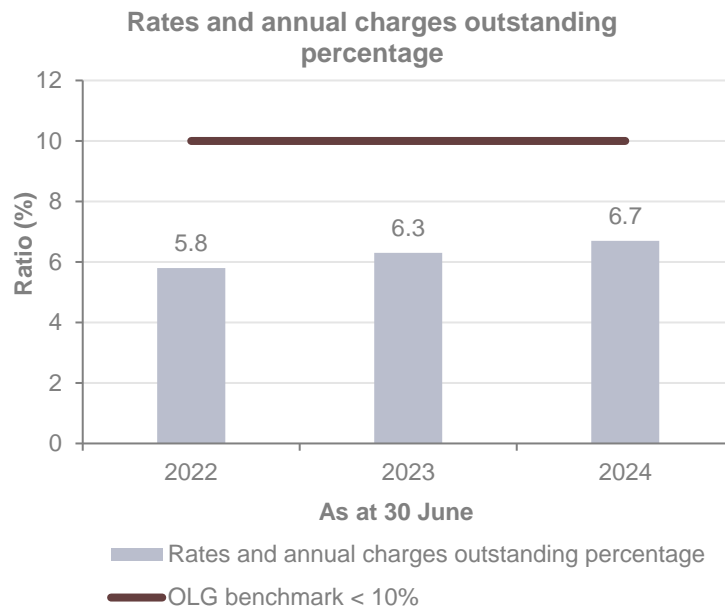
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



### Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

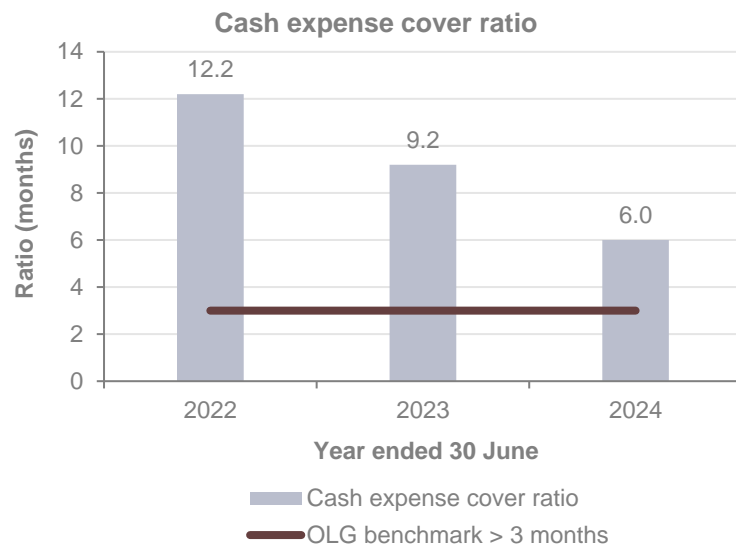
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



## Cash expense cover ratio

Council met 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 \$13.5 million of infrastructure, property, plant and equipment during the 2023-24 financial year. A further \$51.5 million was spent on new assets.

## OTHER MATTERS

### Legislative compliance

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

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

Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales



# Bathurst Regional Council

## SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

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*A vibrant regional centre that enjoys a rural lifestyle . . . . .  
A Region full of community spirit and shared prosperity.*



# Bathurst Regional Council

## Special Purpose Financial Statements

for the year ended 30 June 2024

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### Background

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

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

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

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

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

# Bathurst Regional Council

## Special Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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

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

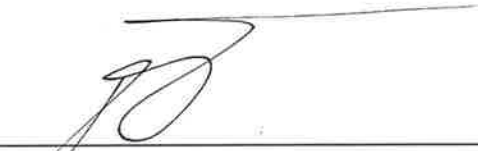
- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

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


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

Signed in accordance with a resolution of Council made on 21 August 2024.




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Jess Jennings  
Mayor  
21 August 2024




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Benjamin Fry  
Deputy Mayor  
21 August 2024



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David Sherley  
General Manager  
21 August 2024



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Aaron Jones  
Responsible Accounting Officer  
21 August 2024

## Bathurst Regional Council

### Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
<b>Income from continuing operations</b>		
Access charges	3,356	3,281
User charges	14,945	12,158
Fees	176	241
Interest and investment income	503	311
Grants and contributions provided for operating purposes	115	114
Net gain from the disposal of assets	28	–
Other income	45	59
<b>Total income from continuing operations</b>	<b>19,168</b>	<b>16,164</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	4,297	4,230
Borrowing costs	546	428
Materials and services	8,862	9,738
Depreciation, amortisation and impairment	2,913	3,812
Calculated taxation equivalents	325	305
Debt guarantee fee (if applicable)	151	141
Other expenses	1,311	1,012
<b>Total expenses from continuing operations</b>	<b>18,405</b>	<b>19,666</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>763</b>	<b>(3,502)</b>
Grants and contributions provided for capital purposes	8,974	8,973
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>9,737</b>	<b>5,471</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>9,737</b>	<b>5,471</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(191)	–
<b>Surplus (deficit) after tax</b>	<b>9,546</b>	<b>5,471</b>
<b>Plus accumulated surplus</b>	<b>143,819</b>	<b>137,902</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	325	305
– Debt guarantee fees	151	141
– Corporate taxation equivalent	191	–
<b>Closing accumulated surplus</b>	<b>154,032</b>	<b>143,819</b>
<b>Return on capital %</b>	<b>0.4%</b>	<b>(0.9)%</b>
<b>Subsidy from Council</b>	<b>13,542</b>	<b>16,453</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	9,546	5,471
Less: capital grants and contributions (excluding developer contributions)	(8,974)	(8,973)
<b>Surplus for dividend calculation purposes</b>	<b>572</b>	<b>–</b>
<b>Potential dividend calculated from surplus</b>	<b>286</b>	<b>–</b>

## Bathurst Regional Council

### Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
<b>Income from continuing operations</b>		
Access charges	12,499	11,889
User charges	2,089	2,014
Liquid trade waste charges	636	831
Fees	104	144
Interest and investment income	1,120	714
Grants and contributions provided for operating purposes	113	112
Net gain from the disposal of assets	27	–
Other income	33	31
<b>Total income from continuing operations</b>	<b>16,621</b>	<b>15,735</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	4,367	4,065
Materials and services	6,567	8,015
Depreciation, amortisation and impairment	2,072	5,456
Calculated taxation equivalents	8	9
Other expenses	1,046	859
<b>Total expenses from continuing operations</b>	<b>14,060</b>	<b>18,404</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>2,561</b>	<b>(2,669)</b>
Grants and contributions provided for capital purposes	4,438	1,713
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>6,999</b>	<b>(956)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>6,999</b>	<b>(956)</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(640)	–
<b>Surplus (deficit) after tax</b>	<b>6,359</b>	<b>(956)</b>
<b>Plus accumulated surplus</b>	<b>94,511</b>	<b>95,458</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	8	9
– Corporate taxation equivalent	640	–
<b>Closing accumulated surplus</b>	<b>101,518</b>	<b>94,511</b>
<b>Return on capital %</b>	<b>1.6%</b>	<b>(1.7)%</b>
<b>Subsidy from Council</b>	<b>4,476</b>	<b>8,825</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	6,359	(956)
Less: capital grants and contributions (excluding developer contributions)	(4,438)	(1,713)
<b>Surplus for dividend calculation purposes</b>	<b>1,921</b>	<b>–</b>
<b>Potential dividend calculated from surplus</b>	<b>960</b>	<b>–</b>

## Bathurst Regional Council

### Income Statement of Waste Management business activity

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
Annual charges	8,648	8,227
Fees	7,716	8,147
Interest and investment income	241	133
Grants and contributions provided for operating purposes	108	11
Net gain from the disposal of assets	4	–
Other income	(4)	1
<b>Total income from continuing operations</b>	<b>16,713</b>	<b>16,519</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	3,926	3,575
Borrowing costs	85	77
Materials and services	9,673	8,811
Depreciation, amortisation and impairment	616	546
Net loss from the disposal of assets	(28)	336
Calculated taxation equivalents	40	55
Other expenses	26	34
<b>Total expenses from continuing operations</b>	<b>14,338</b>	<b>13,434</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>2,375</b>	<b>3,085</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>2,375</b>	<b>3,085</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>2,375</b>	<b>3,085</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(594)	(771)
<b>Surplus (deficit) after tax</b>	<b>1,781</b>	<b>2,314</b>
<b>Plus accumulated surplus</b>	<b>49,082</b>	<b>45,942</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	40	55
– Corporate taxation equivalent	594	771
<b>Closing accumulated surplus</b>	<b>51,497</b>	<b>49,082</b>
<b>Return on capital %</b>	<b>19.9%</b>	<b>27.6%</b>

## Bathurst Regional Council

### Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Contract assets and contract cost assets	–	447
Cash and cash equivalents	9,408	12,231
Investments	11,615	10,002
Receivables	4,152	3,789
Other	29	16
<b>Total current assets</b>	<b>25,204</b>	<b>26,485</b>
<b>Non-current assets</b>		
Receivables	57	51
Infrastructure, property, plant and equipment	345,361	332,805
<b>Total non-current assets</b>	<b>345,418</b>	<b>332,856</b>
<b>Total assets</b>	<b>370,622</b>	<b>359,341</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	–	5,797
Payables	678	168
Borrowings	469	445
Employee benefit provisions	820	786
<b>Total current liabilities</b>	<b>1,967</b>	<b>7,196</b>
<b>Non-current liabilities</b>		
Income received in advance	227	–
Borrowings	10,315	10,784
<b>Total non-current liabilities</b>	<b>10,542</b>	<b>10,784</b>
<b>Total liabilities</b>	<b>12,509</b>	<b>17,980</b>
<b>Net assets</b>	<b>358,113</b>	<b>341,361</b>
<b>EQUITY</b>		
Accumulated surplus	154,033	143,819
Revaluation reserves	204,080	197,542
<b>Total equity</b>	<b>358,113</b>	<b>341,361</b>

## Bathurst Regional Council

### Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,190	23,927
Investments	24,604	22,456
Receivables	5,920	1,331
Other	38	40
<b>Total current assets</b>	<b>31,752</b>	<b>47,754</b>
<b>Non-current assets</b>		
Right of use assets	1	1
Receivables	20,468	41
Infrastructure, property, plant and equipment	163,647	153,144
<b>Total non-current assets</b>	<b>184,116</b>	<b>153,186</b>
<b>Total assets</b>	<b>215,868</b>	<b>200,940</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	426	70
Employee benefit provisions	489	533
<b>Total current liabilities</b>	<b>915</b>	<b>603</b>
<b>Non-current liabilities</b>		
Lease liabilities	1	1
<b>Total non-current liabilities</b>	<b>1</b>	<b>1</b>
<b>Total liabilities</b>	<b>916</b>	<b>604</b>
<b>Net assets</b>	<b>214,952</b>	<b>200,336</b>
<b>EQUITY</b>		
Accumulated surplus	101,519	94,511
Revaluation reserves	113,433	105,825
<b>Total equity</b>	<b>214,952</b>	<b>200,336</b>



## Bathurst Regional Council

### Statement of Financial Position of Waste Management business activity

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	48,020	45,923
Receivables	976	1,048
Other	2	5
<b>Total current assets</b>	<b>48,998</b>	<b>46,976</b>
<b>Non-current assets</b>		
Receivables	30	69
Infrastructure, property, plant and equipment	12,363	11,458
<b>Total non-current assets</b>	<b>12,393</b>	<b>11,527</b>
<b>Total assets</b>	<b>61,391</b>	<b>58,503</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	243	76
Payables	289	312
Employee benefit provisions	428	511
<b>Total current liabilities</b>	<b>960</b>	<b>899</b>
<b>Non-current liabilities</b>		
Remediation Provision	3,276	3,180
<b>Total non-current liabilities</b>	<b>3,276</b>	<b>3,180</b>
<b>Total liabilities</b>	<b>4,236</b>	<b>4,079</b>
<b>Net assets</b>	<b>57,155</b>	<b>54,424</b>
<b>EQUITY</b>		
Accumulated surplus	51,495	49,082
Revaluation reserves	5,660	5,342
<b>Total equity</b>	<b>57,155</b>	<b>54,424</b>

## Note – Material accounting policy information

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

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

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

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993 (Act)*, the *Local Government (General) Regulation 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)

##### a. Bathurst Regional Council Water Supplies

Council's water supply activities (established as separate Special Rate Funds) servicing the region of Bathurst.

##### b. Bathurst Regional Council Sewerage Service

Council's sewerage reticulation & treatment activities (established as a Special Rate Fund) servicing the region of Bathurst.

##### c. Bathurst Regional Council Waste Services

Council's domestic waste service & solid waste depot activities servicing the region of Bathurst.

## Note – Material accounting policy information (continued)

### Category 2

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

**Council has no Category 2 businesses.**

### Taxation equivalent charges

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

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

#### Notional rate applied (%)

Corporate income tax rate – **25%** (2023 - 25%)

Land tax – the first \$1,075,000 of combined land values attracts **0%**. For the combined land values in excess of \$1,075,001 up to \$6,571,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$6,571,000 a premium marginal rate of **2.0%** applies.

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

### Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25%. (2023 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'.

## Note – Material accounting policy information (continued)

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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**

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

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

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



**INDEPENDENT AUDITOR'S REPORT**  
**Report on the special purpose financial statements**  
**Bathurst Regional Council**

To the Councillors of Bathurst Regional Council

## **Opinion**

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

The Declared Business Activities of the Council are:

- water supply
- sewerage
- waste management.

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

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

## **Basis for Opinion**

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

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

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

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

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

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

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

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

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

## **Other Information**

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

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

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

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

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

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

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

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

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



Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

31 October 2024  
SYDNEY

# Bathurst Regional Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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*A vibrant regional centre that enjoys a rural lifestyle . . . . .  
A Region full of community spirit and shared prosperity.*





# Bathurst Regional Council

## Special Schedules

for the year ended 30 June 2024

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<b>Special Schedules:</b>	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2024	7

## Bathurst Regional Council

### Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	30,281	31,448
Plus or minus adjustments <sup>2</sup>	b	109	273
<b>Notional general income</b>	c = a + b	<b>30,390</b>	<b>31,721</b>
<b>Permissible income calculation</b>			
Percentage increase	d	3.80%	4.80%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	1,155	1,523
<b>Sub-total</b>	g = (c + e + f)	<b>31,545</b>	<b>33,244</b>
Plus (or minus) last year's carry forward total	h	1	98
<b>Sub-total</b>	j = (h + i)	<b>1</b>	<b>98</b>
<b>Total permissible income</b>	k = g + j	<b>31,546</b>	<b>33,342</b>
Less notional general income yield	l	31,448	33,290
<b>Catch-up or (excess) result</b>	m = k - l	<b>98</b>	<b>52</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>98</b>	<b>52</b>

#### Notes

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



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Bathurst Regional Council

To the Councillors of Bathurst Regional Council

### Opinion

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

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

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

### Basis for Opinion

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

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

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

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

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

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

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

### Emphasis of Matter - Basis of Accounting

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

## Other Information

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

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

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

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

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

My objectives are to:

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

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

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

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

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



Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

31 October 2024  
SYDNEY

## Bathurst Regional Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost				Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council	2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance			1	2	3	4	5	
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000						
<b>Buildings</b>	Buildings	6,345	445	1,095	1,302	242,578	399,459	10.0%	72.0%	14.5%	1.5%	2.0%	
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>6,345</b>	<b>445</b>	<b>1,095</b>	<b>1,302</b>	<b>242,578</b>	<b>399,459</b>	<b>10.0%</b>	<b>72.0%</b>	<b>14.5%</b>	<b>1.5%</b>	<b>2.0%</b>	
<b>Other structures</b>	Other structures	4,638	3,773	331	159	32,746	54,693	22.0%	33.0%	23.0%	11.0%	11.0%	
	<b>Sub-total</b>	<b>4,638</b>	<b>3,773</b>	<b>331</b>	<b>159</b>	<b>32,746</b>	<b>54,693</b>	<b>22.0%</b>	<b>33.0%</b>	<b>23.0%</b>	<b>11.0%</b>	<b>11.0%</b>	
<b>Roads</b>	Sealed roads	39,752	3,632	8,750	6,562	373,134	621,969	34.0%	41.0%	21.0%	4.0%	0.0%	
	Unsealed roads	38,304	4,079	393	2,661	9,827	22,516	0.0%	17.0%	66.0%	14.0%	3.0%	
	Bridges	21,201	1,228	1,468	68	71,303	125,732	13.0%	30.0%	41.0%	16.0%	0.0%	
	Footpaths	908	–	250	264	20,283	29,493	73.0%	16.0%	11.0%	0.0%	0.0%	
	Other road assets	3	1	636	109	187,872	187,872	22.0%	23.0%	41.0%	13.0%	1.0%	
	<b>Sub-total</b>	<b>100,168</b>	<b>8,940</b>	<b>11,497</b>	<b>9,664</b>	<b>662,419</b>	<b>987,582</b>	<b>29.4%</b>	<b>34.9%</b>	<b>28.1%</b>	<b>7.3%</b>	<b>0.3%</b>	
<b>Water supply network</b>	Water supply network	24,272	13,511	4,498	4,934	300,918	461,442	10.0%	37.0%	39.0%	11.0%	3.0%	
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>24,272</b>	<b>13,511</b>	<b>4,498</b>	<b>4,934</b>	<b>300,918</b>	<b>461,442</b>	<b>10.0%</b>	<b>37.0%</b>	<b>39.0%</b>	<b>11.0%</b>	<b>3.0%</b>	
<b>Sewerage network</b>	Sewerage network	33,435	20,158	4,327	3,704	152,374	297,487	16.0%	16.0%	36.0%	25.0%	7.0%	
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>33,435</b>	<b>20,158</b>	<b>4,327</b>	<b>3,704</b>	<b>152,374</b>	<b>297,487</b>	<b>16.0%</b>	<b>16.0%</b>	<b>36.0%</b>	<b>25.0%</b>	<b>7.0%</b>	

## Bathurst Regional Council

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

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Stormwater drainage	Stormwater drainage	3,697	351	1,708	921	176,521	242,445	28.0%	37.0%	31.0%	4.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>3,697</b>	<b>351</b>	<b>1,708</b>	<b>921</b>	<b>176,521</b>	<b>242,445</b>	<b>28.0%</b>	<b>37.0%</b>	<b>31.0%</b>	<b>4.0%</b>	<b>0.0%</b>
Open space / recreational assets	Swimming pools	1,416	–	368	–	18,483	35,999	0.0%	100.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>1,416</b>	<b>–</b>	<b>368</b>	<b>–</b>	<b>18,483</b>	<b>35,999</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Other infrastructure assets	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total – all assets</b>		<b>173,971</b>	<b>47,178</b>	<b>23,824</b>	<b>20,684</b>	<b>1,586,039</b>	<b>2,479,107</b>	<b>20.3%</b>	<b>40.1%</b>	<b>28.6%</b>	<b>8.9%</b>	<b>2.1%</b>

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

## Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
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

## Bathurst Regional Council

### Report on infrastructure assets as at 30 June 2024

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>11,094</b>	<b>48.86%</b>	18.31%	45.60%	> 100.00%
Depreciation, amortisation and impairment	<b>22,707</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>173,971</b>	<b>10.97%</b>	9.22%	10.32%	< 2.00%
Net carrying amount of infrastructure assets	<b>1,586,039</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>20,684</b>	<b>86.82%</b>	115.68%	65.85%	> 100.00%
Required asset maintenance	<b>23,824</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>47,178</b>	<b>1.90%</b>	2.10%	3.30%	
Gross replacement cost	<b>2,479,107</b>				

(\*) 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.



## Bathurst Regional Council

### Report on infrastructure assets as at 30 June 2024

#### Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>Buildings and infrastructure renewals ratio</b>							
Asset renewals <sup>1</sup>							
Depreciation, amortisation and impairment	<b>44.81%</b>	20.41%	<b>48.41%</b>	25.33%	<b>88.08%</b>	4.99%	> 100.00%
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	<b>10.26%</b>	8.20%	<b>8.07%</b>	7.13%	<b>21.94%</b>	20.79%	< 2.00%
<b>Asset maintenance ratio</b>							
Actual asset maintenance							
Required asset maintenance	<b>80.31%</b>	123.16%	<b>109.69%</b>	93.78%	<b>85.60%</b>	122.35%	> 100.00%
<b>Cost to bring assets to agreed service level</b>							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	<b>0.79%</b>	1.22%	<b>2.93%</b>	2.26%	<b>6.78%</b>	6.82%	

(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.