

Upper Lachlan
Shire Council



FINANCIAL STATEMENTS



2023-2024

Upper Lachlan Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Upper Lachlan Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

44 Spring Street
Crookwell NSW 2583

Council's guiding principles are detailed in Chapter 3 of the *Local Government Act 1993* (NSW) and includes:

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

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

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

Upper Lachlan Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Upper Lachlan Shire Council

General Purpose Financial Statements for the year ended 30 June 2024

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

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

- the *Local Government Act 1993* (NSW) 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 28 October 2024.



Paul Culhane
Mayor
28 October 2024



Rob Cameron
Councillor
28 October 2024



Alex Waldron
Chief Executive Officer
28 October 2024



Jonathan Blake
Responsible Accounting Officer
28 October 2024

Upper Lachlan Shire Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
13,652	Rates and annual charges	B2-1	13,607	12,883
6,358	User charges and fees	B2-2	9,131	6,736
675	Other revenues	B2-3	732	879
11,082	Grants and contributions provided for operating purposes	B2-4	18,204	17,920
13,426	Grants and contributions provided for capital purposes	B2-4	14,222	9,243
1,259	Interest and investment income	B2-5	1,510	972
140	Net gain from the disposal of assets	B4-1	–	–
46,592	Total income from continuing operations		57,406	48,633
Expenses from continuing operations				
14,153	Employee benefits and on-costs	B3-1	13,576	13,430
13,050	Materials and services	B3-2	19,190	14,235
279	Borrowing costs	B3-3	256	289
8,994	Depreciation, amortisation and impairment of non-financial assets	B3-4	9,901	9,291
890	Other expenses	B3-5	983	640
104	Net loss from the disposal of assets	B4-1	3,739	618
37,470	Total expenses from continuing operations		47,645	38,503
9,122	Operating result from continuing operations		9,761	10,130
9,122	Net operating result for the year attributable to Council		9,761	10,130
(4,303)	Net operating result for the year before grants and contributions provided for capital purposes		(4,461)	887

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

Upper Lachlan Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		9,761	10,130
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain on revaluation of infrastructure, property, plant and equipment	C1-7	<u>25,328</u>	47,449
Total items which will not be reclassified subsequently to the operating result		25,328	47,449
Total other comprehensive income for the year		25,328	47,449
Total comprehensive income for the year attributable to Council		35,089	57,579

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

Upper Lachlan Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	16,289	10,092
Investments	C1-2	19,000	24,000
Receivables	C1-4	3,680	2,530
Inventories	C1-5	1,105	1,220
Contract assets and contract cost assets	C1-6	3,271	2,545
Other	C1-8	210	143
Total current assets		43,555	40,530
Non-current assets			
Receivables	C1-4	60	56
Infrastructure, property, plant and equipment (IPPE)	C1-7	572,588	539,144
Right of use assets		41	182
Total non-current assets		572,689	539,382
Total assets		616,244	579,912
LIABILITIES			
Current liabilities			
Payables	C3-1	3,986	4,926
Contract liabilities	C3-2	1,260	2,284
Lease liabilities		24	30
Borrowings	C3-3	625	607
Employee benefit provisions	C3-4	4,712	4,764
Total current liabilities		10,607	12,611
Non-current liabilities			
Lease liabilities		13	162
Borrowings	C3-3	5,818	5,444
Provisions	C3-5	4,417	1,395
Total non-current liabilities		10,248	7,001
Total liabilities		20,855	19,612
Net assets		595,389	560,300
EQUITY			
Accumulated surplus	C4-1	340,883	331,122
IPPE revaluation reserve	C4-1	254,506	229,178
Council equity interest		595,389	560,300
Total equity		595,389	560,300

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

Upper Lachlan Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		331,122	229,178	560,300	320,992	181,729	502,721
Net operating result for the year		9,761	–	9,761	10,130	–	10,130
Net operating result for the period		9,761	–	9,761	10,130	–	10,130
Other comprehensive income							
Gain on revaluation of infrastructure, property, plant and equipment	C1-7	–	25,328	25,328	–	47,449	47,449
Other comprehensive income		–	25,328	25,328	–	47,449	47,449
Total comprehensive income		9,761	25,328	35,089	10,130	47,449	57,579
Closing balance at 30 June		340,883	254,506	595,389	331,122	229,178	560,300

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

Upper Lachlan Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
13,528	Rates and annual charges		13,588	12,858
6,358	User charges and fees		8,343	7,214
1,259	Interest received		1,542	636
24,388	Grants and contributions		30,884	27,422
–	Bonds, deposits and retentions received		194	–
675	Other		3,898	163
<i>Payments:</i>				
(14,153)	Payments to employees		(13,724)	(13,108)
(12,818)	Payments for materials and services		(21,808)	(14,331)
(279)	Borrowing costs		(199)	(234)
–	Bonds, deposits and retentions refunded		–	(24)
(878)	Other		(3,108)	604
18,080	Net cash flows from operating activities	G1-1	19,610	21,200
Cash flows from investing activities				
<i>Receipts:</i>				
11,500	Sale of investments		21,000	13,300
291	Proceeds from sale of IPPE		546	661
<i>Payments:</i>				
(11,500)	Purchase of investments		(16,000)	(13,300)
–	Acquisition of term deposits		–	(2,600)
(23,570)	Payments for IPPE		(19,309)	(18,449)
(23,279)	Net cash flows used in investing activities		(13,763)	(20,388)
Cash flows from financing activities				
<i>Receipts:</i>				
2,400	Proceeds from borrowings		1,000	–
<i>Payments:</i>				
(676)	Repayment of borrowings		(608)	(585)
–	Principal component of lease payments		(42)	(30)
1,724	Net cash flows from (used in) financing activities		350	(615)
(3,475)	Net change in cash and cash equivalents		6,197	197
–	Cash and cash equivalents at beginning of year		10,092	9,895
(3,475)	Cash and cash equivalents at end of year	C1-1	16,289	10,092

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

Upper Lachlan Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 28 October 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 adopted in the preparation of these financial statements are set out below.

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

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

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note B5-1 – Material budget variations

Historical cost convention

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

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables

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

- (ii) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB15 *Revenue from Contracts with Customers* and/or AASB1058 *Income of Not-for-Profit Entities* - refer to Notes B2-2 - B2-4.

A1-1 Basis of preparation (continued)

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
- Domestic Waste Management

The Trust Fund

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

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

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

Volunteer services received by Council have not been recognised in the financial statements as they cannot be reliably measured and would not be purchased if not donated.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

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

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

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

This Standard modifies AASB 13 Fair Value Measurement for application by not-for-profit public sector entities such as Council.

It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to generate cash inflows and also provides guidance and clarification when valuing assets that are restricted (in their use) at Council.

This includes guidance and clarification regarding the determination of an assets highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values.

Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value.

The standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

New accounting standards adopted during the year

A1-1 Basis of preparation (continued)

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

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

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

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

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

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

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Our leadership	–	–	3,317	2,829	(3,317)	(2,829)	825	1,106	1,623	982
Our infrastructure	23,448	18,405	20,950	14,973	2,498	3,432	19,072	14,132	433,445	410,509
Our society/community	3,967	2,568	7,226	4,555	(3,259)	(1,987)	3,704	2,386	67,329	59,884
Our environment	8,220	7,231	7,825	8,065	395	(834)	1,376	808	85,263	80,761
Our economy	6,366	3,950	8,327	8,081	(1,961)	(4,131)	1,484	–	23,016	23,509
Other – general purpose income	15,405	16,479	–	–	15,405	16,479	5,965	8,731	5,568	4,267
Total functions and activities	57,406	48,633	47,645	38,503	9,761	10,130	32,426	27,163	616,244	579,912

B1-2 Components of functions or activities

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

Our leadership

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

Our infrastructure

Includes sealed local roads, sealed regional roads, unsealed local roads, unsealed regional roads, urban roads, bridges, stormwater drainage, quarries, footpaths and cycleways, parking areas, water supply, sewerage schemes, domestic waste management, solid waste management, engineering services and aerodromes.

Our society

Includes health services, aged and disabled services, community services, public halls, cultural services, community centres, animal control, swimming pools, sporting grounds, parks and gardens, libraries, and emergency services.

Our environment

Includes planning and development control, building control, noxious plants control and other environmental protection

Our economy

Includes administration costs for the running of Council, camping areas and caravan parks, tourism and area promotion, industrial development promotion, real estate development, private works, State road maintenance contracts and other business undertakings.

Other - general purpose

Includes Ordinary rates and charges revenue

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	2,135	2,036
Farmland	5,663	5,448
Mining	2	2
Business	667	605
Less: pensioner rebates (mandatory)	(115)	(118)
Rates levied to ratepayers	8,352	7,973
Pensioner rate subsidies received	51	53
Total ordinary rates	8,403	8,026
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,592	1,471
Stormwater management services	50	49
Water supply services	1,122	1,084
Sewerage services	1,567	1,440
Waste management services (non-domestic)	809	749
Annual charges levied	5,140	4,793
Pensioner annual charges subsidies received:		
– Water	18	18
– Sewerage	16	17
– Domestic waste management	30	29
Total annual charges	5,204	4,857
Total rates and annual charges	13,607	12,883

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

Material accounting policy information

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is 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 disclosed 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 in substance a rates payment.

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

B2-2 User charges and fees

\$ '000	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)		
Domestic waste management services	7	4
Water supply services	1,214	1,079
Sewerage services	338	327
Waste management services (non-domestic)	353	135
Total specific user charges	1,912	1,545
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Private works – section 67	74	536
Section 10.7 certificates (EP&A Act)	46	40
Section 603 certificates	30	24
Dwelling entitlement searches	22	21
Premises inspections	1	7
Town planning / building	423	392
Total fees and charges – statutory/regulatory	596	1,020
(ii) Fees and charges – other (incl. general user charges (per s608))		
Caravan park	86	78
Cemeteries	32	71
Quarry revenues	1,958	1,220
Transport for NSW charges (State roads not controlled by Council)	4,462	2,691
Water connection fees	4	–
Public halls	9	6
Sporting grounds	23	45
Swimming pools	11	8
Truck wash facility	16	14
Water meter readings	14	10
Other	8	28
Total fees and charges – other	6,623	4,171
Total other user charges and fees	7,219	5,191
Total user charges and fees	9,131	6,736
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time (1)	–	–
User charges and fees recognised at a point in time (2)	9,131	6,736
Total user charges and fees	9,131	6,736

Material accounting policy information

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

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

Where an upfront fee is charged for seasonal use at Council swimming pools the fee is recognised on a receipts basis as the season runs for a short period and starts and finishes within the same financial year.

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

B2-3 Other revenues

\$ '000	2024	2023
Rental income – other council properties	150	91
Ex gratia rates	23	24
Fines	10	17
Legal fees recovery – rates and charges (extra charges)	–	2
Commissions and agency fees	190	170
Employment Subsidies	6	28
Insurance claims recoveries	22	12
Australia post supplies / sales	16	15
Fuel tax credits	156	128
Miscellaneous / sundry sales	14	24
Bank Guarantee - Crookwell Pool	–	74
Other	62	216
Tourist information centre sales and membership fees	44	42
Windfarm Community Enhancement Program administration fee	39	36
Total other revenue	732	879
Timing of revenue recognition for other revenue		
Other revenue recognised over time	–	–
Other revenue recognised at a point in time	732	879
Total other revenue	732	879

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance	5,965	7,645	-	-
Amount recognised as income during current year	5,965	7,645	-	-
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water supplies	-	-	8	45
Sewerage services	-	-	-	333
Bushfire and emergency services	166	163	-	-
Environmental programs	-	-	39	-
Floodplain management	-	-	1,027	-
Heritage and cultural	54	50	-	-
Noxious weeds	136	136	-	-
Public halls	-	-	21	42
Recreation and culture	-	-	3,275	1,664
Storm/flood damage	-	1,000	-	-
Footpaths	-	-	319	22
Public libraries	89	86	-	-
Street lighting	30	29	-	-
Transportation (3x3, block, repair, regional roads)	6,674	1,758	871	332
Tourism	-	-	1,231	-
Transport (roads to recovery)	1,246	1,160	-	-
Transport (other roads and bridges funding)	-	4,138	6,185	5,502
Other specific grants	447	320	273	672
Previous contributions:				
Roads and bridges	-	-	-	10
Tourism	1	-	-	-
Natural disaster funding – roads	3,172	1,181	-	-
Section 44 bushfire reimbursement	-	20	-	-
Vehicle leaseback contributions	105	114	-	-
Waste management centres	-	9	-	-
New Gullen Range Wind Farm Contribution	119	111	-	-
Total special purpose grants and non-developer contributions – cash	12,239	10,275	13,249	8,622
Total special purpose grants and non-developer contributions (tied)	12,239	10,275	13,249	8,622
Total grants and non-developer contributions	18,204	17,920	13,249	8,622
Comprising:				
– Commonwealth funding	7,221	8,856	1,562	1,604
– State funding	10,754	8,830	11,294	6,971
– Other funding	229	234	393	47
	18,204	17,920	13,249	8,622

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services	G4	–	–	797	519
S 64 – water supply contributions		–	–	92	51
S 64 – sewerage service contributions		–	–	84	51
Total developer contributions – cash		–	–	973	621
Total developer contributions		–	–	973	621
Total contributions		–	–	973	621
Total grants and contributions		18,204	17,920	14,222	9,243
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time (1)		–	50	11,990	7,466
Grants and contributions recognised at a point in time (2)		18,204	17,870	2,232	1,777
Total grants and contributions		18,204	17,920	14,222	9,243

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and contributions				
Unspent funds at 1 July	4,428	868	2,227	4,956
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	4,829	4,374	945	173
Add: Funds received and not recognised as revenue in the current year	–	50	92	1,120
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(4,185)	(864)	(328)	(264)
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(985)	(3,758)
Unspent funds at 30 June	5,072	4,428	1,951	2,227
Contributions				
Unspent funds at 1 July	–	–	6,096	5,660
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	1,272	747
Add: contributions received and not recognised as revenue in the current year	–	–	–	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	–	–	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(1,153)	(311)
Unspent contributions at 30 June	–	–	6,215	6,096

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations within AASB 15 grants 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 of 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.

B2-4 Grants and contributions (continued)

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 s 7.4, 7.11 and 7.12 of the Environmental Planning and Assessment Act 1979 (EP&A Act).

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	52	23
– Cash and investments	1,458	949
Total interest and investment income	1,510	972
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	33	14
General Council cash and investments	551	469
Restricted investments/funds – external:		
Developer contributions		
– Section 7.11	228	104
– Section 64	69	25
Water fund operations	188	108
Sewerage fund operations	343	190
Domestic waste management operations	98	62
Total interest and investment income	1,510	972

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	9,847	9,810
Travel expenses	76	97
Employee leave entitlements (ELE)	2,475	2,577
Superannuation	1,390	1,283
Workers' compensation insurance	706	627
Fringe benefit tax (FBT)	59	46
Training costs (other than salaries and wages)	257	324
Other	107	122
Total employee costs	14,917	14,886
Less: capitalised costs	(1,341)	(1,456)
Total employee costs expensed	13,576	13,430

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
Raw materials and consumables		4,937	3,387
Contractor and consultancy costs			
– Contractors		10,402	7,110
– Consultancy services		671	687
Audit Fees	F2-1	158	65
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	216	202
Advertising		28	15
Bank charges		57	58
Electricity and heating		482	525
Insurance		1,264	1,150
Postage		35	29
Printing and stationery		103	92
Street lighting		108	105
Subscriptions and publications		92	79
Telephone and communications		175	114
Tourism expenses (excluding employee costs)		1	9
Valuation fees		70	56
Other expenses		165	166
Australia post stock / supplies		14	15
Water usage		98	222
Legal expenses:			

continued on next page ...

B3-2 Materials and services (continued)

\$ '000	2024	2023
– Legal expenses: planning and development	15	20
– Legal expenses: other	98	129
Operating leases expense:		
– Operating lease rentals: minimum lease payments	1	–
Total materials and services	19,190	14,235
Total materials and services	19,190	14,235

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on leases	1	6
Interest on loans	198	228
Total interest bearing liability costs	199	234
Total interest bearing liability costs expensed	199	234

(ii) Other borrowing costs

Discount adjustments relating to movements in provisions (other than ELE)		
– Remediation liabilities	C3-5 57	55
Total other borrowing costs	57	55
Total borrowing costs expensed	256	289

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

Depreciation and amortisation

Plant and equipment		1,571	1,430
Office equipment		278	315
Furniture and fittings		14	5
Land improvements (depreciable)		9	9
Infrastructure:	C1-7		
– Buildings – non-specialised		72	74
– Buildings – specialised		900	832
– Other structures		52	44
– Roads		3,825	3,503
– Bridges		884	824
– Footpaths		62	55
– Other road assets		44	18
– Stormwater drainage		365	337
– Water supply network		859	841
– Sewerage network		548	534
– Swimming pools		12	13
– Other open space/recreational assets		166	163
Right of use assets		28	32
Other assets:			
– Other		23	46
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-7	159	204
– Quarry assets	C3-5,C1-7	30	12
Total gross depreciation and amortisation costs		9,901	9,291
Total depreciation and amortisation costs		9,901	9,291
Total depreciation, amortisation and impairment for non-financial assets		9,901	9,291

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

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

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

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

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

B3-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of receivables			
Other		39	1
Total impairment of receivables	C1-4	39	1
Other			
Contributions/levies to other levels of government			
– Emergency services levy (SES)		39	22
– NSW fire brigade levy		46	39
– NSW rural fire service levy		708	493
Donations, contributions and assistance to other organisations (Section 356)		67	85
Committee funds returned (Section 355)		84	–
Total other		944	639
Total other expenses		983	640

B4 Gains or losses

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of plant and equipment	C1-7		
Proceeds from disposal – plant and equipment		546	661
Less: carrying amount of plant and equipment assets sold/written off		(850)	(284)
Gain (or loss) on disposal		(304)	377
Gain (or loss) on disposal of infrastructure	C1-7		
Less: carrying amount of infrastructure assets sold/written off		(3,435)	(995)
Gain (or loss) on disposal		(3,435)	(995)
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		16,000	13,300
Less: carrying amount of investments sold/redeemed/matured		(16,000)	(13,300)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(3,739)	(618)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 15 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----		
Revenues					
Rates and annual charges	13,652	13,607	(45)	0%	U
User charges and fees	6,358	9,131	2,773	44%	F
RMCC State Road income exceeding estimate by \$1.3m for works undertaken. Income generated from quarry operations for road works exceeded estimate by \$1.25m.					
Other revenues	675	732	57	8%	F
Operating grants and contributions	11,082	18,204	7,122	64%	F
Unanticipated RERRF payment of \$4.9m received in advance. Natural Disaster income exceeded estimate by \$1.9m					
Capital grants and contributions	13,426	14,222	796	6%	F
Interest and investment revenue	1,259	1,510	251	20%	F
Interest rates available during the year on Term Deposits remained higher than anticipated and expected at time of budget preparation.					
Net gains from disposal of assets	140	-	(140)	(100)%	U
An unbudgeted net loss on disposal of road infrastructure as a result of substantial asset renewal works, significantly exceeded the budgeted gain on sale of items of plant.					
Expenses					
Employee benefits and on-costs	14,153	13,576	577	4%	F
Materials and services	13,050	19,190	(6,140)	(47)%	U
Variance reflects increases in operating works associated with unanticipated funding for operational repair programs and RMCC State Road Works. Significant additional RERRF funding received and funding cap approval allowing commencement of works for Natural Disaster recovery works had significant impact on operational works.					
Borrowing costs	279	256	23	8%	F
Depreciation, amortisation and impairment of non-financial assets	8,994	9,901	(907)	(10)%	U
Annual indexation of assets and capitalisation of new assets has increased depreciation above budgeted levels.					
Other expenses	890	983	(93)	(10)%	U
Net losses from disposal of assets	104	3,739	(3,635)	(3,495)%	U
Substantial roadworks renewal resulting in disposal of existing road surface not budgeted - \$3.4m.					

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
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Statement of cash flows

Cash flows from operating activities	18,080	19,610	1,530	8%	F
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Cash flows from investing activities	(23,279)	(13,763)	9,516	(41)%	F
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Financial Assistance Grant funding received on last day of financial year of \$6m was unable to be invested and was held as cash and cash equivalents as at 30 June 2024. Due to nature of additional funding received, payments for IPPE were lower than budgeted and that is reflected in increased payments for operational activities.

Cash flows from financing activities	1,724	350	(1,374)	(80)%	U
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Council budgeted drawing down 2 loans for a total value of \$2.4M. During the year new borrowings were limited to the \$1m borrowed for the Crookwell Pool project, and the second borrowing is now scheduled to be drawn down in 2025-2026 year.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	6,789	842
Cash equivalent assets		
– Deposits at call	500	1,250
– Short-term deposits	9,000	8,000
Total cash and cash equivalents	16,289	10,092

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	16,289	10,092
Balance as per the Statement of Cash Flows	16,289	10,092

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost				
Long term deposits	19,000	–	24,000	–
Total	19,000	–	24,000	–
Total financial investments	19,000	–	24,000	–
Total cash assets, cash equivalents and investments	35,289	–	34,092	–

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.

C1-2 Financial investments (continued)

Amortised cost

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

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

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

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	35,289	34,092
Less: Externally restricted cash, cash equivalents and investments	<u>(25,345)</u>	<u>(24,023)</u>
Cash, cash equivalents and investments not subject to external restrictions	9,944	10,069
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	689	1,705
External restrictions – included in liabilities	689	1,705
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	4,775	4,901
Developer contributions – water fund	648	525
Developer contributions – sewer fund	792	670
Specific purpose unexpended grants (recognised as revenue) – general fund	6,334	4,950
Water fund	3,243	3,057
Sewer fund	6,342	5,634
Stormwater management	331	282
Wind farms community fund	267	354
Trust fund	2	2
Domestic waste management	1,922	1,943
External restrictions – other	24,656	22,318
Total external restrictions	25,345	24,023

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

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

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	9,944	10,069
Less: Internally allocated cash, cash equivalents and investments	<u>(9,539)</u>	<u>(9,952)</u>
Unrestricted and unallocated cash, cash equivalents and investments	405	117
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Employees leave entitlement	1,885	1,572
Carry over works	861	1,257
Deposits, retentions and bonds	316	205
Council houses capital works	67	67
Financial Assistance Grant prepayment	5,617	6,068
Information technology and equipment	283	273
Library cooperative	58	58
Multipurpose Aquatic & Activity Centre Crookwell	452	452
Total internal allocations	9,539	9,952

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		2023	
	Current	Non-current	Current	Non-current
Rates and annual charges	541	55	430	51
Interest and extra charges	22	5	22	5
User charges and fees	2,536	–	1,287	–
Accrued revenues				
– Interest on investments	394	–	387	–
Net GST receivable	136	–	369	–
Other debtors	91	–	40	–
Total	3,720	60	2,535	56
Less: provision for impairment				
User charges and fees	(40)	–	(5)	–
Total provision for impairment – receivables	(40)	–	(5)	–
Total net receivables	3,680	60	2,530	56

\$ '000	2024	2023
Movement in provision for impairment of receivables		
Balance at the beginning of the year	5	12
+ new provisions recognised during the year	35	–
– previous impairment losses reversed	–	(7)
Balance at the end of the year	40	5

Material accounting policy information

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

Impairment

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

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

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

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

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

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

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

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

C1-4 Receivables (continued)

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Stores and materials	292	–	389	–
Stores and materials – gravel	590	–	604	–
Trading stock – Australia post agency	22	–	27	–
Trading stock – tourist information centres	27	–	30	–
Loose tools	174	–	170	–
Total inventories at cost	1,105	–	1,220	–
Total inventories	1,105	–	1,220	–

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	3,271	–	2,545	–
Total contract assets and contract cost assets	3,271	–	2,545	–

Contract assets

Work relating to infrastructure grants	3,271	–	2,545	–
Total contract assets	3,271	–	2,545	–

Significant changes in contract assets

The Contract Asset resulting from Natural Disaster Declarations increased by \$1.18m as a result of works progressing following approval of funding limits for proposed works by Transport NSW. Additional works exceeded payments received by \$1.18m.

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period						At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Carrying value of disposals	Depreciation expense	WIP transfers	WIP Expensed	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress ²	17,157	–	17,157	6,003	–	–	(9,787)	(257)	–	13,115	–	13,115
Plant and equipment	17,090	(8,238)	8,852	2,752	(850)	(1,571)	–	–	–	17,766	(8,583)	9,183
Office equipment	2,829	(1,777)	1,052	126	–	(278)	–	–	–	2,955	(2,055)	900
Furniture and fittings	328	(105)	223	54	–	(14)	–	–	–	382	(119)	263
Land:												
– Operational land	7,231	–	7,231	–	–	–	–	–	271	7,501	–	7,501
– Community land	6,505	–	6,505	–	–	–	–	–	251	6,756	–	6,756
Land improvements – depreciable	170	(103)	67	–	–	(9)	–	–	–	170	(112)	58
Infrastructure:												
– Buildings – non-specialised	5,914	(3,705)	2,209	–	–	(72)	–	–	107	6,210	(3,966)	2,244
– Buildings – specialised	58,718	(30,476)	28,242	1,389	–	(900)	1,235	–	1,378	64,288	(32,944)	31,344
– Other structures	2,687	(1,050)	1,637	21	–	(52)	–	–	80	2,844	(1,157)	1,687
– Roads	173,199	(74,600)	98,599	5,991	(3,435)	(3,825)	5,672	–	5,015	188,617	(80,600)	108,017
– Bridges	80,397	(25,197)	55,200	453	–	(884)	2,453	–	2,717	87,324	(27,385)	59,939
– Footpaths	4,966	(1,936)	3,030	132	–	(62)	–	–	149	5,347	(2,098)	3,249
– Other road assets	706	(47)	659	397	–	(44)	–	–	32	1,138	(95)	1,043
– Bulk earthworks (non-depreciable)	239,209	–	239,209	1,610	–	–	–	–	12,041	252,861	–	252,861
– Stormwater drainage	36,408	(21,231)	15,177	637	–	(365)	427	–	751	39,318	(22,690)	16,628
– Water supply network	47,456	(18,472)	28,984	–	–	(859)	–	–	1,426	49,862	(20,311)	29,551
– Sewerage network	33,346	(13,934)	19,412	–	–	(548)	–	–	956	35,037	(15,216)	19,821
– Swimming pools	896	(597)	299	–	–	(12)	–	–	14	941	(640)	301
– Other open space/recreational assets	4,402	(1,444)	2,958	–	–	(166)	–	–	140	4,622	(1,691)	2,931
Other assets:												
– Other	931	(748)	183	–	–	(23)	–	–	–	931	(771)	160
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Quarry assets	333	(61)	272	–	–	(30)	–	–	–	333	(90)	243
– Tip assets	3,099	(1,112)	1,987	–	–	(159)	–	–	–	6,065	(1,272)	4,793
Total infrastructure, property, plant and equipment	743,977	(204,833)	539,144	19,565	(4,285)	(9,873)	–	(257)	25,328	794,383	(221,795)	572,588

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

(2) WIP expensed includes line marking carried as WIP in prior years that is not a cost that can be capitalised.

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Carrying value of disposals	Depreciation expense	WIP transfers	WIP Expensed	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	7,236	–	7,236	11,334	–	–	(1,258)	(154)	–	–	17,157	–	17,157
Plant and equipment	17,371	(8,422)	8,949	1,617	(284)	(1,430)	–	–	–	–	17,090	(8,238)	8,852
Office equipment	2,499	(1,461)	1,038	308	–	(315)	23	–	–	–	2,829	(1,777)	1,052
Furniture and fittings	150	(100)	50	179	–	(5)	–	–	–	–	328	(105)	223
Land:													
– Operational land	7,500	–	7,500	118	–	–	49	–	(436)	–	7,231	–	7,231
– Community land	4,434	–	4,434	–	–	–	–	–	–	2,071	6,505	–	6,505
Land improvements – depreciable	170	(94)	76	–	–	(9)	–	–	–	–	170	(103)	67
Infrastructure:													
– Buildings – non-specialised	5,467	(2,988)	2,479	2	–	(74)	–	–	(197)	–	5,914	(3,705)	2,209
– Buildings – specialised	53,852	(26,209)	27,643	66	(318)	(832)	16	–	–	1,666	58,718	(30,476)	28,242
– Other structures	2,288	(885)	1,403	98	–	(44)	46	–	–	135	2,687	(1,050)	1,637
– Roads	152,080	(63,654)	88,426	2,843	(524)	(3,503)	1,124	–	–	10,233	173,199	(74,600)	98,599
– Bridges	75,218	(22,851)	52,367	322	–	(824)	–	–	–	3,335	80,397	(25,197)	55,200
– Footpaths	4,417	(1,734)	2,683	173	–	(55)	–	–	–	230	4,966	(1,936)	3,030
– Other road assets (including bulk earthworks)	633	(25)	608	–	–	(18)	–	–	–	68	706	(47)	659
– Bulk earthworks (non-depreciable)	213,177	–	213,177	1,207	–	–	–	–	–	24,826	239,209	–	239,209
– Stormwater drainage	33,149	(19,187)	13,962	333	–	(337)	–	–	–	1,220	36,408	(21,231)	15,177
– Water supply network	44,059	(16,309)	27,750	–	–	(841)	–	–	–	2,075	47,456	(18,472)	28,984
– Sewerage network	30,959	(12,403)	18,556	–	–	(534)	–	–	–	1,390	33,346	(13,934)	19,412
– Swimming pools	910	(532)	378	8	–	(13)	–	–	(73)	–	896	(597)	299
– Other open space/recreational assets	4,297	(1,931)	2,366	–	(152)	(163)	–	–	–	906	4,402	(1,444)	2,958
Other assets:													
– Other	931	(702)	229	–	–	(46)	–	–	–	–	931	(748)	183
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	3,099	(909)	2,190	–	–	(204)	–	–	–	–	3,099	(1,112)	1,987
– Quarry assets	333	(49)	284	–	–	(12)	–	–	–	–	333	(61)	272
Total infrastructure, property, plant and equipment	664,229	(180,445)	483,784	18,608	(1,278)	(9,259)	–	(154)	(706)	48,155	743,977	(204,833)	539,144

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

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

Material accounting policy information

Initial recognition of Infrastructure, Property, Plant and Equipment (IPPE)

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

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

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

Revaluation Model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value. In 2024, material changes to fair value for assets classes: community land, buildings, other structures, roads, bridges, footpaths, storm water, open spaces/recreation and swimming pools were accounted for in the reporting period.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning and Environment – Water and a comprehensive valuation undertaken every 5 years. The rate applicable at 30 June 2024 was 5.07%.

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

Useful lives of IPPE

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

Plant and equipment	Years	Other equipment	Years
Office equipment	10 to 15	Playground equipment	15
Office fittings	15 to 50		
Office furniture	5 to 10		
Computer equipment	5		
Vehicles	5	Buildings	
Heavy plant/road making equipment	10 to 15	Buildings: masonry	75
Other plant and equipment	5 to 15	Buildings: other	45
		Stormwater assets	
Water and sewer assets		Drains	80 to 100
Dams and reservoirs	100 to 120	Flood control structures	80 to 100
Bores	25 to 50		
Reticulation pipes	80		
Pump stations	25 to 70		
Telemetry	15		
		Other infrastructure assets	
Transportation assets		Drainage structure on roads	100
Sealed roads: surface	25	Other road structures	80
Sealed roads: pavement base	80	Swimming pools	75
Unsealed roads: wearing course	35	Other open space/recreational assets	15 to 50
Unsealed roads: formation	infinite	Other structures	15 to 75
Bridge: concrete	100		
Roads sub-base / Formation	infinite		
Kerb, gutter and footpaths	80		

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

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

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.

In 2024 an inventory of land under roads acquired since 30/06/08 has determined the value of land under roads too low to be recorded as a result of the low dollar per square metre rate of land in the Council area and the low occurrence of subdivisions requiring the construction of new roads. At 30 June 2024 the value on non-depreciable land under roads was estimated at \$3,236.

Crown reserves

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

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

Rural Fire Service assets

Upper Lachlan Shire Council accounting policy was approved in 2007/2008 in relation to the recognition of Rural Fire Service (RFS) plant, vehicles and equipment assets. Council determined that the RFS plant, vehicles and equipment is not owned by Council and Council does not have effective control of the plant and equipment assets. Upper Lachlan Shire Council Resolution No.104/08 stated Council will not recognise the assets in Financial Statements.

Further, Council Resolution 207/22 on 15 September 2022 confirms and advises that Upper Lachlan Shire Council is unable to recognise and record RFS fire-fighting assets in Council's Financial Statements for the reasons outlined in Council's accounting position paper.

In accordance with the requirements of the Australian Accounting Standards and the Code of Accounting Practice, the Upper Lachlan Shire Council has continued not to recognise in their financial statements any rural fire-fighting plant and equipment assets that have been "vested" in Council in accordance with Council's Accounting Position Paper.

C1-8 Other

Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	210	-	143	-
Total other assets	210	-	143	-

C2 Leasing activities

C2-1 Council as a lessor

Operating leases

Council provides operating leases on Council buildings, the table below relates to operating leases on assets disclosed in C1-7. These leases are classified as operating leases for financial reporting purposes and the asset is included in the Statement of Financial Position.

Council leases out part of the new Crookwell Memorial Oval Sports Centre building to Rising Sun Health Gym. The lease was originally for a period of one year that expired on 14 March 2022. In line with the terms of the lease agreement Rising Sun Health activated the lease extension option for a further period of three years, a further one year extension option still exists to follow after that term.

Crookwell Aerodrome is leased to Advanced Aero Components Pty Limited. The lease is for a period of 25 years expiring on 31 October 2047 with an option for a further 25 year term.

Banfield House is leased to The Health Care Centre. The extended lease expired on 31 August 2024, and a new 2 year lease has been executed to expire on 31 August 2026.

Bank House was subject to a month to month lease arrangement. Upon Council resolving to sell the building, it is now being sold with vacant possession.

The Tony Foley Centre is leased to the Gunning District Community Health Service Inc, and is currently on a month to month lease with a 3 month termination notice clause.

The leases contain an annual pricing mechanism based on either fixed increase or CPI movement at each anniversary of the lease inception after a qualifying period.

\$ '000	2024	2023
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(i) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	130	66
Total income relating to operating leases for Council assets	130	66

(ii) Amount of IPPE leased out by Council under operating leases

Amount of IPPE leased out by Council under operating leases - Buildings	1,765	2,963
Total amount of IPPE leased out by Council under operating leases	1,765	2,963

(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	63	97
1–2 years	46	32
2–3 years	19	14
Total undiscounted lease payments to be received	128	143

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Prepaid rates	314	–	299	–
Goods and services	2,740	–	3,773	–
Accrued expenses:				
– Salaries and wages	327	–	334	–
– Other expenditure accruals	35	–	30	–
Security bonds, deposits and retentions	316	–	122	–
Community enhancement programs	224	–	354	–
Other	30	–	14	–
Total payables	3,986	–	4,926	–

Material accounting policy information

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	1,260	-	2,284	-
Total grants received in advance		1,260	-	2,284	-
Total contract liabilities		1,260	-	2,284	-

Notes

(i) Council has received funding to construct assets, including transport assets, sporting and community facilities, and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion.

The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

Significant changes in contract liabilities

Department of Infrastructure, Transport, Regional Development and Communications - Local Roads and Community Infrastructure Program (LRCI) Grants \$4,623,022 for Multipurpose Aquatic and Activity Centre, Coleman Park upgrade, Stormwater upgrades and gravel resheeting. The associated Contract Liability at 30 June 2024 is \$Nil (2023 - \$75,000).

Transport for NSW – Fixing Local Roads Program Grants \$5,257,281 for various reseals of deteriorated, existing sealed sections of road as well as reconstruction and sealing parts of Mulgowrie Road, Julong Road and Middle Arm Road. The associated Contract Liability at 30 June 2024 is \$Nil (2023 - \$595,367).

Department of Industry, Science, Energy and Resources – Black Summer Bushfire Recovery Program (BSBR) Grant \$875,000 for the Taralga Off-Stream Water Storage Assessment and Design Project. The associated Contract Liability at 30 June 2024 is \$571,968 (2023 - \$579,640).

Department of Planning and Environment - Everyone Can Play Program Grant of \$300,000 for the Coleman Park Inclusive Play Space. The associated Contract Liability at 30 June 2024 is \$Nil (2023 - \$49,590).

Crown in NSW via Regional NSW Regional Development Program - Stronger Country Communities Fund Round 5 Grant \$829,915 towards the sustainable fit out of the Crookwell MAAC internal and external. The associated Contract Liability at 30 June 2024 is \$588,981 (2023 - \$663,932)

Crown in NSW via NSW Office of Sport Female Friendly and Safe Facilities - Gunning Swimming Pool Amenities project was completed during the year. The associated Contract Liability at 30 June 2024 is \$Nil (2023 - \$92,268)

Crown in NSW via Create NSW Gunning Shire Hall rejuvenation project. The associated Contract Liability as at 30 June 2024 is \$99,326 (2023 - \$14,919).

Crown in NSW via NSW Office of Sport Multi Purpose Heated Pool and Centre Grant. The associated Contract Liability at 30 June 2024 is \$Nil (2023 - \$86,024).

C3-3 Borrowings

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Loans – secured ¹	625	5,818	607	5,444
Total borrowings	625	5,818	607	5,444

(1) Loans are secured over the general rating income of Council.
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

(a) Changes in liabilities arising from financing activities

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	6,051	(608)	1,000	–	–	–	6,443
Lease liability	192	(37)	–	–	–	(118)	37
Total liabilities from financing activities	6,243	(645)	1,000	–	–	(118)	6,480

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	6,636	(582)	–	(3)	–	–	6,051
Lease liability	166	(30)	56	–	–	–	192
Total liabilities from financing activities	6,802	(612)	56	(3)	–	–	6,243

(b) Financing arrangements

\$ '000	2024	2023
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Total facilities

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

Bank overdraft facilities ¹	300	300
Credit cards/purchase cards	30	30
Total financing arrangements	330	330

Undrawn facilities

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

– Bank overdraft facilities	300	300
– Credit cards/purchase cards	30	30
Total undrawn financing arrangements	330	330

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.

C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	975	–	1,056	–
Long service leave	3,126	–	3,122	–
Other leave – time in lieu	13	–	14	–
ELE on-costs	598	–	572	–
Total employee benefit provisions	4,712	–	4,764	–

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,686	2,828
	2,686	2,828

Material accounting policy information

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

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		2023	
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	4,417	–	1,395
Sub-total – asset remediation/restoration	–	4,417	–	1,395
Total provisions	–	4,417	–	1,395

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2024		
At beginning of year	1,395	1,395
Unwinding of discount	57	57
Additional provisions	2,965	2,965
Total other provisions at end of year	4,417	4,417
2023		
At beginning of year	1,340	1,340
Unwinding of discount	55	55
Total other provisions at end of year	1,395	1,395

Nature and purpose of provisions

Asset remediation

Council has a legal/public obligation to make good, restore, rehabilitate and reinstate the council tip and quarry.

Tip provision

Council is required to undertake significant works at the Crookwell waste management centre to comply with EPA requirements. Other minor remediation works on former tip sites converted to transfer stations must also be carried out.

Gravel pit provision

Council is required to remediate gravel pits (quarries).

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

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

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations.

C3-5 Provisions (continued)

The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

Other reserves

Other reserves are retained to meet the needs of Council.

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Water 2024	Sewer 2024
Income from continuing operations			
Rates and annual charges	10,918	1,122	1,567
User charges and fees	7,536	1,257	338
Interest and investment revenue	910	219	381
Other revenues	725	7	–
Grants and contributions provided for operating purposes	18,170	18	16
Grants and contributions provided for capital purposes	14,039	99	84
Total income from continuing operations	52,298	2,722	2,386
Expenses from continuing operations			
Employee benefits and on-costs	12,464	609	503
Materials and services	17,191	1,240	759
Borrowing costs	226	24	6
Depreciation, amortisation and impairment of non-financial assets	8,426	885	590
Other expenses	978	5	–
Net losses from the disposal of assets	3,739	–	–
Total expenses from continuing operations	43,024	2,763	1,858
Operating result from continuing operations	9,274	(41)	528
Net operating result for the year	9,274	(41)	528
Net operating result attributable to each council fund	9,274	(41)	528
Net operating result for the year before grants and contributions provided for capital purposes	(4,765)	(140)	444

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Water 2024	Sewer 2024
ASSETS			
Current assets			
Cash and cash equivalents	16,289	–	–
Investments	7,975	3,891	7,134
Receivables	2,694	809	177
Inventories	1,105	–	–
Contract assets and contract cost assets	3,271	–	–
Other	210	–	–
Total current assets	31,544	4,700	7,311
Non-current assets			
Receivables	35	10	15
Infrastructure, property, plant and equipment	519,430	31,417	21,741
Right of use assets	41	–	–
Total non-current assets	519,506	31,427	21,756
Total assets	551,050	36,127	29,067
LIABILITIES			
Current liabilities			
Payables	3,975	9	2
Contract liabilities	688	572	–
Lease liabilities	24	–	–
Borrowings	603	18	4
Employee benefit provision	4,423	152	137
Total current liabilities	9,713	751	143
Non-current liabilities			
Lease liabilities	13	–	–
Borrowings	5,396	342	80
Provisions	4,417	–	–
Total non-current liabilities	9,826	342	80
Total liabilities	19,539	1,093	223
Net assets	531,511	35,034	28,844
EQUITY			
Accumulated surplus	299,462	24,902	16,519
Revaluation reserves	232,049	10,132	12,325
Council equity interest	531,511	35,034	28,844
Total equity	531,511	35,034	28,844

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	16,289	10,092	16,289	10,092
Receivables	3,740	2,586	3,740	2,586
Investments				
– Debt securities at amortised cost	19,000	24,000	19,000	24,000
Total financial assets	39,029	36,678	39,029	36,678
Financial liabilities				
Payables	3,986	4,926	3,984	4,926
Borrowings	6,443	6,051	6,443	6,051
Total financial liabilities	10,429	10,977	10,427	10,977

Fair value is determined as follows:

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

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
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The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

Impact of a 1% movement in interest rates

– Equity / Income Statement 73 21

Impact of a 10% movement in price of investments

– Equity / Income Statement 138 147

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

(b) Credit risk

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

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

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

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
2024				
Gross carrying amount	536	46	14	596
2023				
Gross carrying amount	430	44	7	481

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	6,326	29	1	2	97	6,455
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	41.20%	0.62%
ECL provision	–	–	–	–	40	40
2023						
Gross carrying amount	4,525	(4)	1	5	128	4,655
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	4.20%	0.12%
ECL provision	–	–	–	–	5	5

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	316	3,355	–	–	3,671	3,986
Borrowings	3.74%	–	851	3,061	4,030	7,942	6,443
Total financial liabilities		316	4,206	3,061	4,030	11,613	10,429
2023							
Payables	0.00%	122	4,801	–	–	4,923	4,926
Borrowings	4.24%	–	803	2,611	4,010	7,424	6,051
Total financial liabilities		122	5,604	2,611	4,010	12,347	10,977

Loan agreement breaches

There have been no breaches during the reporting period nor the prior year in relation to loan agreements.

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

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

Recurring fair value measurements

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Infrastructure, property, plant and equipment							
	C1-7						
Plant and equipment		–	–	9,183	8,852	9,183	8,852
Office equipment		–	–	900	1,052	900	1,052
Furniture and fittings		–	–	263	223	263	223
Operational land		7,501	7,231	–	–	7,501	7,231
Community land		–	–	6,756	6,505	6,756	6,505
Land Improvements – depreciable		–	–	58	67	58	67
Buildings – non-specialised		–	–	2,244	2,209	2,244	2,209
Buildings – specialised		–	–	31,344	28,242	31,344	28,242
Other structures		–	–	1,687	1,637	1,687	1,637
Roads		–	–	361,921	338,467	361,921	338,467
Bridges		–	–	59,939	55,200	59,939	55,200
Footpaths		–	–	3,249	3,030	3,249	3,030
Stormwater drainage		–	–	16,628	15,177	16,628	15,177
Water supply network		–	–	29,551	28,984	29,551	28,984
Sewerage network		–	–	19,821	19,412	19,821	19,412
Swimming pools		–	–	301	299	301	299
Other open space/recreational assets		–	–	2,931	2,958	2,931	2,958
Other assets		–	–	160	183	160	183
Rehabilitation assets		–	–	5,036	2,259	5,036	2,259
Total infrastructure, property, plant and equipment		7,501	7,231	551,972	514,756	559,473	521,987

Non-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).

Revaluation at Fair Value

All assets re-valued will be carried in the accounts at their re-valued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment costs.

All new assets and asset acquisitions made after the respective dates of valuation are recorded at their initial cost of acquisition.

Valuation of certain classes of assets require the engagement of an external valuer. Comprehensive valuation of infrastructure and operational land asset classes are undertaken every 5 years. The most recent comprehensive valuations are listed below.

2020/2021 - Roads, Bridges, Footpaths, Stormwater, and Drainage assets (deferred from 2019/2020).

2020/2021 - Community Land (now assessed annually against the NSW Valuer General valuations)

2021/2022 - Water Supply and Sewerage network assets.

2022/2023 - Buildings, Operational Land and Property, Other Structures and Recreation Assets

Fair value assessments are performed annually in between comprehensive valuations to ensure the carrying amounts of these assets reflect their fair value.

Additional information regarding capitalisation thresholds and depreciation rates utilised has been included as it is relevant in determining what property is deemed to be an 'asset' and is therefore subject to valuation measurement. It also discloses what level of acquisitions will be included after the date of valuation.

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Infrastructure, property, plant and equipment (IPPE)

Plant and Equipment, Office Equipment and Furniture and Fittings – Fair Value

Plant and Equipment, Office Equipment and Furniture and Fittings are valued at Fair Value under AASB 116 from 30 June 2018, as per the Office of Local Government's directions, using the depreciated historical cost method:-

The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. All new assets and asset acquisitions made after the respective dates of valuation are recorded at their initial cost of acquisition.

No market based evidence (Level 2) could be supported therefore these assets were all classified as having been valued using Level 3 valuation inputs.

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

Asset capitalisation thresholds are:-

Office Equipment	\$2,000
Furniture and Fittings	\$2,000
Plant and Equipment	\$5,000

Operational Land

Operational Land was re-valued at Fair Value by external independent valuer Scott Fullarton Valuations Pty Ltd as at 30 June 2023. Valuation was undertaken in accordance with the requirements of AASB 13 Fair Value, which defines Fair Value as "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". This involved establishing the nature of the asset, characteristics important to market participants, the appropriate market and valuation premise. Having maximised the level of valuation input, the adopted technique deemed appropriate is the Market Approach which requires the comparison or income approach to valuation. All new Operational Land acquired after the current valuation date is recorded at the initial cost of acquisition.

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

Community Land

E2-1 Fair value measurement (continued)

Community land was required to be re-valued as at 30 June 2021. In line with the prescribed manner of attributing a valuation to Community Land, the land values (Unimproved Capital Value) as supplied by the Valuer General's Office have been used.

Land Improvements - Depreciable

Land Improvements - Depreciable were re-valued at Fair Value under AASB 13 as at 30 June 2016 using the depreciated historical cost method.

The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. All new assets and asset acquisitions made after the current valuation date are recorded at their initial cost of acquisition. Due to the diverse nature of land improvements, major depreciation periods are up to 100 years and the capitalisation threshold is \$5,000.

No market based evidence (Level 2) could be supported therefore these assets were all classified as having been valued using Level 3 valuation inputs.

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

Buildings - Specialised & Non-Specialised

Buildings were re-valued at Fair Value by external independent valuer Scott Fullarton Valuations Pty Ltd as at 30 June 2023. Valuation was undertaken in accordance with the requirements of AASB 13 Fair Value, which defines Fair Value as "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". This involved establishing the nature of the asset, characteristics important to market participants, the appropriate market and valuation premise. Having maximised the level of valuation input, the adopted techniques deemed appropriate are:

Non-specialised buildings - Market Approach - This requires the comparison or income approach to valuation.

Specialised buildings - Cost Approach - This requires the current replacement cost approach to valuation.

This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets that require significant professional judgement and are therefore unobservable.

All new buildings acquisitions (new acquisitions and capital improvements) made after the current valuation date are recorded at their initial cost of acquisition.

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

Asset capitalisation thresholds include:

Buildings - construction/extensions/renovations	\$2,000
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Other Structures

The Other Structures asset class was re-valued at Fair Value by external independent valuer Scott Fullarton Valuations Pty Ltd as at 30 June 2023. Valuation was undertaken in accordance with the requirements of AASB 13 Fair Value with the adopted technique deemed appropriate being the Cost Approach which requires the current replacement cost approach to valuation. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets that require significant professional judgement and are therefore unobservable.

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

Asset capitalisation thresholds include:

Other Structures	\$2,000
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Roads

The Roads asset class was re-valued as at 30 June 2021 componentised by formation (non-depreciable), pavement sub-base (non-depreciable), pavement base, surface and structures including kerb & gutter. This asset class was re-valued at Fair Value by external consultants Assetic and Upper Lachlan Shire Council professional engineering staff and were recognised at fair value from 30 June 2021. The Cost Approach using Level 3 inputs was used to value this asset class. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

E2-1 Fair value measurement (continued)

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

Asset capitalisation thresholds include:

Road construction, gravel re-sheeting and reconstruction	\$5,000
Kerb and Gutter	\$5,000

Bridges

The Bridges asset class was re-valued as at 30 June 2021 classified as concrete, timber or drainage structures. This asset class was re-valued at Fair Value by external consultants Assetic and Upper Lachlan Shire Council professional engineering staff and were recognised at fair value from 30 June 2021. The Cost Approach using Level 3 inputs was used to value this asset class. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

Asset capitalisation thresholds include:

Bridge construction and reconstruction	\$5,000
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Footpaths

Footpaths were re-valued as at 30 June 2021 at Fair Value by external consultants Assetic and Upper Lachlan Shire Council professional engineering staff and were recognised at fair value from 30 June 2021. The Cost Approach using Level 3 inputs was used to value this asset class. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

Asset capitalisation thresholds include:

Footpaths	\$5,000
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Stormwater Drainage Assets

Stormwater Drainage assets were re-valued as at 30 June 2021 at Fair Value by external consultants Assetic and Upper Lachlan Shire Council professional engineering staff. The Cost Approach using Level 3 inputs was used to value this asset class. All asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

Limited market based evidence (Level 2) could be supported therefore these assets were all classified as having been valued using Level 3 valuation inputs.

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

Asset capitalisation thresholds include:

All Stormwater assets	\$5,000
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Water Supply and Sewerage Infrastructure Assets

Water Supply and Sewerage infrastructure assets were re-valued during the 2021/2022 financial year when Upper Lachlan Shire Council engaged *Australis Asset Advisory Group* to complete a comprehensive revaluation of Council's Water and Sewer assets as at 30 June 2022.

Council's water and sewer assets are to be indexed each year in line with the 'Reference Rates Manual' as published by the NSW Office of Water. Council has an extensive water and sewer capital works programme. The Cost Approach using Level 3 inputs was used to value this asset class. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

E2-1 Fair value measurement (continued)

This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets (such as estimates of pattern of consumption, residual value, asset condition and useful life), that require significant professional judgement and are therefore unobservable.

The changes to the valuation process during the reporting period are outlined above.

Asset capitalisation thresholds include:

Reticulation extensions and new assets	\$3,000
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Swimming Pool Assets

The Swimming Pool asset class was re-valued at Fair Value by external independent valuer Scott Fullarton Valuations Pty Ltd as at 30 June 2023. Valuation was undertaken in accordance with the requirements of AASB 13 Fair Value with the adopted technique deemed appropriate being the Cost Approach which requires the current replacement cost approach to valuation. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets that require significant professional judgement and are therefore unobservable.

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

Asset capitalisation thresholds include:

Swimming Pools	\$3,000
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Other Open Space/Recreational Assets

The Other Open Space/Recreational asset class was re-valued at Fair Value by external independent valuer Scott Fullarton Valuations Pty Ltd as at 30 June 2023. Valuation was undertaken in accordance with the requirements of AASB 13 Fair Value with the adopted technique deemed appropriate being the Cost Approach which requires the current replacement cost approach to valuation. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets that require significant professional judgement and are therefore unobservable.

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

Asset capitalisation thresholds include:

Playground Equipment and Park Furniture	\$1,000
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Other Assets (including Tips & Quarries Rehabilitation)

Assets within this class comprise of all assets not classified elsewhere. Other Assets, other than tips and quarries rehabilitation, are valued at Fair Value under AASB 116 from 30 June 2012 using the depreciated historical cost method. A review of these assets was undertaken for 30 June 2018 and the same valuation methodology was retained for Quarries. The Tip Rehabilitation used an estimation for 30 June 2024 based on an analysis of available independent cost estimations being applied to open cell areas of the rehabilitation site. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. Assessment of fair value will be completed at the time of finalisation of the tip remediation provision.

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

Fair value measurements using significant unobservable inputs (level 3)

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

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

Valuation technique/s	Unobservable inputs
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E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Plant and equipment	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Office equipment	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Furniture and fittings	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Community Land	Level 3	<ul style="list-style-type: none"> • Land value • Land area • Level of restriction
Land improvements	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Buildings non-specialised	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset componentisation • Asset condition • Remaining useful life
Buildings specialised	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset componentisation • Asset condition • Remaining useful life
Other structures	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset componentisation • Asset condition • Remaining useful life
Roads	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Bridges	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Footpaths	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Stormwater drainage	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Water supply network	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset componentisation • Asset condition • Remaining useful life
Sewerage network	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset componentisation • Asset condition • Remaining useful life
Swimming pools	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Other open space/recreational	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Other assets	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Rehabilitation assets	Level 3	<ul style="list-style-type: none"> • Environmental legislation • Discount Rates, CPI • Remaining life

E2-1 Fair value measurement (continued)

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

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Community Land	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	8,852	8,949	1,052	1,038	223	50	6,505	4,434
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	–	–	–	–	–	–	251	2,071
Other movements								
Purchases (GBV)	2,752	1,617	126	330	54	179	–	–
Disposals (WDV)	(850)	(284)	–	–	–	–	–	–
Depreciation and impairment	(1,571)	(1,430)	(278)	(316)	(14)	(6)	–	–
Closing balance	9,183	8,852	900	1,052	263	223	6,756	6,505

\$ '000	Land improvements		Buildings non-specialised		Buildings specialised		Other structures	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	67	76	2,209	2,479	28,242	27,643	1,637	1,403
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	–	–	107	(197)	1,378	1,666	81	134
Other movements								
Purchases (GBV)	–	–	–	2	2,624	82	21	144
Disposals (WDV)	–	–	–	–	–	(318)	(52)	(44)
Depreciation and impairment	(9)	(9)	(72)	(75)	(900)	(831)	–	–
Closing balance	58	67	2,244	2,209	31,344	28,242	1,687	1,637

\$ '000	Roads		Bridges		Footpaths		Stormwater drainage	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	338,467	302,211	55,200	52,367	3,030	2,683	15,177	13,962
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	17,088	35,127	2,717	3,335	149	230	752	1,220
Other movements								
Purchases (GBV)	13,670	5,174	2,906	322	132	173	1,064	333
Disposals (WDV)	(3,435)	(524)	–	–	–	–	–	–
Depreciation and impairment	(3,869)	(3,521)	(884)	(824)	(62)	(56)	(365)	(338)
Closing balance	361,921	338,467	59,939	55,200	3,249	3,030	16,628	15,177

\$ '000	Water supply network		Sewerage network		Swimming pools		Other open space/recreational	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	28,984	27,750	19,412	18,556	299	378	2,958	2,366
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	1,426	2,075	957	1,390	14	(73)	139	906
Other movements								
Purchases (GBV)	–	–	–	–	–	8	–	–
Disposals (WDV)	–	–	–	–	–	–	–	(152)
Depreciation and impairment	(859)	(841)	(548)	(534)	(12)	(14)	(166)	(162)
Closing balance	29,551	28,984	19,821	19,412	301	299	2,931	2,958

continued on next page ...

E2-1 Fair value measurement (continued)

\$ '000	Other assets		Rehabilitation assets		Total	
	2024	2023	2024	2023	2024	2023
Opening balance	183	229	2,259	2,474	514,756	469,048
Recognised in other comprehensive income – revaluation surplus	–	–	–	–	25,059	47,884
Increase in Provision	–	–	2,966	–	2,966	–
Purchases (GBV)	–	–	–	–	23,349	8,364
Disposals (WDV)	–	–	–	–	(4,337)	(1,322)
Depreciation and impairment	(23)	(46)	(189)	(215)	(9,821)	(9,218)
Closing balance	160	183	5,036	2,259	551,972	514,756

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 future service employer contributions and past service employer contributions to the Fund.

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

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

* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

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

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$156,131. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$113,281.

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

Defined Benefit 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 other accumulation accounts and reserves in both assets and liabilities.

The share of any funding surplus or deficit that can be attributed to Council is 0.53%.

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	6% for FY 23/24 2.5% per annum thereafter

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

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

(ii) Statewide Mutual Limited

Council is a member of Statewide Mutual Limited, 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 30/6 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 Mutual 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) Essential Energy Bank Guarantee

The Council has provided a Bank Guarantee in favour of Essential Energy for \$32,208 for security pending the registration

E3-1 Contingencies (continued)

of an easement over property (Crown Land) known as Lot 1 DP1270470 located at 203-209 Goulburn Street, Crookwell.

(v) Other guarantees

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

2. Other contingent liabilities

(i) Third party claims

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

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

(ii) Legal Matters

At balance date Upper Lachlan Shire Council had matters pending with its solicitor, Robert J McCarthy & Co, related to advice on day to day operational activities, such as conveyance on land acquisitions, renewal of Council's quarry contracts, and other operational matters. The costs and settlements associated with these were estimated at approximately \$78,000.

A Voluntary Planning Agreement (VPA) between Council and Darjeeling Pastoral Pty Limited for the Cloverleigh Subdivision at Tait Street, Crookwell is still in negotiation stage and will be reported to Council for determination. The equivalent of \$350,000 will not be a cash cost to Council but an exemption of S64 developer contributions relating to the Crookwell Trunk (sewer).

ASSETS NOT RECOGNISED

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30 June 2008.

In 2024 an inventory of land under roads acquired since 30 June 2008 has determined the value of land under roads too low to be recorded as a result of the low dollar per square metre rate of land in the Council area and the low occurrence of subdivisions requiring the construction of new roads. At 30 June 2024 the value on non-depreciable land under roads was estimated at \$3,236.

(ii) Infringement notices/fines

Not applicable.

(iii)

The Minister for Local Government made the following determination on 7 September 2006, relating to the transfer of assets, rights and liabilities of the former Mulwaree Shire Council to Upper Lachlan Shire Council. Schedule 2 of the determination states that "the fixed assets of the Montague Street and Clinton Street, Goulburn properties remain with Goulburn Mulwaree Council. In the event of the sale of this property Upper Lachlan Shire Council will be reimbursed 24.22% of the net profit". The Montague Street property was sold in 2014/2015. Council retains a 24.22% share in the Clinton Street property which remains as a contingent asset.

(iv)

Council has entered into a voluntary Planning Agreement with AGL Energy Ltd on 11 September 2012 in relation to Critical Infrastructure Project reference number MP10_0035 for the project commonly known as the Dalton Gas Fired Power Station. As per section 5 of the voluntary Planning Agreement, AGL Energy Ltd has agreed to pay a monetary contribution of 0.833% of the total capital expenditure of stage one of the development into a Community Enhancement Fund, administered by Council. Payment shall be by instalments over a period of 40 years (indexed) as per clause 5.1 of the planning agreement. Should the development proceed to stage two, a further contribution payment shall be made under clause 5.2 of the voluntary Planning Agreement with the terms and conditions being the same as those applying to stage one.

(v)

Council has entered into a voluntary Community Enhancement Planning Agreement with Goldwind Australia Pty Ltd on 24 October 2013 in relation to the project commonly known as the Gullen Range Wind Farm. As per section 3 'The Community Enhancement Program' of the voluntary Planning Agreement, Goldwind Australia Pty Ltd has agreed to pay a monetary contribution of \$1,666.00 per annum per completed turbine to be indexed by CPI annually commencing at the September 2010

E3-1 Contingencies (continued)

quarter. A Community Fund Committee has been formed to govern the Community fund. Council will be responsible for the administration and governance of the Committee.

(vi)

Council has entered into a Community Enhancement Planning Agreement with Taralga Wind Farm Nominees (No 2) Pty Ltd on 7 September 2014 in relation to the project commonly known as the Taralga Wind Farm. As per section 3 'The Community Enhancement Program' of the voluntary Planning Agreement, Taralga Wind Farm Nominees (No 2) Pty Ltd has agreed to pay a monetary contribution of \$2,500.00 per annum per completed turbine to be indexed by CPI annually commencing at the September 2015 quarter. A Community Fund Committee has been formed to govern the Community fund. Council will be responsible for the administration and governance of the Committee.

(vii)

Council has entered into a Community Enhancement Planning Agreement with Cullerin Range Wind Farm Pty Ltd on 20 October 2016 in relation to the project commonly known as the Cullerin Range Wind Farm. As per section 4 'The Community Enhancement Program' of the voluntary Planning Agreement, Cullerin Range Wind Farm Pty Ltd has agreed to pay a total monetary contribution of \$1,500.00 per turbine per annum to be indexed by CPI annually commencing at the March 2015 quarter. A Community Fund Committee has been formed to govern the Community fund. Council will be responsible for the administration and governance of the Committee.

(viii)

Council entered into a Community Enhancement Planning Agreement with Crookwell Developments Pty Ltd on 27 July 2017 in relation to the project commonly known as the Crookwell 2 and 3 Wind Farm. As per section 6 'The Community Enhancement Fund' of the voluntary Planning Agreement, Crookwell Development Pty Ltd has agreed to pay a total monetary contribution of \$2,500.00 per operating turbine per annum to be indexed by CPI annually commencing at June 2011 quarter. A Community Fund Committee has been formed to govern the Community fund. Council will be responsible for the administration and governance of the Committee.

(ix)

Upper Lachlan Shire Council has a Community Enhancement Program agreement with Rye Park Renewable Energy Pty Ltd on 21 August 2017 in relation to the State Significant Development of Rye Park Wind Farm project and a Deed of Variation dated 12 October 2021.. As per section 2 "Variation of Planning Agreement" in the Deed of Variation, Rye Park Renewable Energy Pty Limited has agreed to pay a total monetary contribution of \$40,000.00 per annum to be indexed by CPI annually commencing at the June 2011 quarter. A Community Fund Committee has been formed to govern the Community fund. Council will be responsible for the administration and governance of the Committee.

(x)

Upper Lachlan Shire Council has a Community Enhancement Program agreement with Newtricity Developments Biala Pty Ltd on 5 December 2018 in relation to the State Significant Development of Biala Wind Farm project. As per section 6 'The Community Enhancement Fund' of the voluntary Planning Agreement, Newtricity Developments Biala Pty Ltd has agreed to pay a total monetary contribution of \$2,500.00 per turbine constructed per annum to be indexed by CPI annually commencing at September 2010 quarter. A Community Fund Committee has been formed to govern the Community fund. Council will be responsible for the administration and governance of the Committee.

(xi)

Upper Lachlan Shire Council entered into a Community Enhancement Program agreement with Collector Wind Farm Pty Ltd on 11 January 2019 in relation to the State Significant Development of Collector Wind Farm Project. As per section 6 'The Community Enhancement Fund' of the voluntary Planning Agreement, Collector Wind Farm Pty Ltd has agreed to pay a total monetary contribution of \$200,000. A Community Fund Committee has been formed to govern the Community fund. Council will be responsible for the administration and governance of the Committee.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	1,275	1,076
Termination benefits	184	–
Total	1,459	1,076

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	28	28
Councillors' fees	129	120
Other Councillors' expenses (including Mayor)	59	54
Total ⁽ⁱ⁾	216	202

⁽ⁱⁱ⁾ Other Transactions - Other transactions between the Council and KMP and their related parties included only the payment of rates and charges at arms length on properties owned by KMP and their related parties.

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements ¹	156	65
Remuneration for audit and other assurance services	156	65
Total Auditor-General remuneration	156	65
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Due diligence services – Grant acquittal audits	2	–
Remuneration for audit and other assurance services	2	–
Total remuneration of non NSW Auditor-General audit firms	2	–
Total audit fees	158	65

(1) Audit Engagement Plan (AEP) Estimated Fees for the year ended 30 June 2024 are \$167,070 (2023 - \$152,000)

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	9,761	10,130
Add / (less) non-cash items:		
Depreciation and amortisation	9,901	9,291
(Gain) / loss on disposal of assets	3,739	618
Unwinding of discount rates on remediation provisions	57	55
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(1,189)	(466)
Increase / (decrease) in provision for impairment of receivables	35	(7)
(Increase) / decrease of inventories	115	(38)
(Increase) / decrease of other current assets	(67)	9
(Increase) / decrease of contract asset	(726)	2,375
Increase / (decrease) in payables	(1,033)	1,245
Increase / (decrease) in other accrued expenses payable	(2)	53
Increase / (decrease) in other liabilities	95	(210)
Increase / (decrease) in contract liabilities	(1,024)	(2,238)
Increase / (decrease) in employee benefit provision	(52)	383
Increase / (decrease) in other provisions	2,965	–
Net cash flows from operating activities	22,575	21,200

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	694	4,874
Plant and equipment	525	1,616
Sewerage and water infrastructure	188	–
Transport Assets	3,678	–
Other	4	–
Total commitments	5,089	6,490
These expenditures are payable as follows:		
Within the next year	5,089	6,490
Total payable	5,089	6,490

G3-1 Events occurring after the reporting date

Council is aware of the following 'non-adjusting events' that merit disclosure:

On 11 July 2024 Council (the vendor) exchanged on a contract for the sale and purchase of land including buildings and improvements at 106-108 Goulburn St Crookwell NSW 2583 (the Old Bank House) for the price of \$1,375,000 (GST inclusive). A 10% deposit of \$137,500 was received by Council's agent OneAgency on 12 July 2024. Subject to an agreement on vacant possession, final settlement has been deferred to 15 October 2024.

G4 Statement of developer contributions

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
Roads	3,416	574	–	–	155	(915)	–	3,230	–	
Open space	357	26	–	–	13	(133)	–	263	–	
Community facilities	650	120	–	–	34	(94)	–	710	–	
Other	124	7	–	–	7	–	–	138	–	
Bushfire	259	32	–	–	14	(11)	–	294	–	
Waste management	95	38	–	–	7	–	–	140	–	
S7.11 contributions – under a plan	4,901	797	–	–	230	(1,153)	–	4,775	–	
Total S7.11 and S7.12 revenue under plans	4,901	797	–	–	230	(1,153)	–	4,775	–	
S64 contributions	1,195	176	–	–	69	–	–	1,440	–	
Total contributions	6,096	973	–	–	299	(1,153)	–	6,215	–	

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

G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
Upper Lachlan Development Contributions Plan 2007 (previously Section 94)										
Bushfire	259	32	–	–	14	(11)	–	294	–	
Roads	3,416	574	–	–	155	(915)	–	3,230	–	
Waste management	95	38	–	–	7	–	–	140	–	
Open space	357	26	–	–	13	(133)	–	263	–	
Community facilities	650	120	–	–	34	(94)	–	710	–	
Other	124	7	–	–	7	–	–	138	–	
Total	4,901	797	–	–	230	(1,153)	–	4,775	–	

G4-3 S64 contributions

Upper Lachlan Development Servicing Plan for Water & Sewer

continued on next page ...

G4-3 S64 contributions (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					
Water supply	525	92	-	-	31	-	-	648	-
Sewerage services	670	84	-	-	38	-	-	792	-
Total	1,195	176	-	-	69	-	-	1,440	-

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(683)	(1.58)%	3.82%	(4.58)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	43,184				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	24,980	43.51%	44.15%	44.00%	> 60.00%
Total continuing operating revenue ¹	57,406				
3. Unrestricted current ratio					
Current assets less all external restrictions	17,224	2.49x	2.07x	2.88x	> 1.50x
Current liabilities less specific purpose liabilities	6,910				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	9,474	10.46x	12.26x	10.14x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	906				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	623	4.40%	3.82%	3.18%	< 10.00%
Rates and annual charges collectable	14,167				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	35,289	10.72 months	14.76 months	13.27 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	3,291				

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

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

G5-2 Statement of performance measures by fund

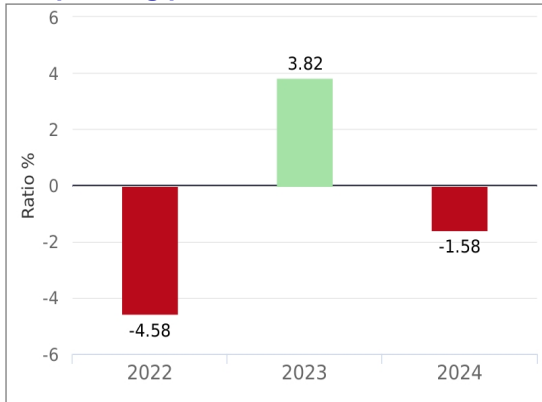
\$ '000	General Indicators		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(2.58)%	5.96%	(5.34)%	(28.57)%	19.29%	4.36%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ^{1,2}							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	38.41%	38.88%	95.70%	95.29%	95.81%	96.67%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.49x	2.07x	6.26x	4.74x	51.13x	37.08x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	8.96x	11.69x	18.76x	8.68x	104.00x	110.00x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	3.89%	3.42%	6.86%	4.97%	6.32%	5.77%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	8.02 months	12.00 months	24.64 months	19.83 months	67.30 months	56.29 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(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.

End of the audited financial statements

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2023/24 result

2023/24 ratio (1.58)%

Operating expense increases continue to be greater than income increases generated. The operating expenses cost escalation for Emergency Services Levy, diesel fuel, audit fees, insurance costs and materials has exceeded CPI.

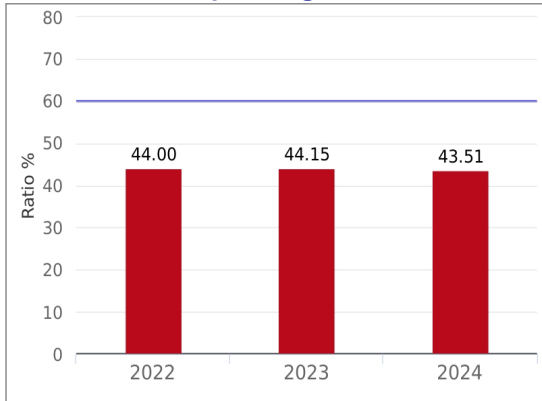
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2023/24 result

2023/24 ratio 43.51%

Council has significant reliance on external grant funding and a limited rate base. Council commenced an SRV process to increase rating revenue before being discontinued during community consultation. There are few alternative income streams available similar to those that are readily sourced by larger regional or city Councils. Continued large capital income for road reconstruction and recreational asset projects, and the large Regional Emergency Road Repair Fund income have maintained the lower ratio.

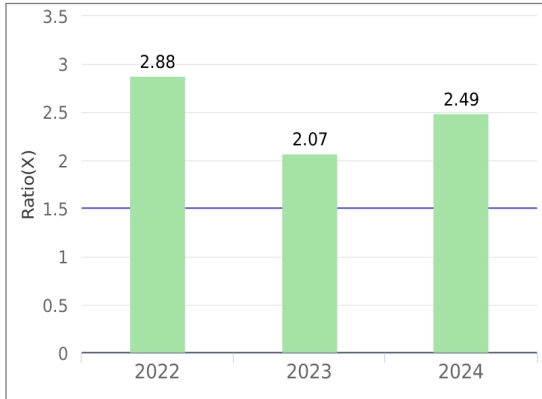
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2023/24 result

2023/24 ratio 2.49x

Council has reported above the benchmark for the last 17 years. Adequate working capital funds are retained to meet short term liabilities.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

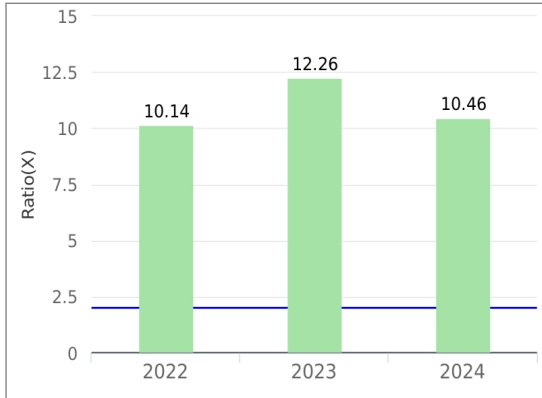
Ratio achieves benchmark

Ratio is outside benchmark

H Additional Council disclosures (unaudited)

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 10.46x

Council had new borrowings of \$1million for the Crookwell Pool in the year ended 30 June 2024. The current year fall in the ratio reflects the decline in the operating result for the year. The ratio remains well above benchmark.

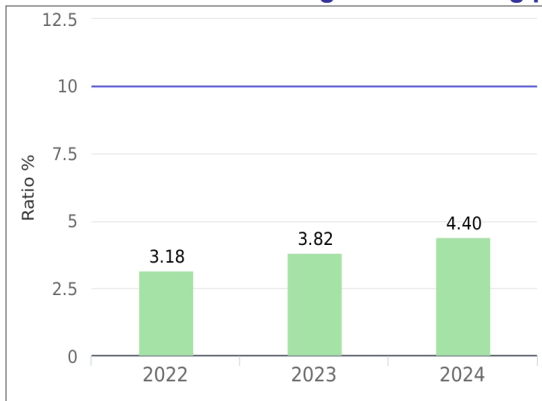
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2023/24 result

2023/24 ratio 4.40%

Council's debt recovery management practices and dedicated revenue staff have achieved impressive and consistent results in rates debt recovery over the past 15 years, keeping rates and charges outstanding levels below the Upper Lachlan Shire Council's own benchmark of 5%. The upward trend reflects the well documented challenges in the economy from rising interest rates, and financial hardship generally.

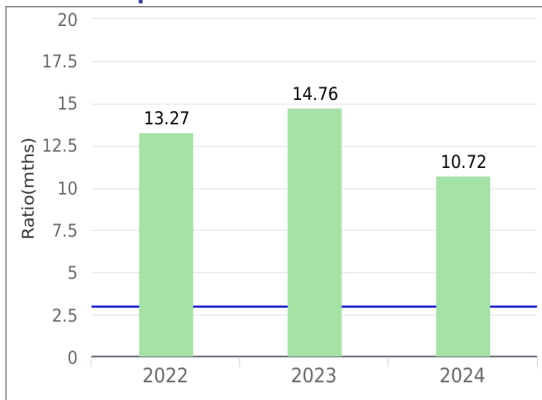
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2023/24 result

2023/24 ratio 10.72 months

Performance has been above benchmark for the past 10 years and Council currently has liquidity with the capacity to fund the works program detailed in the four year delivery program. Council has reduced capacity in 2024 to meet short-term liquidity expenses from unanticipated natural disaster events.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Upper Lachlan Shire Council

To the Councillors of the Upper Lachlan Shire Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

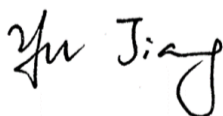
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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



Reiky Jiang
Delegate of the Auditor-General for New South Wales

29 October 2024
SYDNEY



Mr Paul Culhane
Mayor
Upper Lachlan Shire Council
PO Box 42
Gunning NSW 2581

Contact: Reiky Jiang
Phone no: 0292 757 281
Our ref: R008-2124742775-8007

29 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	13.6	12.9	5.4
Grants and contributions revenue	32.4	27.2	19.1
Operating result from continuing operations	9.8	10.1	3.0
Net operating result before capital grants and contributions	(4.5)	0.9	602.9

Rates and annual charges revenue (\$13.6 million) increased by \$0.7 million (5.4 per cent) in 2023–24 due to the following:

- the overall rate peg increase of 3.7 per cent for 2023-24, an increase from 2.4 per cent in 2022-23. There was a general increase in the number of rateable assessments for residential and business land types
- the annual charges income (including waste management services, water supply services, sewerage services and storm water management services) has increased by \$0.3 million in 2023-24.

Grants and contributions revenue from both operating and capital grants (\$32.4 million) increased by \$5.2 million (19.1 per cent) in 2023–24 due to:

- the movement in special purpose grants and non-developer contributions:
 - transportation (\$4.9 million increment)
 - natural disaster funding for roads (\$2.0 million increment)
 - financial assistance grant (\$1.7 million decrement)
 - transport relating to other roads and bridges (\$4.1 million decrement)
- the movement in capital grants largely pertaining to the following:
 - recreation and culture (\$1.6 million increment)
 - floodplain management (\$1.0 million increment)
 - tourism (\$1.2 million increment).

Council’s operating result from continuing operations (\$9.8 million including depreciation, amortisation and impairment expense of \$9.9 million) was \$0.3 million lower than the 2022–23 result. The decline is attributed to a rise in material costs, which amounted to \$5.0 million. However, this was largely offset by an increase in income from annual fees, as well as grants and contributions.

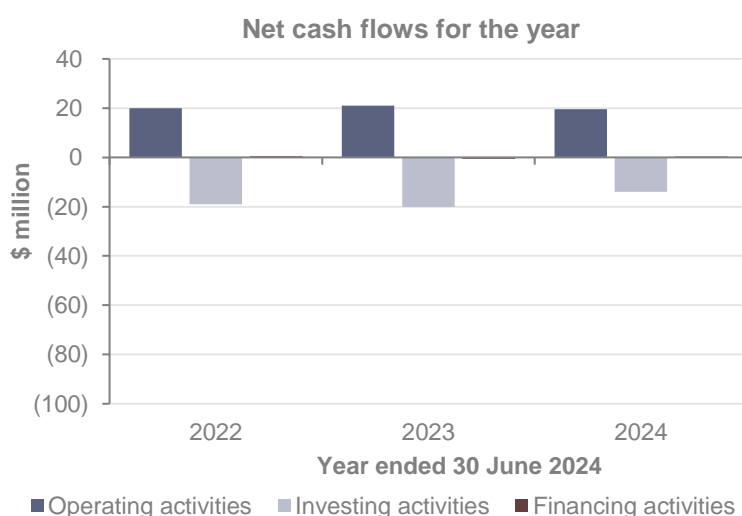
The net operating result before capital grants and contributions (\$4.5 million deficit) was \$5.4 million lower than the 2022–23 result. This was primarily due to an increase in materials and services expenses and losses from asset disposals of \$8.1 million. This was offset by increase in income from annual fees and operating grants and contributions.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of the Council during the year. The Council's cash and cash equivalents increased by \$6.2 million during FY2024.

Net cash flows from operating activities decreased by \$1.6 million which was primarily due to an increase in payments of materials and services expenses (\$7.5 million) and others (\$3.7 million). This was offset by increase in receipts from grants and contributions (\$3.5 million), user charges and fees (\$1.1 million), and others (\$3.7 million).

Net cash outflows from investing activities decreased by \$6.6 million. This is largely driven by an increase in sales of investments of \$7.7 million which was partially offset by the



increase in purchase of investments and payments for IPPE.

Net cash flows from financing activities increased by \$1.0 million. This is largely owing to an increase in borrowings (\$1.0 million).

FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	35.3	34.1	<ul style="list-style-type: none"> Cash and 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. Externally restricted balances comprise mainly of developer contributions, water and sewer funds. In 2024, the increase in externally restricted cash by \$1.3 million is primarily due to the increase in unspent specific purpose grants of \$1.4 million. Internal allocations are determined by Council policies or decisions, which are subject to change. They include work programs such as allocations to financial assistance grant prepayment, employee leave entitlement and carry over works. Through Council resolution, internal allocations can be adjusted to enable the use of these funds to provide liquidity for general operational use as required.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	25.3	24.0	
• Internal allocations	9.5	10.0	

Debt

At 30 June 2024, Council had:

- \$6.4 million in secured loans (\$6.1 million in 2022-23)
- access to \$0.3 million in bank overdraft facilities (\$0.3 million in 2022-23) which was undrawn as at the reporting date
- \$30,000 in credit card/purchase card facilities (\$30,000 in 2022-23) with the \$30,000 limit being cleared monthly.

PERFORMANCE

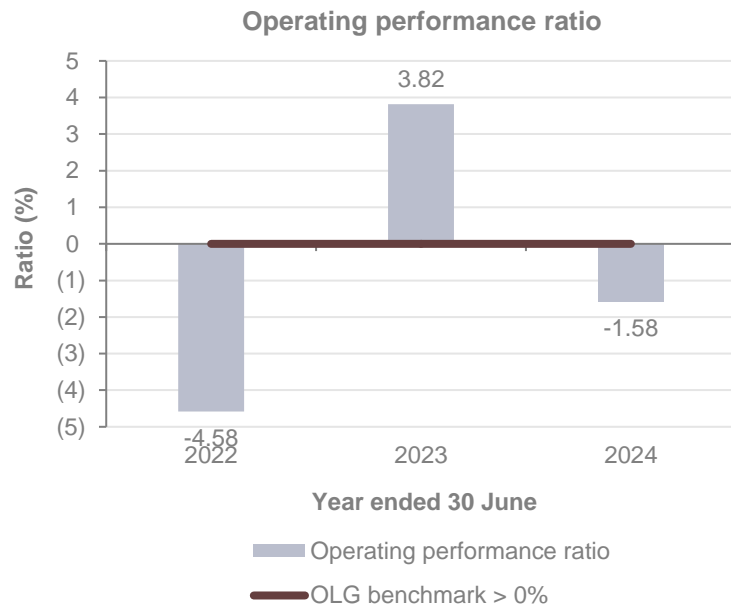
Performance measures

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

Operating performance ratio

Council did not meet the benchmark for the current reporting period predominantly driven by higher increases in operating expense than revenue.

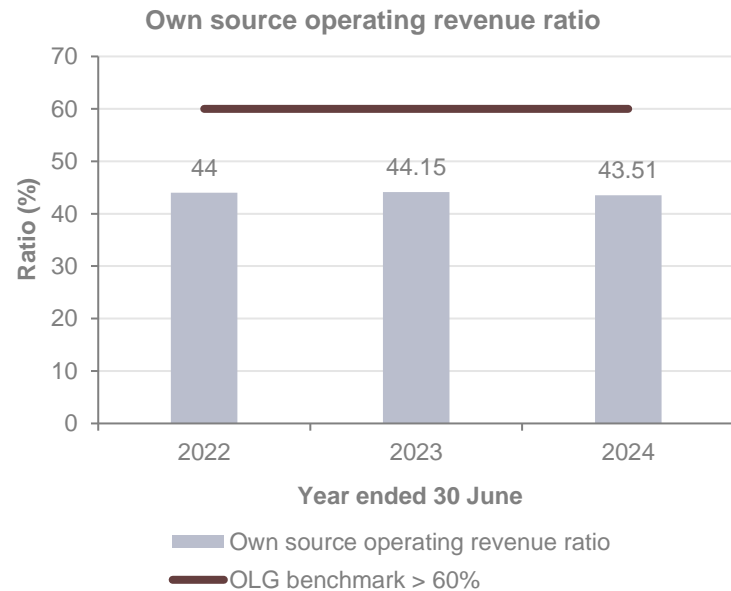
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

Council did not meet the benchmark for the current reporting period. This is mainly because the Council continues to have significant reliance on grant funding and a limited rate base.

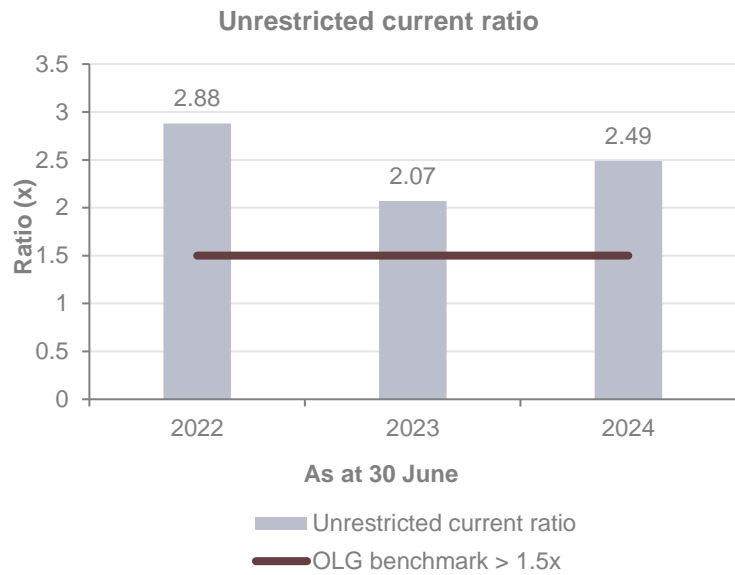
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council met the benchmark for the current reporting period.

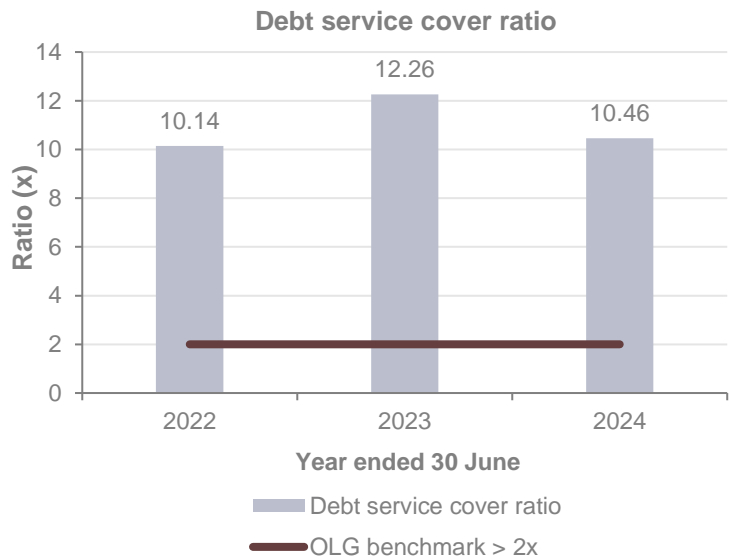
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

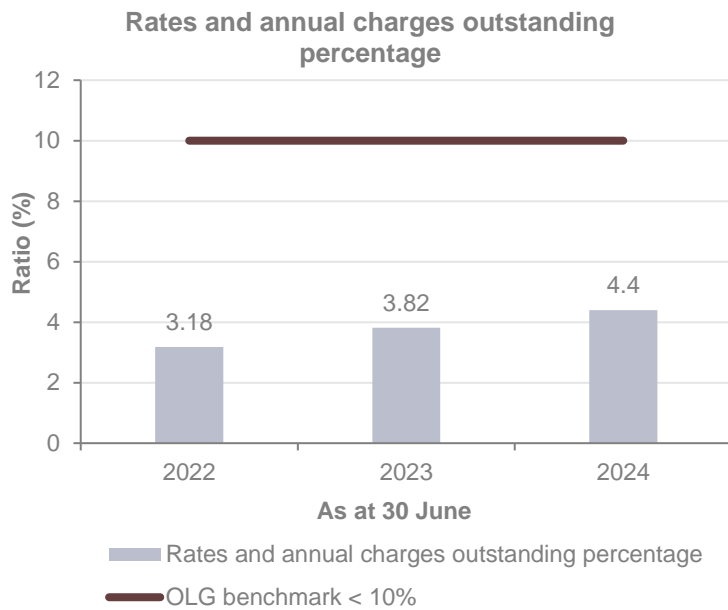
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

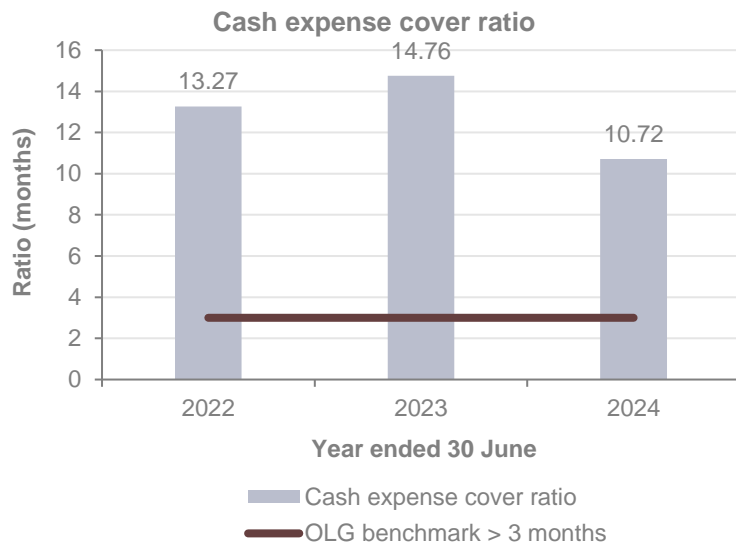
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

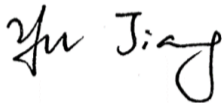
Council renewed \$19.6 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads, restoring assets damaged by natural disasters, purchases of plant and equipment, bulk earthworks as well as ongoing capital work in progress.

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.



Reiky Jiang
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Upper Lachlan Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024



Upper Lachlan Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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Background

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

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

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

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

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

Upper Lachlan Shire Council

Special Purpose Financial Statements for the year ended 30 June 2024

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

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

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) *Regulatory and assurance framework for local water utilities*, July 2022.

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

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

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

Signed in accordance with a resolution of Council made on 28 October 2024.



Paul Culhane
Mayor
28 October 2024



Rob Cameron
Councillor
28 October 2024



Alex Waldron
Chief Executive Officer
28 October 2024



Jonathan Blake
Responsible Accounting Officer
28 October 2024

Upper Lachlan Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	1,122	1,084
User charges	1,214	1,079
Fees	43	45
Interest and investment revenue	219	119
Grants and contributions provided for operating purposes	18	18
Other income	7	–
Total income from continuing operations	2,623	2,345
Expenses from continuing operations		
Employee benefits and on-costs	609	673
Borrowing costs	24	25
Materials and services	1,240	1,448
Depreciation, amortisation and impairment	885	862
Calculated taxation equivalents	11	13
Other expenses	5	7
Total expenses from continuing operations	2,774	3,028
Deficit from continuing operations before capital amounts	(151)	(683)
Grants and contributions provided for capital purposes	99	97
Deficit from continuing operations after capital amounts	(52)	(586)
Deficit from all operations before tax	(52)	(586)
Deficit after tax	(52)	(586)
Plus accumulated surplus	24,943	25,516
– Taxation equivalent payments	11	13
Closing accumulated surplus	24,902	24,943
Return on capital %	(0.4)%	(2.1)%
Subsidy from Council	1,478	1,878
Calculation of dividend payable:		
Deficit after tax	(52)	(586)
Less: capital grants and contributions (excluding developer contributions)	(99)	(97)
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

Upper Lachlan Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	1,567	1,440
User charges	338	327
Fees	–	6
Interest and investment revenue	381	204
Grants and contributions provided for operating purposes	16	17
Total income from continuing operations	2,302	1,994
Expenses from continuing operations		
Employee benefits and on-costs	503	418
Borrowing costs	6	6
Materials and services	759	899
Depreciation, amortisation and impairment	590	567
Net losses from the disposal of assets	–	17
Total expenses from continuing operations	1,858	1,907
Surplus from continuing operations before capital amounts	444	87
Grants and contributions provided for capital purposes	84	51
Surplus from continuing operations after capital amounts	528	138
Surplus from all operations before tax	528	138
Less: corporate taxation equivalent (25%) (based on result before capital)	(111)	(22)
Surplus after tax	417	116
Plus accumulated surplus	15,989	15,851
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	111	22
Closing accumulated surplus	16,517	15,989
Return on capital %	2.1%	0.4%
Subsidy from Council	485	757
Calculation of dividend payable:		
Surplus after tax	417	116
Less: capital grants and contributions (excluding developer contributions)	(84)	(51)
Surplus for dividend calculation purposes	333	65
Potential dividend calculated from surplus	167	33

Upper Lachlan Shire Council

Income Statement of Domestic Waste Management

for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
Income from continuing operations		
Annual charges	1,592	1,471
User charges	7	4
Interest and investment income	98	62
Grants and contributions provided for operating purposes	30	29
Other income	1	25
Total income from continuing operations	1,728	1,591
Expenses from continuing operations		
Employee benefits and on-costs	281	332
Materials and services	1,058	1,003
Depreciation, amortisation and impairment	162	138
Total expenses from continuing operations	1,501	1,473
Surplus (deficit) from continuing operations before capital amounts	227	118
Grants and contributions provided for capital purposes	38	21
Surplus (deficit) from continuing operations after capital amounts	265	139
Surplus (deficit) from all operations before tax	265	139
Less: corporate taxation equivalent (25%) (based on result before capital)	(57)	(30)
Surplus (deficit) after tax	208	109
Plus accumulated surplus	2,521	2,382
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	57	30
Closing accumulated surplus	2,786	2,521
Return on capital %	32.0%	25.3%

Upper Lachlan Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Investments	3,891	3,582
Receivables	809	516
Total current assets	4,700	4,098
Non-current assets		
Receivables	10	9
Infrastructure, property, plant and equipment	31,417	30,684
Total non-current assets	31,427	30,693
Total assets	36,127	34,791
LIABILITIES		
Current liabilities		
Contract liabilities	572	580
Payables	9	9
Borrowings	18	17
Employee benefit provisions	152	259
Total current liabilities	751	865
Non-current liabilities		
Borrowings	342	361
Total non-current liabilities	342	361
Total liabilities	1,093	1,226
Net assets	35,034	33,565
EQUITY		
Accumulated surplus	24,902	24,943
Revaluation reserves	10,132	8,622
Total equity	35,034	33,565

Upper Lachlan Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Investments	7,134	6,304
Receivables	177	148
Total current assets	7,311	6,452
Non-current assets		
Receivables	15	14
Infrastructure, property, plant and equipment	21,741	21,151
Total non-current assets	21,756	21,165
Total assets	29,067	27,617
LIABILITIES		
Current liabilities		
Payables	2	3
Borrowings	4	4
Employee benefit provisions	137	167
Total current liabilities	143	174
Non-current liabilities		
Borrowings	80	84
Total non-current liabilities	80	84
Total liabilities	223	258
Net assets	28,844	27,359
EQUITY		
Accumulated surplus	16,519	15,989
Revaluation reserves	12,325	11,370
Total equity	28,844	27,359

Upper Lachlan Shire Council

Statement of Financial Position of Domestic Waste Management

as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
ASSETS		
Current assets		
Investments	1,922	1,943
Receivables	117	101
Total current assets	2,039	2,044
Non-current assets		
Receivables	11	10
Infrastructure, property, plant and equipment	710	466
Total non-current assets	721	476
Total assets	2,760	2,520
LIABILITIES		
Current liabilities		
Employee benefit provisions	119	147
Total current liabilities	119	147
Total liabilities	119	147
Net assets	2,641	2,373
EQUITY		
Accumulated surplus	2,788	2,521
Revaluation reserves	(147)	(148)
Total equity	2,641	2,373

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 (NSW)*, the *Local Government (General) Regulation 2021*, 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, current values 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, return 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. Water Supply

Provision of reticulated water supply to the townships of Crookwell, Gunning, Taralga and Dalton.

b. Sewerage Services

Provision of sewerage service to the townships of Crookwell, Gunning and Taralga.

Category 2

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

a. Domestic Waste Management

Provision of Domestic Waste disposal services for the townships of Crookwell, Gunning, Taralga and villages.

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

Note – Material accounting policy information (continued)

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%**

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

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

In accordance with the DCCEEW's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

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

Income tax

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

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

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

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

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

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

Local government rates and charges

A calculation of the equivalent rates and charges payable on all Category1 businesses has been applied to all land assets owned or exclusively used by the business activity.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when 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.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(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)

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.30% at 30 June 2024.

(iii) Dividends

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

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

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

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

In accordance with section 4 of DCCEEW's regulatory and assurance framework a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the DCCEEW.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Upper Lachlan Shire Council

To the Councillors of the Upper Lachlan Shire Council

Opinion

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

The Declared Business Activities of the Council are:

- water supply
- sewerage
- domestic 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. 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.



Reiky Jiang
Delegate of the Auditor-General for New South Wales

29 October 2024
SYDNEY

Upper Lachlan Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Upper Lachlan Shire Council

Special Schedules

for the year ended 30 June 2024

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Upper Lachlan Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	8,305	8,686
Plus or minus adjustments ²	b	77	44
Notional general income	c = a + b	8,382	8,730
Permissible income calculation			
Percentage increase	d	3.70%	4.50%
Plus percentage increase amount ³	f = d x (c + e)	310	393
Sub-total	g = (c + e + f)	8,692	9,123
Plus (or minus) last year's carry forward total	h	5	11
Sub-total	j = (h + i)	5	11
Total permissible income	k = g + j	8,697	9,134
Less notional general income yield	l	8,686	9,141
Catch-up or (excess) result	m = k - l	11	(7)
Plus income lost due to valuation objections claimed ⁴	n	-	15
Carry forward to next year ⁶	p = m + n + o	11	8

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).
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (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

Upper Lachlan Shire Council

To the Councillors of the Upper Lachlan Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



Reiky Jiang
Delegate of the Auditor-General for New South Wales

29 October 2024
SYDNEY

Upper Lachlan Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost				Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard \$ '000	to bring to the agreed level of service set by Council \$ '000	2023/24 Required maintenance ^a \$ '000	2023/24 Actual maintenance \$ '000			1	2	3	4	5
Buildings	Other	6,425	6,425	1,509	1,876	33,588	70,497	13.0%	16.0%	59.0%	11.0%	1.0%
	Sub-total	6,425	6,425	1,509	1,876	33,588	70,497	13.0%	16.0%	59.0%	11.0%	1.0%
Other structures	Other structures	89	89	43	214	1,687	2,844	32.0%	16.0%	48.0%	4.0%	0.0%
	Sub-total	89	89	43	214	1,687	2,844	32.0%	16.0%	48.0%	4.0%	0.0%
Roads	Roads	8,854	8,854	4,641	4,981	425,110	535,286	66.0%	13.0%	18.0%	2.0%	1.0%
	Sub-total	8,854	8,854	4,641	4,981	425,109	535,286	66.0%	13.0%	18.0%	2.0%	1.0%
Water supply network	Water supply network	5,103	5,103	1,464	1,852	29,551	49,862	40.0%	26.0%	23.0%	1.0%	10.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	5,103	5,103	1,464	1,852	29,551	49,862	40.0%	26.0%	23.0%	1.0%	10.0%
Sewerage network	Sewerage network	2,127	2,127	512	1,268	19,821	35,037	33.0%	28.0%	31.0%	8.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	2,127	2,127	512	1,268	19,821	35,037	33.0%	28.0%	31.0%	8.0%	0.0%
Stormwater drainage	Stormwater drainage	18,588	18,588	2,528	689	16,628	39,318	20.0%	17.0%	1.0%	62.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	18,588	18,588	2,528	689	16,628	39,318	20.0%	17.0%	1.0%	62.0%	0.0%
Open space / recreational assets	Swimming pools	–	–	19	137	301	941	0.0%	0.0%	100.0%	0.0%	0.0%
	Other open space/recreational assets	694	694	75	858	2,931	4,622	43.0%	33.0%	5.0%	19.0%	0.0%
	Sub-total	694	694	94	995	3,232	5,563	35.7%	27.4%	21.1%	15.8%	0.0%
Total – all assets		41,880	41,880	10,791	11,875	529,616	738,407	54.8%	15.2%	22.1%	6.4%	1.5%

(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

Upper Lachlan Shire Council

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

3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Upper Lachlan Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	13,344	171.32%	63.94%	159.70%	> 100.00%
Depreciation, amortisation and impairment	7,789				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	41,880	7.72%	7.05%	3.89%	< 2.00%
Net carrying amount of infrastructure assets	542,731				
Asset maintenance ratio					
Actual asset maintenance	11,875	110.05%	137.98%	161.66%	> 100.00%
Required asset maintenance	10,791				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	41,880	5.67%	5.25%	2.88%	
Gross replacement cost	738,407				

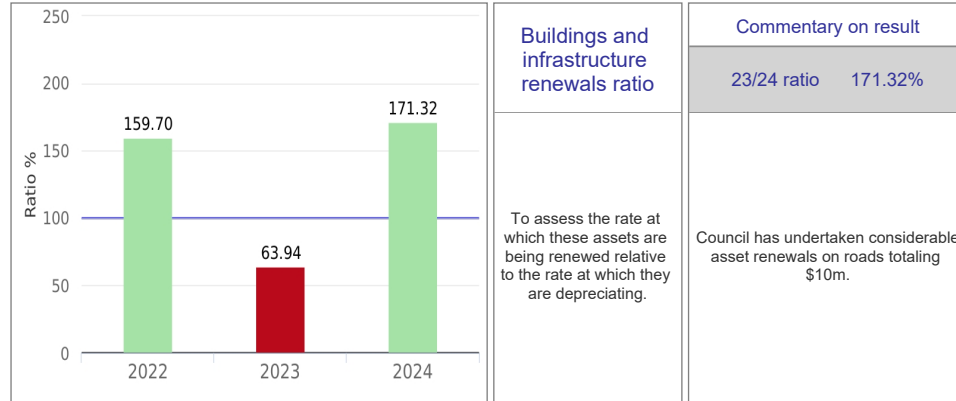
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Upper Lachlan Shire Council

Report on infrastructure assets as at 30 June 2024

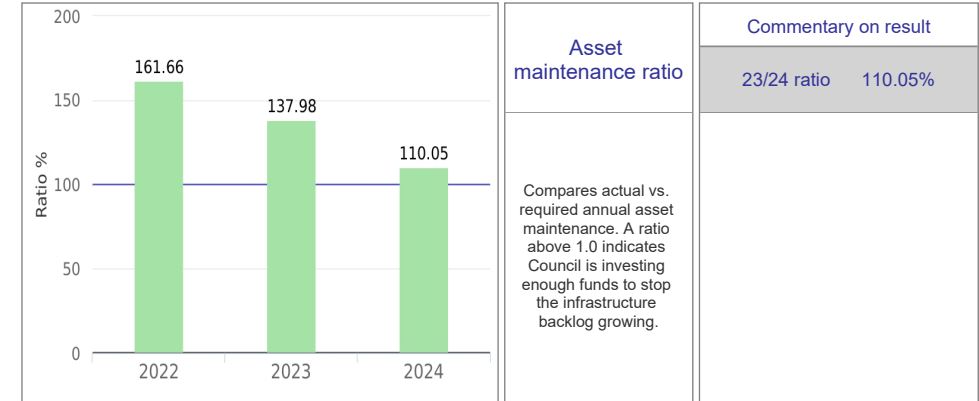
Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio	Commentary on result
	23/24 ratio 171.32%
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.	
Council has undertaken considerable asset renewals on roads totaling \$10m.	

Benchmark: — > 100.00%
 Source of benchmark: Code of Accounting Practice and Financial Reporting
■ Ratio achieves benchmark
■ Ratio is outside benchmark

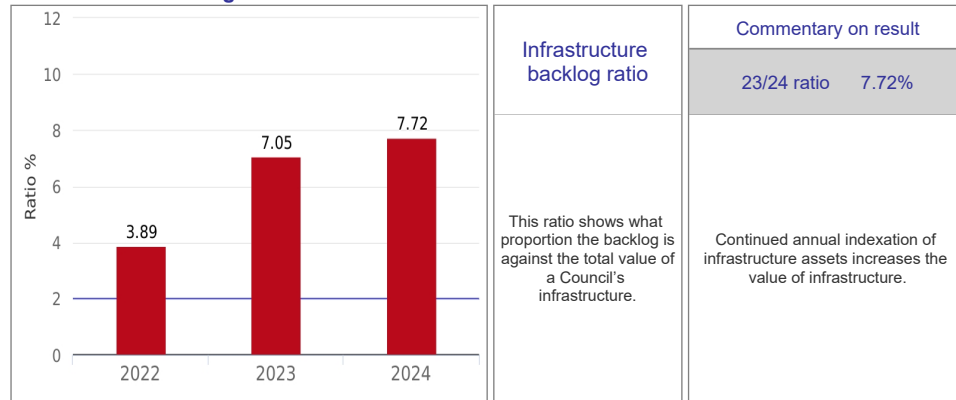
Asset maintenance ratio



Asset maintenance ratio	Commentary on result
	23/24 ratio 110.05%
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.	

Benchmark: — > 100.00%
 Source of benchmark: Code of Accounting Practice and Financial Reporting
■ Ratio achieves benchmark
■ Ratio is outside benchmark

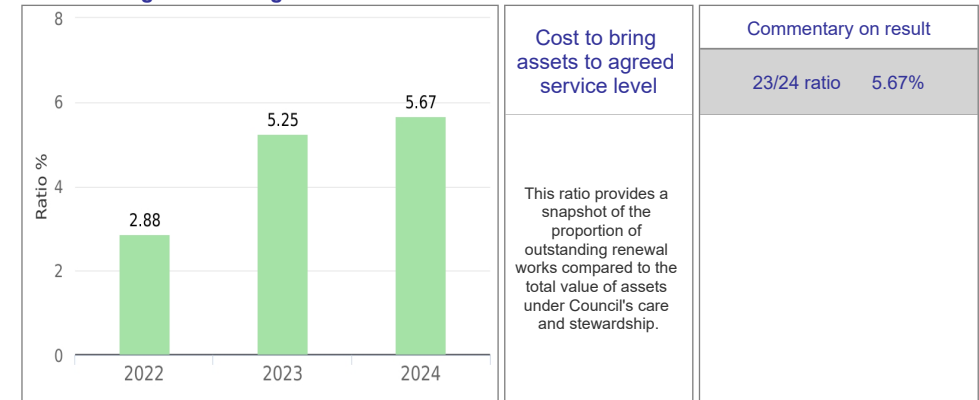
Infrastructure backlog ratio



Infrastructure backlog ratio	Commentary on result
	23/24 ratio 7.72%
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.	
Continued annual indexation of infrastructure assets increases the value of infrastructure.	

Benchmark: — < 2.00%
 Source of benchmark: Code of Accounting Practice and Financial Reporting
■ Ratio achieves benchmark
■ Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level	Commentary on result
	23/24 ratio 5.67%
This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.	

Upper Lachlan Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	209.09%	78.94%	0.00%	0.00%	0.00%	0.00%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	7.02%	6.33%	17.27%	16.55%	10.73%	10.15%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	99.32%	149.85%	126.50%	82.47%	247.66%	115.11%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	5.30%	4.84%	10.23%	10.11%	6.07%	5.91%	

(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.