

Balranald Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2024



Balranald Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



General Purpose Financial Statements
for the year ended 30 June 2024

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Overview

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

70 Market Street
Balranald NSW 2715

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

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

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

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

Balranald 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.

Balranald Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Administrator and Management

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

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

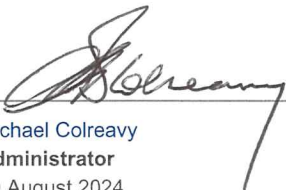
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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


- present fairly 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 20 August 2024.



Michael Colreavy
Administrator
20 August 2024



Glenn Carroll
Acting General Manager
20 August 2024



Glenn Carroll
Responsible Accounting Officer
20 August 2024

Balranald Shire Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
Income from continuing operations				
5,613	Rates and annual charges	B2-1	5,419	5,052
2,080	User charges and fees	B2-2	3,462	2,225
388	Other revenues	B2-3	470	263
9,622	Grants and contributions provided for operating purposes	B2-4	12,945	14,216
3,940	Grants and contributions provided for capital purposes	B2-4	4,017	2,762
890	Interest and investment income	B2-5	1,570	665
108	Other income	B2-6	87	148
–	Net gain from the disposal of assets	B4-1	295	–
22,641	Total income from continuing operations		28,265	25,331
Expenses from continuing operations				
7,700	Employee benefits and on-costs	B3-1	5,594	4,936
7,185	Materials and services	B3-2	11,323	6,763
90	Borrowing costs	B3-3	89	101
6,114	Depreciation, amortisation and impairment of non-financial assets	B3-4	6,312	5,893
1,263	Other expenses	B3-5	541	424
–	Net loss from the disposal of assets	B4-1	–	300
100	Net share of interests in joint ventures and associates using the equity method	D2	61	65
22,452	Total expenses from continuing operations		23,920	18,482
189	Operating result from continuing operations		4,345	6,849
189	Net operating result for the year attributable to Council		4,345	6,849
Net operating result for the year before grants and contributions provided for capital purposes				
(3,751)			328	4,087

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

Balranald Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
Net operating result for the year – from Income Statement		4,345	6,849
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	11,505	12,125
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-6	1,109	(3,649)
Total items which will not be reclassified subsequently to the operating result		12,614	8,476
Total other comprehensive income for the year		12,614	8,476
Total comprehensive income for the year attributable to Council		16,959	15,325

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

Balranald Shire Council

Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	5,333	5,723
Investments	C1-2	29,500	26,522
Receivables	C1-4	3,499	3,121
Inventories	C1-5	300	216
Other	C1-8	26	22
Total current assets		38,658	35,604
Non-current assets			
Receivables	C1-4	82	110
Infrastructure, property, plant and equipment (IPPE)	C1-6	240,207	226,452
Investments accounted for using the equity method	D2	806	867
Total non-current assets		241,095	227,429
Total assets		279,753	263,033
LIABILITIES			
Current liabilities			
Payables	C3-1	3,380	2,951
Contract liabilities	C3-2	4,122	4,510
Borrowings	C3-3	227	215
Employee benefit provisions	C3-4	782	839
Total current liabilities		8,511	8,515
Non-current liabilities			
Borrowings	C3-3	1,198	1,425
Employee benefit provisions	C3-4	121	129
Provisions	C3-5	170	170
Total non-current liabilities		1,489	1,724
Total liabilities		10,000	10,239
Net assets		269,753	252,794
EQUITY			
Accumulated surplus		75,469	71,124
IPPE revaluation reserve	C4-1	194,284	181,670
Council equity interest		269,753	252,794
Total equity		269,753	252,794

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

Balranald Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		71,124	181,670	252,794	64,275	173,194	237,469
Net operating result for the year		4,345	–	4,345	6,849	–	6,849
Net operating result for the period		4,345	–	4,345	6,849	–	6,849
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	11,505	11,505	–	12,125	12,125
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-6	–	1,109	1,109	–	(3,649)	(3,649)
Other comprehensive income		–	12,614	12,614	–	8,476	8,476
Total comprehensive income		4,345	12,614	16,959	6,849	8,476	15,325
Closing balance at 30 June		75,469	194,284	269,753	71,124	181,670	252,794

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

Balranald Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
Cash flows from operating activities				
Receipts:				
5,613	Rates and annual charges		5,420	4,891
2,080	User charges and fees		3,059	2,185
890	Interest received		1,127	424
9,622	Grants and contributions		16,816	18,298
–	Bonds, deposits and retentions received		170	543
496	Other		2,530	795
Payments:				
(7,700)	Payments to employees		(5,847)	(4,788)
(7,185)	Payments for materials and services		(12,682)	(8,136)
(101)	Borrowing costs		(90)	(106)
–	Bonds, deposits and retentions refunded		(6)	(540)
(1,263)	Other		(1,129)	(1,087)
2,452	Net cash flows from operating activities	G1-1	9,368	12,479
Cash flows from investing activities				
Receipts:				
–	Sale of investments		5,022	3,000
–	Proceeds from sale of IPPE		865	–
Payments:				
–	Purchase of investments		(8,000)	(11,522)
(5,753)	Payments for IPPE		(7,430)	(2,551)
(5,753)	Net cash flows from investing activities		(9,543)	(11,073)
Cash flows from financing activities				
Payments:				
(214)	Repayment of borrowings		(215)	(206)
(214)	Net cash flows from financing activities		(215)	(206)
(3,515)	Net change in cash and cash equivalents		(390)	1,200
5,000	Cash and cash equivalents at beginning of year		5,723	4,523
1,485	Cash and cash equivalents at end of year	C1-1	5,333	5,723
25,000	plus: Investments on hand at end of year	C1-2	29,500	26,522
26,485	Total cash, cash equivalents and investments		34,833	32,245

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

Balranald 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 20 August 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) estimated tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4

A1-1 Basis of preparation (continued)

Significant judgements in applying the Council's accounting policies

(i) Impairment of IPPE

Council has made a significant judgement about the impairment of road assets – refer Note C1-6.

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
- Balranald water supply
- Euston water supply
- Balranald sewerage service
- Euston sewerage service

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council has not recognised volunteer services in the income statement as they are neither material nor able to be reliably measured.

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

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

New accounting standards adopted during the year

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.

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.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Functions or activities										
Governance	109	27	207	203	(98)	(176)	–	–	16	19
Administration	449	354	3,089	4,304	(2,640)	(3,950)	10	20	37,307	35,221
Public order and safety	214	136	572	517	(358)	(381)	–	107	1,649	1,401
Health	–	66	6	5	(6)	61	–	–	552	552
Environment	701	521	684	609	17	(88)	–	71	8,719	8,474
Community services and education	2,060	1,469	2,395	1,486	(335)	(17)	1,514	1,349	1,344	1,313
Housing and community amenities	445	134	294	209	151	(75)	321	19	10,118	8,397
Water supplies	2,061	1,342	1,362	1,014	699	328	56	–	18,192	16,881
Sewerage services	852	1,320	620	510	232	810	–	–	12,234	11,523
Recreation and culture	1,797	598	630	518	1,167	80	1,800	1,591	5,449	4,953
Mining, manufacturing and construction	15	10	108	71	(93)	(61)	–	–	329	37
Transport and communication	8,385	8,006	12,559	8,026	(4,174)	(20)	7,593	6,761	181,711	172,262
Economic affairs	961	813	1,333	945	(372)	(132)	170	160	1,327	1,134
General Purpose Income	10,216	10,535	–	–	10,216	10,535	5,498	6,900	–	–
FSWJO	–	–	61	65	(61)	(65)	–	–	806	866
Total functions and activities	28,265	25,331	23,920	18,482	4,345	6,849	16,962	16,978	279,753	263,033

B1-2 Components of functions or activities

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

Governance

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

Administration

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

Public order and safety

Includes fire and emergency services, fire protection, enforcement of regulations and animal control.

Health

Includes immunisation, food control, health centres etc.

Environment

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

Community services and education

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

Housing and community amenities

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

Water supplies

Includes management of water schemes, costs of reticulation, treatment and supply, and management of water infrastructure.

Sewerage services

Includes management of sewerage schemes, costs of reticulation and treatment, and management of sewer infrastructure.

Recreation and culture

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

Mining, manufacturing and construction

Includes building control, quarries and pits, mineral resources, and abattoirs.

Transport and communication

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

Economic affairs

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

General Purpose Income

This includes financial assistance grant funding which has no specific function allocation and is expended in areas of council.

B2 Sources of income

B2-1 Rates and annual charges

	2024 \$ '000	2023 \$ '000
Ordinary rates		
Residential	458	433
Farmland	1,725	1,607
Business	1,227	1,094
Less: pensioner rebates (mandatory)	(18)	(19)
Rates levied to ratepayers	3,392	3,115
Pensioner rate subsidies received	10	11
Total ordinary rates	3,402	3,126
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	400	361
Water supply services	853	819
Sewerage services	685	677
Waste management services (non-domestic)	78	68
Stormwater Charges	19	19
Less: pensioner rebates (mandatory)	(39)	(40)
Annual charges levied	1,996	1,904
Pensioner annual charges subsidies received:		
– Water	6	7
– Sewerage	6	6
– Domestic waste management	9	9
Total annual charges	2,017	1,926
Total rates and annual charges	5,419	5,052

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

	Timing	2024 \$ '000	2023 \$ '000
Specific user charges (per s502 - specific 'actual use' charges)			
Sewerage services	2	98	100
Sewerage services contract aboriginal mission	2	14	27
Water service contract aboriginal mission	2	27	54
Water supply services	2	844	713
Total specific user charges		983	894
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Private works – section 67	2	1,021	108
Registration fees	2	–	1
Section 603 certificates	2	5	5
Tapping fees	2	12	6
Town planning	2	65	55
Other	2	1	15
Building services	2	27	13
Total fees and charges – statutory/regulatory		1,131	203
(ii) Fees and charges – other (incl. general user charges (per s608))			
Aged care	2	357	332
Caravan park	2	678	481
Cemeteries	2	90	71
Lease rentals	2	4	5
Library and art gallery		3	–
Refuse and effluent disposal	2	4	8
Transport for NSW works (state roads not controlled by Council)	2	20	142
Waste disposal tipping fees	2	160	56
Water connection fees	2	1	3
Other	2	31	30
Total fees and charges – other		1,348	1,128
Total other user charges and fees		2,479	1,331
Total user charges and fees		3,462	2,225
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)		3,462	2,225
Total user charges and fees		3,462	2,225

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 such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

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

B2-3 Other revenues

	Timing	2024 \$ '000	2023 \$ '000
Commissions and agency fees	2	81	77
Diesel rebate	2	—	2
Insurance claims recoveries	2	57	—
Motor vehicle contributions	2	25	23
Raw water standpipe sales	2	161	8
Rebates	2	39	58
Sales – miscellaneous	2	10	3
Tourist information centre sales	2	80	70
Other	2	17	22
Total other revenue		470	263

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	—	—
Other revenue recognised at a point in time (2)	470	263
Total other revenue	470	263

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

		Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
	Timing				
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance	1	375	1,403	–	–
Payment in advance - future year allocation					
Financial assistance	1	5,123	5,497	–	–
Amount recognised as income during current year		5,498	6,900	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Pensioners' rates subsidies:					
Water supplies	2	50	–	6	–
Aged care	2	1,511	1,299	–	–
Bushfire and emergency services	2	–	107	–	–
Community care	2	85	39	216	1
Employment and training programs	2	–	6	–	–
Environmental programs	2	–	39	–	–
Library – per capita	2	105	23	179	83
Noxious weeds	2	–	32	–	–
Recreation and culture	2	–	–	1,514	1,387
Youth week	2	3	3	–	–
Tourism	2	28	161	142	–
Street lighting	2	20	19	–	–
Transport (roads to recovery)	2	833	822	–	–
Transport (other roads and bridges funding)	2	4,212	3,426	1,757	798
Other specific grants	2	10	20	–	–
Previously contributions:					
Recreation and culture	2	–	–	–	98
Transport for NSW contributions (regional roads, block grant)	2	590	1,320	200	395
Other contributions	2	–	–	3	–
Total special purpose grants and non-developer contributions – cash		7,447	7,316	4,017	2,762
Total special purpose grants and non-developer contributions (tied)		7,447	7,316	4,017	2,762
Total grants and non-developer contributions		12,945	14,216	4,017	2,762
Comprising:					
– Commonwealth funding		7,842	8,732	3,085	1,954
– State funding		5,100	5,484	932	705
– Other funding		3	–	–	103
		12,945	14,216	4,017	2,762

B2-4 Grants and contributions (continued)

Developer contributions

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Total grants and contributions	12,945	14,216	4,017	2,762
Timing of revenue recognition for grants and contributions				
Grants and contributions recognised over time (1)	5,498	—	—	1,387
Grants and contributions recognised at a point in time (2)	7,447	14,216	4,017	1,375
Total grants and contributions	12,945	14,216	4,017	2,762

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:

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Unspent grants and contributions				
Unspent funds at 1 July	5,867	119	4,765	3,212
Add: Funds received and not recognised as revenue in the current year	7,459	7,317	3,683	2,646
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(11,185)	(1,569)	(1,142)	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(50)	–	(3,046)	(1,093)
Unspent funds at 30 June	2,091	5,867	4,260	4,765

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include achievement of specified levels of service, delivery of specific goods or services, or the completion of agreed asset development. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

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

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

	2024 \$ '000	2023 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	40	21
– Cash and investments	1,530	644
Total interest and investment income (losses)	1,570	665
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	21	13
General Council cash and investments	1,383	514
Restricted investments/funds – external:		
Water fund operations	112	96
Sewerage fund operations	54	42
Total interest and investment income	1,570	665

B2-6 Other income

	Notes	2024 \$ '000	2023 \$ '000
Rental income			
Commercial related		24	54
Room/Facility Hire		3	–
Health and day care related		1	1
Leaseback fees - council vehicles		6	31
Staff housing		53	62
Total rental income	C2-2	87	148
Total other income		87	148

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2024 \$ '000	2023 \$ '000
Salaries and wages	4,458	3,894
Employee leave entitlements (ELE)	425	362
Superannuation – defined contribution plans	473	386
Superannuation – defined benefit plans	45	39
Workers' compensation insurance	146	168
Fringe benefit tax (FBT)	5	24
Protective clothing	9	55
Medicals	7	9
Recruitment	42	29
Total employee costs	5,610	4,966
Less: capitalised costs	(16)	(30)
Total employee costs expensed	5,594	4,936
Number of 'full-time equivalent' employees (FTE) at year end	53	45
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	72	58

Material accounting policy information

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

	Notes	2024 \$ '000	2023 \$ '000
Raw materials and consumables		6,890	3,800
Consultancy & contractor costs		1,615	562
– Waste		538	431
Administrator fees and associated expenses	F1-2	133	127
Advertising		61	34
Audit Fees	F2-1	67	63
Bank charges		21	18
Cleaning		31	23
Computer software charges		6	1
Electricity and heating		331	218
Insurance		507	460
Office expenses (including computer expenses)		255	334
Postage		13	12
Printing and stationery		18	17
Repairs and maintenance		112	32
Subscriptions and publications		55	64
Telephone and communications		51	39
Tourism expenses (excluding employee costs)		248	243
Training costs (other than salaries and wages)		82	57
Travel expenses		82	61
Valuation fees		14	13
Other expenses		61	66
Legal expenses:			
– Legal expenses: other		43	40
Lease expenses:			
Expenses from leases of low value assets		11	10
Other		78	38
Total materials and services		11,323	6,763

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on loans	89	101
Total interest bearing liability costs	89	101
Total borrowing costs expensed	89	101

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

	Notes	2024 \$ '000	2023 \$ '000
Depreciation and amortisation			
Furniture and fittings		20	17
Office equipment		35	29
Plant and equipment		409	405
Land improvements (depreciable)		31	31
Infrastructure:	C1-6		
– Buildings – non-specialised		637	621
– Buildings – specialised		21	19
– Footpaths		35	33
– Kerb and gutter		55	52
– Other structures		238	180
– Roads and bridges		4,196	3,997
– Sewerage network		163	99
– Stormwater drainage		70	65
– Swimming pools		16	15
– Water supply network		297	130
Other assets:			
– Library books		12	10
Other assets		77	38
Total depreciation and amortisation costs		6,312	5,741
Impairment / revaluation decrement of IPPE			
Plant and equipment		–	152
Infrastructure:	C1-6		
– Roads and bridges		(1,109)	3,649
Total gross IPPE impairment / revaluation decrement costs		(1,109)	3,801
Amounts taken through revaluation reserve	C1-6	1,109	(3,649)
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	152
Total depreciation, amortisation and impairment for non-financial assets		6,312	5,893

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 C1-6 for IPPE assets and Note C1-7 for intangible assets. Depreciation is capitalised where in-house assets have contributed to new 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 not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment. Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B3-5 Other expenses

	Notes	2024 \$ '000	2023 \$ '000
Impairment of receivables			
Rates and annual charges		24	–
User charges and fees		35	27
Other		102	20
Total impairment of receivables	C1-4	161	47
Other			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		380	371
Donations, contributions and assistance to other organisations (Section 356)		–	6
Total other		380	377
Total other expenses		541	424

B4 Gains or losses

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

	Notes	2024 \$ '000	2023 \$ '000
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		865	–
Less: carrying amount of plant and equipment assets sold/written off		(149)	–
Gain (or loss) on disposal		716	–
Gain (or loss) on disposal of infrastructure	C1-6		
Less: carrying amount of infrastructure assets sold/written off		(421)	–
Gain (or loss) on disposal		(421)	–
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		5,022	3,000
Less: carrying amount of investments sold/redeemed/matured		(5,022)	(3,000)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of intangible assets	C1-7		
Proceeds from disposal – intangible assets		–	–
Less: carrying amount of intangible assets sold/written off		–	(300)
Gain (or loss) on disposal		–	(300)
Net gain (or loss) from disposal of assets		295	(300)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 20 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	5,613	5,419	(194)	(3)% U
User charges and fees	2,080	3,462	1,382	66% F
User Charges and Fees were higher than original budget due to:				
<ul style="list-style-type: none"> Water usage increased due to lower seasonal rainfall (\$120K); Waste tipping fees were boosted by a once-off charge for major demolition works (\$100K); Private works charges were inflated by a contribution of \$800K towards road restoration works; and Caravan park fees were higher than expected due to a return to regular tourist travel following severe flooding in the previous season. 				
Other revenues	388	470	82	21% F
Increase in Other Revenues is due mainly to reimbursements of Workers Compensation claims and bulk water standpipe sales, not included in original budget.				
Operating grants and contributions	9,622	12,945	3,323	35% F
Operating grants increased due to receipt of a number of major new funding arrangements following recent storm and flood events that were not included in the original budget.				
Capital grants and contributions	3,940	4,017	77	2% F
Interest and investment revenue	890	1,570	680	76% F
Investment income was higher than expected due to the combination of larger grant allocations and continuing higher interest rates during the year.				
Net gains from disposal of assets	–	295	295	∞ F
While gains or losses from sales of assets are not factored into the original budget, Council benefited from a major clearing sale of aged and obsolete plant and equipment during the year.				
Other income	108	87	(21)	(19)% U
Rental income and leaseback of vehicles was lower than expected due to delays in staff recruitment to senior positions, and also due to delays in re-leasing of some premises during the year.				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
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Expenses

Employee benefits and on-costs	7,700	5,594	2,106	27%	F
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The original budget anticipated recruitment to various vacant positions as per Council's organisation structure, however much of the recruitment activity was delayed while director positions were finalised in February 2024, consequently savings resulted in wages and salaries and related staffing costs for the year.

Materials and services	7,185	11,323	(4,138)	(58)%	U
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Materials and services costs were higher than expected as a result of significant grant expenditure on both operational and capital works throughout the year.

Borrowing costs	90	89	1	1%	F
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Depreciation, amortisation and impairment of non-financial assets	6,114	6,312	(198)	(3)%	U
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Depreciation of infrastructure, plant & equipment was higher than original budget due to annual indexation of asset values, where the cost of material inputs has increased over recent years due to higher inflation and supply chain costs. This is also impacted by an increase in capitalisation of infrastructure funded by significant grant funding.

Other expenses	1,263	541	722	57%	F
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Council's original budget included items of repairs and maintenance and operating costs which were incorrectly allocated to Other Expenses, instead of Materials and Services. Corrections were made in subsequent quarterly budget reviews.

Joint ventures and associates – net losses	100	61	39	39%	F
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The movement in costs for the Far South West Joint Organisation is not factored into Council's budget process.

Statement of cash flows

Cash flows from operating activities	2,452	9,368	6,916	282%	F
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Net cashflow from operating activities was higher than anticipated, largely due to items already identified above, including increases in receipts from user charges, significant increases in operating grants, lower than expected employee costs, offset somewhat by higher cash outflows from the purchase of materials and services.

Cash flows from investing activities	(5,753)	(9,543)	(3,790)	66%	U
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Payments for acquisition of IPPE was higher than budgeted for, due to the completion of a number of grant funded works which had been delayed due to adverse weather in the previous year. Council was also able to increase its investments due to available grant funds through the year.

Cash flows from financing activities	(214)	(215)	(1)	0%	U
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C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
Cash assets		
Cash on hand and at bank	5,321	4,211
Cash equivalent assets		
– Deposits at call	12	12
– Short-term deposits	–	1,500
Total cash and cash equivalents	5,333	5,723

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	5,333	5,723
Balance as per the Statement of Cash Flows	5,333	5,723

C1-2 Financial investments

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Debt securities at amortised cost				
Long term deposits	29,500	–	26,522	–
Total	29,500	–	26,522	–
Total financial investments	29,500	–	26,522	–
Total cash assets, cash equivalents and investments	34,833	–	32,245	–

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

	2024 Current \$ '000	2024 Non-current \$ '000	2024 \$ '000	2023 Current \$ '000	2023 Non-current \$ '000	2023 \$ '000
(a) Externally restricted cash, cash equivalents and investments						
Total cash, cash equivalents and investments	34,833	–	34,833	32,245	–	32,245
Less: Externally restricted cash, cash equivalents and investments	(13,542)	–	(13,542)	(16,605)	–	(16,605)
Cash, cash equivalents and investments not subject to external restrictions	21,291	–	21,291	15,640	–	15,640
					2024 \$ '000	2023 \$ '000

External restrictions**External restrictions – included in liabilities**

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

Specific purpose unexpended grants – general fund	4,122	4,504
Specific purpose unexpended grants – water fund	–	6
External restrictions – included in liabilities	4,122	4,510

External restrictions – other

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

Specific purpose unexpended grants (recognised as revenue) – general fund	2,229	6,122
Water fund	4,598	3,664
Sewer fund	1,968	1,715
Stormwater management	39	20
Domestic waste management	586	574
External restrictions – other	9,420	12,095
Total external restrictions	13,542	16,605

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)

	2024 Current \$ '000	2024 Non-current \$ '000	2024 \$ '000	2023 Current \$ '000	2023 Non-current \$ '000	2023 \$ '000
(b) Internal allocations						
Cash, cash equivalents and investments not subject to external restrictions	21,291	–	21,291	15,640	–	15,640
Less: Internally restricted cash, cash equivalents and investments	(13,785)	–	(13,785)	(12,996)	–	(12,996)
Unrestricted and unallocated cash, cash equivalents and investments	7,506	–	7,506	2,644	–	2,644
					2024 \$ '000	2023 \$ '000

Internal allocations

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

Plant and vehicle replacement	2,048	1,933
Infrastructure replacement	1,665	1,514
Employees leave entitlement	252	278
Council election	20	–
Insurance	20	–
Caravan park reserve	589	500
Council property maintenance	70	–
Gravel pits rehabilitation	242	242
Hostel bonds	1,583	1,813
Self care unit maintenance	16	4
Self care unit bonds	300	140
Water supply infrastructure upgrade	361	–
Sewer infrastructure upgrade	201	–
Levee bank restoration	160	–
Asset revaluation	60	–
Financial Assistance Grant in advance	5,123	5,497
Future development fund	1,075	1,075
Total internal allocations	13,785	12,996

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

	2024 Current \$ '000	2024 Non-current \$ '000	2024 \$ '000	2023 Current \$ '000	2023 Non-current \$ '000	2023 \$ '000
(c) Unrestricted and unallocated						
Unrestricted and unallocated cash, cash equivalents and investments	7,506	–	7,506	2,644	–	2,644

C1-4 Receivables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	426	30	274	46
Interest and extra charges	37	3	23	4
User charges and fees	822	49	394	60
Accrued revenues				
– Interest on investments	724	–	294	–
– Other income accruals	–	–	1	–
Government grants and subsidies	1,640	–	1,722	–
Net GST receivable	125	–	537	–
Total	3,774	82	3,245	110
Less: provision for impairment				
Rates and annual charges	(204)	–	(64)	–
User charges and fees	(31)	–	(27)	–
Other debtors	(40)	–	(33)	–
Total provision for impairment – receivables	(275)	–	(124)	–
Total net receivables	3,499	82	3,121	110
Externally restricted receivables				
Water supply				
– Rates and availability charges	100	22	77	13
– Other	180	–	173	52
Sewerage services				
– Rates and availability charges	45	8	40	7
– Other	15	–	23	8
Total external restrictions	340	30	313	80
Unrestricted receivables	3,159	52	2,808	30
Total net receivables	3,499	82	3,121	110

	2024 \$ '000	2023 \$ '000
Movement in provision for impairment of receivables		
Balance at the beginning of the year	124	169
Add: new provisions recognised during the year	312	47
– amounts already provided for and written off this year	(161)	(92)
Balance at the end of the year	275	124

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.

C1-4 Receivables (continued)

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 presumption 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.

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

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, or when the receivables are over 6 years past due, whichever occurs first.

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Inventories at cost				
Stores and materials	274	–	188	–
Trading stock	26	–	28	–
Total inventories at cost	300	–	216	–
Total inventories	300	–	216	–

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Costs are assigned to individual items of inventory on the basis of weighted average costs. 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 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period								At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment reversal (recognised in equity)	WIP transfers	De-capitalis ed WIP	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	2,827	–	2,827	426	2,601	–	–	–	(1,235)	(200)	–	4,420	–	4,420
Plant and equipment	6,168	(4,778)	1,390	–	820	(149)	(409)	–	–	–	–	5,555	(3,903)	1,652
Office equipment	600	(474)	126	–	10	–	(35)	–	–	–	–	609	(510)	99
Furniture and fittings	358	(259)	99	–	21	–	(20)	–	–	–	–	377	(278)	99
Land:														
– Operational land	3,607	–	3,607	–	–	–	–	–	–	–	–	3,607	–	3,607
– Community land	2,573	–	2,573	–	–	–	–	–	–	–	–	2,573	–	2,573
Land improvements – non-depreciable	798	–	798	–	–	–	–	–	–	–	–	798	–	798
Land improvements – depreciable	311	(203)	108	–	–	–	(31)	–	–	–	–	311	(234)	77
Infrastructure:														
– Roads and bridges	196,777	(47,700)	149,077	3,091	–	–	(4,196)	1,109	1,159	–	7,667	211,124	(53,215)	157,909
– Other structures	9,487	(2,159)	7,328	242	72	(6)	(238)	–	34	–	424	10,400	(2,545)	7,855
– Swimming pools	1,239	(300)	939	–	–	–	(16)	–	–	–	64	1,326	(338)	988
– Sewerage network	13,751	(3,808)	9,943	140	–	–	(163)	–	–	–	496	14,588	(4,173)	10,415
– Water supply network	18,345	(8,537)	9,808	–	127	–	(297)	–	–	–	482	19,402	(9,282)	10,120
– Buildings – specialised	1,562	(416)	1,146	–	84	–	(21)	–	–	–	78	1,754	(467)	1,287
– Stormwater drainage	6,101	(1,498)	4,603	–	–	–	(70)	–	–	–	230	6,410	(1,648)	4,762
– Kerb and gutter	4,761	(1,610)	3,151	–	–	–	(55)	–	–	–	166	5,016	(1,755)	3,261
– Footpaths	2,001	(638)	1,363	–	–	–	(35)	–	–	–	71	2,108	(709)	1,399
– Buildings – non-specialised	44,893	(17,860)	27,033	574	–	(415)	(637)	–	42	–	1,802	48,021	(19,623)	28,398
Other assets:														
– Library books	167	(133)	34	–	17	–	(12)	–	–	–	–	186	(145)	41
– Other	846	(347)	499	–	–	–	(77)	–	–	–	25	845	(398)	447
Total infrastructure, property, plant and equipment	317,172	(90,720)	226,452	4,473	3,752	(570)	(6,312)	1,109	–	(200)	11,505	339,430	(99,223)	240,207

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	2,974	–	2,974	773	136	–	–	–	(1,056)	–	2,827	–	2,827
Plant and equipment	5,914	(4,221)	1,693	228	27	(405)	(152)	–	–	–	6,168	(4,778)	1,390
Office equipment	558	(446)	112	–	9	(29)	–	–	32	–	600	(474)	126
Furniture and fittings	330	(241)	89	5	22	(17)	–	–	–	–	358	(259)	99
Land:													
– Operational land	3,607	–	3,607	–	–	–	–	–	–	–	3,607	–	3,607
– Community land	2,214	–	2,214	–	–	–	–	–	–	359	2,573	–	2,573
Land improvements – non-depreciable	798	–	798	–	–	–	–	–	–	–	798	–	798
Land improvements – depreciable	311	(171)	140	–	–	(31)	–	–	–	–	311	(203)	108
Infrastructure:													
– Buildings – non-specialised	41,674	(16,046)	25,628	237	–	(621)	–	–	–	1,788	44,893	(17,860)	27,033
– Buildings – specialised	1,457	(369)	1,088	–	–	(19)	–	–	–	76	1,562	(416)	1,146
– Other structures	8,045	(1,850)	6,195	24	122	(180)	–	–	850	317	9,487	(2,159)	7,328
– Roads	186,383	(38,047)	148,336	725	–	(3,997)	–	(3,649)	162	7,502	196,777	(47,700)	149,077
– Footpaths	1,889	(570)	1,319	–	–	(33)	–	–	–	76	2,001	(638)	1,363
– Stormwater drainage	5,664	(1,326)	4,338	–	–	(65)	–	–	–	329	6,101	(1,498)	4,603
– Water supply network	17,028	(7,796)	9,232	–	3	(130)	–	–	1	702	18,345	(8,537)	9,808
– Sewerage network	12,761	(3,436)	9,325	–	3	(99)	–	–	3	712	13,751	(3,808)	9,943
– Swimming pools	1,156	(265)	891	–	–	(15)	–	–	–	63	1,239	(300)	939
– Kerb and gutter	4,447	(1,469)	2,978	–	47	(52)	–	–	5	173	4,761	(1,610)	3,151
Other assets:													
– Library books	152	(123)	29	15	–	(10)	–	–	–	–	167	(133)	34
– Other	796	(289)	507	–	–	(38)	–	–	3	28	846	(347)	499
Total infrastructure, property, plant and equipment	298,158	(76,665)	221,493	2,007	369	(5,741)	(152)	(3,649)	–	12,125	317,172	(90,720)	226,452

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

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

Material accounting policy information

Infrastructure, property, plant and equipment are held at fair value. Independent 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.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by DCCEEW.

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	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	3 to 4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
Water and sewer assets		Stormwater assets	
Dams and reservoirs	20 to 100	Drains	70 to 100
Bores	10 to 50	Culverts	50 to 80
Reticulation pipes: PVC	50 to 80	Flood control structures	20 to 80
Reticulation pipes: other	25 to 50		
Pumps and telemetry	8 to 20		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	15	Bulk earthworks	Indefinite
Sealed roads: structure	35 to 150	Swimming pools	25 to 140
Unsealed roads	90 to 150	Other open space/recreational assets	20
Bridge: concrete	80 to 120	Other infrastructure	20
Bridge: other	80 to 120		
Road pavements	35 to 130		
Kerb, gutter and footpaths	40		

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

Land under roads

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

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

Crown reserves

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

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

Rural Fire Service assets

Council has assessed the value of rural firefighting assets ("Red fleet") and determined that the value of these assets are not material and have not recognised them in the financial statements.

Externally restricted infrastructure, property, plant and equipment

	as at 30/06/24			as at 30/06/23		
	Gross carrying amount \$ '000	Accumulated depn. and impairment \$ '000	Net carrying amount \$ '000	Gross carrying amount \$ '000	Accumulated depn. and impairment \$ '000	Net carrying amount \$ '000
Water supply						
WIP	514	—	514	536	—	536
Plant and equipment	315	94	221	315	94	221
Land						
– Operational land	34	—	34	34	—	34
Infrastructure	19,402	9,282	10,120	18,345	8,537	9,808
Total water supply	20,265	9,376	10,889	19,230	8,631	10,599
Sewerage services						
WIP	3	—	3	2	—	2
Plant and equipment	285	74	211	285	74	211
Land						
– Operational land	88	—	88	88	—	88
Infrastructure	14,588	4,173	10,415	13,751	3,808	9,943
Total sewerage services	14,964	4,247	10,717	14,126	3,882	10,244
Total restricted infrastructure, property, plant and equipment	35,229	13,623	21,606	33,356	12,513	20,843

C1-7 Intangible assets

Intangible assets are as follows:

	2024 \$ '000	2023 \$ '000
Other Intangibles		
Opening values at 1 July		
Gross book value	18	318
Accumulated amortisation	(18)	(18)
Net book value – opening balance	–	300
Movements for the year		
Gross book value written off	–	(300)
Closing values at 30 June		
Gross book value	18	18
Accumulated amortisation	(18)	(18)
Total intangible assets – net book value	–	–

C1-8 Other

Other assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Prepayments	26	–	22	–
Total other assets	26	–	22	–

C2 Leasing activities

C2-1 Council as a lessee

Council had no leases in place as at 30 June 2023.

(a) Income Statement

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

	2024 \$ '000	2023 \$ '000
Expenses relating to leases of low-value assets	11	10
	11	10

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

	2024	2023
	\$ '000	\$ '000

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

(i) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	87	148
Total income relating to operating leases for Council assets	87	148

C3 Liabilities of Council

C3-1 Payables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Goods and services – operating expenditure	296	–	439	–
Goods and services – capital expenditure	652	–	59	–
Accrued expenses:				
– Borrowings	3	–	4	–
– Salaries and wages	112	–	90	–
Security bonds, deposits and retentions	448	–	284	–
ATO – net GST payable	1	–	1	–
Retirement home contributions	1,583	–	1,813	–
Other	82	–	79	–
Prepaid rates	203	–	182	–
Total payables	3,380	–	2,951	–

Payables relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Externally restricted assets				
Water	170	–	61	–
Sewer	–	–	12	–
Payables relating to externally restricted assets	170	–	73	–
Total payables relating to restricted assets	170	–	73	–
Total payables relating to unrestricted assets	3,210	–	2,878	–
Total payables	3,380	–	2,951	–

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

	2024 \$ '000	2023 \$ '000
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	2,205	1,904
Total payables	2,205	1,904

C3-2 Contract Liabilities

		2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
	Notes				
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	4,122	–	4,510	–
Total grants received in advance		4,122	–	4,510	–
Total contract liabilities		4,122	–	4,510	–

Notes

(i) Council has received funding to construct assets including sporting facilities, roads, library 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.

Contract liabilities relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Externally restricted assets				
Water	–	–	6	–
Unspent grants held as contract liabilities (excl. Water & Sewer)	4,122	–	4,504	–
Contract liabilities relating to externally restricted assets	4,122	–	4,510	–
Total contract liabilities relating to restricted assets	4,122	–	4,510	–
Total contract liabilities	4,122	–	4,510	–

Significant changes in contract liabilities

Contract Liabilities reduced during the year by \$388,000. This was due in part, to Council being able to budget for and begin expenditure on grant funded capital projects, which had previously been on hold due to adverse weather events.

C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – secured ¹	227	1,198	215	1,425
Total borrowings	227	1,198	215	1,425

(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.

Borrowings relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Externally restricted assets				
Water	83	397	79	480
Borrowings relating to externally restricted assets	83	397	79	480
Total borrowings relating to restricted assets	83	397	79	480
Total borrowings relating to unrestricted assets	144	801	136	945
Total borrowings	227	1,198	215	1,425

(a) Changes in liabilities arising from financing activities

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	1,640	(215)	–	–	–	–	1,425
Total liabilities from financing activities	1,640	(215)	–	–	–	–	1,425

	2022		Non-cash movements				2023
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	1,846	(206)	–	–	–	–	1,640
Total liabilities from financing activities	1,846	(206)	–	–	–	–	1,640

C3-3 Borrowings (continued)

(b) Financing arrangements

	2024 \$ '000	2023 \$ '000
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	200	200
Credit cards/purchase cards	150	150
Total financing arrangements	350	350
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	5	5
Total drawn financing arrangements	5	5
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	200	200
– Credit cards/purchase cards	145	145
Total undrawn financing arrangements	345	345

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

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Annual leave	414	–	369	–
Long service leave	307	116	330	124
Other entitlements	28	–	111	–
ELE on-costs	33	5	29	5
Total employee benefit provisions	782	121	839	129
Total employee benefit provisions relating to unrestricted assets	782	121	839	129
Total employee benefit provisions	782	121	839	129

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

	2024 \$ '000	2023 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	430	453
	430	453

Description of and movements in provisions

	ELE provisions				
	Annual leave \$ '000	Long service leave \$ '000	ELE on-costs \$ '000	Other employee benefits \$ '000	Total \$ '000
2024					
At beginning of year	369	454	34	111	968
Additional provisions	363	41	12	7	423
Amounts used (payments)	(318)	(72)	(8)	(90)	(488)
Total ELE provisions at end of year	414	423	38	28	903
2023					
At beginning of year	427	330	33	40	830
Additional provisions	341	177	17	89	624
Amounts used (payments)	(399)	(53)	(16)	(18)	(486)
Total ELE provisions at end of year	369	454	34	111	968

Material accounting policy information

Long-term employee benefit obligations

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

C3-5 Provisions

	2024 Current \$ '000	2024 Non-Current \$ '000	2023 Current \$ '000	2023 Non-Current \$ '000
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	170	–	170
Sub-total – asset remediation/restoration	–	170	–	170
Total provisions	–	170	–	170

Description of and movements in provisions

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
2024		
At beginning of year	170	170
Total other provisions at end of year	170	170
2023		
At beginning of year	170	170
Total other provisions at end of year	170	170

Nature and purpose of provisions

Asset remediation

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

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

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

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

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

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.

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

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
Income from continuing operations			
Rates and annual charges	3,769	940	710
User charges and fees	2,501	857	104
Interest and investment revenue	1,404	112	54
Other revenues	268	188	14
Grants and contributions provided for operating purposes	12,895	50	—
Grants and contributions provided for capital purposes	4,011	6	—
Net gains from disposal of assets	295	—	—
Other income	87	—	—
Total income from continuing operations	25,230	2,153	882
Expenses from continuing operations			
Employee benefits and on-costs	5,352	184	58
Materials and services	10,014	904	405
Borrowing costs	57	32	—
Depreciation, amortisation and impairment of non-financial assets	5,852	297	163
Other expenses	480	37	24
Share of interests in joint ventures and associates using the equity method	61	—	—
Total expenses from continuing operations	21,816	1,454	650
Operating result from continuing operations	3,414	699	232
Net operating result for the year	3,414	699	232
Net operating result attributable to each council fund	3,414	699	232
Net operating result for the year before grants and contributions provided for capital purposes	(597)	693	232

D1-2 Statement of Financial Position by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	(133)	3,998	1,468
Investments	28,400	600	500
Receivables	3,159	280	60
Inventories	300	—	—
Other	26	—	—
Total current assets	31,752	4,878	2,028
Non-current assets			
Receivables	52	22	8
Infrastructure, property, plant and equipment	218,601	10,889	10,717
Investments accounted for using the equity method	806	—	—
Total non-current assets	219,459	10,911	10,725
Total assets	251,211	15,789	12,753
LIABILITIES			
Current liabilities			
Payables	3,210	170	—
Contract liabilities	4,122	—	—
Borrowings	144	83	—
Employee benefit provision	782	—	—
Total current liabilities	8,258	253	—
Non-current liabilities			
Borrowings	801	397	—
Employee benefit provision	121	—	—
Provisions	170	—	—
Total non-current liabilities	1,092	397	—
Total liabilities	9,350	650	—
Net assets	241,861	15,139	12,753
EQUITY			
Accumulated surplus	63,647	7,512	4,310
Revaluation reserves	178,214	7,627	8,443
Council equity interest	241,861	15,139	12,753
Total equity	241,861	15,139	12,753

D2 Interests in other entities

	Council's share of net assets	
	2024	2023
	\$ '000	\$ '000
Council's share of net income		
Net share of interests in joint ventures and associates using the equity method – expenses		
Joint ventures	61	65
Total net share of interests in joint ventures and associates using the equity method – expenses	61	65
Total Council's share of net income	(61)	(65)
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Joint ventures	806	867
Total net share of interests in joint ventures and associates using the equity method – assets	806	867
Total Council's share of net assets	806	867

D2-1 Interests in joint arrangements

The following information is provided for joint arrangements that are individually material to the Council. Included are the amounts as per the individual joint arrangement's financial statements, adjusted for fair-value adjustments, rather than Council's share.

Council is a member of the Far South West Joint Organisation of Councils (FSWJO). Details of Council's membership and participation is as follows:

The FSWJO is a separately constituted entity pursuant to Part 7 (Sections 400O to 400ZH) of the Local Government Act (NSW) 1993, as amended, and the Local Government (General) Regulation 2008. The FSWJO has the same year end date as the Council.

The principal functions of the Far West Joint Organisation will be to:

Establish strategic regional priorities for the joint organisation area and develop strategies and plans for delivering these priorities:

1. Provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities,
2. Identify and take up opportunities for intergovernmental cooperation on matters relating to the joint organisation area,
3. Enhancing strategic capacity to support member councils to deliver services to their communities,
4. Service delivery to provide services directly to communities within the region.

The percentage ownership interest held is equivalent to the percentage voting rights for all associates as follows:

FSWJO comprises the Councils of the Shires of Balranald, Wentworth, Broken Hill and Central Darling Shire Councils. The Board of the FSWJO comprises 4 voting members being the Mayors of the four member Councils, and non-voting members being the General Managers of the four member Councils, as well as 3 appointed members from the State Government and Cabinet (non-voting).

Balranald Shire Council, as a member of the FSWJO, has a one quarter voting right (25%) in respect to the decisions of the Board.

For the 2023/24 year, no member Councils were required to make contributions to the FSWJO. Members of the FSWJO are indemnified from liability for functions and duties carried out or omitted honestly, in good faith and with due care and diligence.

The FSWJO has engaged an Executive Officer on a standard Local Government employment contract for 3 years.

There are no liability issues identified for Council in the short to medium term.

D2-1 Interests in joint arrangements (continued)

Far South West Joint Organisation Equity Method

\$'000 \$'000
2024 2023

Summarised Statement of Financial Position

Current assets	3,467	3,476
Current liabilities	(245)	(10)
Net assets	3,222	3,466

Summarised Statement of Income and other Comprehensive Income

Grant funding	-	-
Interest income	9	3
Total income from continuing operations	9	3

Employee benefits	-	-
Depreciation and amortisation	-	-
Administration expenses	(253)	(263)
Other expenses	-	-
Total expense from continuing operations	(253)	(263)

Gain/(Loss) from continuing operations	(244)	(260)
Total comprehensive income	(244)	(260)

Summarised statement of Cash Flows

Cashflow from operating activities	(10)	(186)
Cashflow from investing activities	-	-

Net increase/(decrease) in cash and cash equivalents	(10)	(186)
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Reconciliation of carrying amount of interest in the joint arrangement to summarised financial information for FWJO accounted for using the Equity method:

Balranald Shire Council's share of net assets	806	867
Carrying amount of net assets	806	867

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

	Carrying value 2024 \$ '000	Carrying value 2023 \$ '000	Fair value 2024 \$ '000	Fair value 2023 \$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	5,333	5,723	5,333	5,723
Receivables	3,581	3,231	3,581	3,231
Investments				
– Debt securities at amortised cost	29,500	26,522	29,500	26,522
Total financial assets	38,414	35,476	38,414	35,476
Financial liabilities				
Payables	3,380	2,951	3,380	2,951
Loans/advances	1,425	1,640	1,425	1,640
Total financial liabilities	4,805	4,591	4,805	4,591

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

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

(a) Market risk – interest rate and price risk

	2024 \$ '000	2023 \$ '000
<p>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.</p> <p>Impact of a 1% movement in interest rates</p>		
– Equity / Income Statement	353	322

(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.

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

Credit risk profile

Receivables – rates and annual charges

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

	Not yet overdue \$ '000	overdue rates and annual charges				Total \$ '000
		< 5 years \$ '000	1 - 2 years \$ '000	2 - 5 years \$ '000	≥ 5 years \$ '000	
2024						
Gross carrying amount	–	365	71	17	3	456
2023						
Gross carrying amount	–	220	54	46	–	320

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.

	Not yet overdue \$ '000	0 - 30 days \$ '000	Overdue debts			Total \$ '000
			31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
2024						
Gross carrying amount	–	253	226	1,141	1,780	3,400
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	4.00%	2.09%
ECL provision	–	–	–	–	71	71
2023						
Gross carrying amount	2,036	–	3	1	995	3,035
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	6.00%	1.97%
ECL provision	–	–	–	–	60	60

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.

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2024							
Payables	0.00%	448	1,267	1,583	82	3,380	3,380
Borrowings	0.00%	–	276	921	228	1,425	1,425
Total financial liabilities		448	1,543	2,504	310	4,805	4,805
2023							
Payables	0.00%	2,097	854	–	–	2,951	2,951
Borrowings	6.42%	–	215	1,034	391	1,640	1,640
Total financial liabilities		2,097	1,069	1,034	391	4,591	4,591

Loan agreement breaches

There were not any breaches to loan agreements which have occurred during the reporting year.

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

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

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

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

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

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

Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Infrastructure, property, plant and equipment	C1-6								
Plant and equipment				–	–	1,652	1,390	1,652	1,390
Office equipment				–	–	99	126	99	126
Furniture and fittings				–	–	99	99	99	99
Land – operational		30/06/22	30/06/22	3,607	3,607	–	–	3,607	3,607
Land community		30/06/23	30/06/23	–	–	2,573	2,573	2,573	2,573
Land improvements		30/06/22	30/06/22	–	–	875	906	875	906
Buildings non - specialised		30/06/22	30/06/22	–	–	28,398	27,033	28,398	27,033
Buildings specialised		30/06/22	30/06/22	–	–	1,287	1,146	1,287	1,146
Other structures		30/06/22	30/06/22	–	–	7,855	7,328	7,855	7,328
Roads and bridges		30/06/22	30/06/22	–	–	157,909	149,077	157,909	149,077
Kerb and channels		30/06/22	30/06/22	–	–	3,261	3,151	3,261	3,151
Footpaths		30/06/22	30/06/22	–	–	1,399	1,363	1,399	1,363
Stormwater drainage		30/06/22	30/06/22	–	–	4,762	4,603	4,762	4,603
Water supply network		30/06/22	30/06/22	–	–	10,120	9,808	10,120	9,808
Sewerage network		30/06/22	30/06/22	–	–	10,415	9,943	10,415	9,943
Swimming pools		30/06/22	30/06/22	–	–	988	939	988	939
Other		30/06/22	30/06/22	–	–	488	533	488	533
Total infrastructure, property, plant and equipment				3,607	3,607	232,180	220,018	235,787	223,625

Valuation techniques

Infrastructure, property, plant and equipment (IPPE)

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

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

Infrastructure, Property, Plant & Equipment

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & equipment, Office Equipment and Furniture & fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes area as follows:

- Plant & equipment- Graders, Trucks, rollers, tractors and motor vehicles.
- Office equipment- Computers, photocopies, calculators etc.

E2-1 Fair value measurement (continued)

- Furniture & Fittings- Chairs, desks and display boards.

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

Operational & Community Land

Operational & community Land are based on either the market value approach (level 2) or the cost approach (level 3). Operational Land is represented by actual market values in the Balranald Shire LGA. Operational land was valued based on observable market values (level 2). Community land is based on values supplied by the Valuer General which is not based on market value and as such have been classified at a level 3.

Council changed its methodology for valuation of Community Land during FY 2022/23 to accord with the methodology supported by the NSW Auditor General. Council uses valuations supplied by the NSW Valuer General with a current base date of 2022.

Buildings- Non Specialised & Specialised

Non- Specialised & Specialised Buildings have been valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the market or cost approach, with effective date 30 June 2022. The approaches estimated the replacement cost of each building by componentising the building into significant parts.

While all buildings were physically inspected and the unit rates based on square market based evidence (level) 2 was established for some building assets, the majority of building assets were valued at a level 3.

Valuations for all building assets have been indexed at 30 June 2024 in line with relevant ABS indices.

Other Structures

Other structures comprise of aerodrome runway, lighting, irrigation systems and fencing etc. have been valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the cost approach, with effective date 30 June 2022. The approach estimated the replacement cost of the asset by componentising the asset into significant parts. No market evidence (level 2) inputs are available therefore level 3 valuation inputs were used for this asset class.

Valuations for all other structures have been indexed at 30 June 2024 in line with relevant ABS indices.

Roads, Bridges, Footpaths & Drainage Infrastructure.

Roads comprise roads carriageway, roadside shoulders & Kerb and Gutter and Channels. Bridges comprised of Bridges and Major Culverts. All these asset classes were valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the cost approach, with effective date 30 June 2022.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts using Balranald Shire Council's internal data base of costs. From field observations taken during this revaluation most of the unsealed road network has been reclassified from a formed and paved road asset to a formed only road asset.

Unit rates applied to the most recent valuation have increased significantly from previous valuations and this is based on the valuer's determination of unit rates applicable to similar local government entities. The increase in unit rates has resulted in a substantial increase in the carrying value of Roads assets at 30 June 2022.

Valuations for all roads and transport assets have been indexed at 30 June 2024 in line with relevant ABS indices.

Water Supply Network

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

The cost approach estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. All Water Supply Network Assets were valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the cost approach, with effective date 30 June 2022.

This valuation is based on inventory information provided by Council validated by onsite inspections and CCTV data. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

Valuations for all water supply assets have been indexed at 30 June 2024 in line with relevant NSW Reference Rates Manual indices.

Sewerage Network

Assets within this class comprise treatment works, pumping stations and, sewerage mains.

The cost approach estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. All Water Supply Network Assets were valued externally by APV

E2-1 Fair value measurement (continued)

Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the cost approach, with effective date 30 June 2022.

This valuation is based on inventory information provided by Council validated by onsite inspections and CCTV data. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

Valuations for all sewer assets have been indexed at 30 June 2024 in line with relevant NSW Reference Rates Manual indices.

Swimming Pools

Assets within this class comprise Council's outdoor swimming pool. valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the market or cost approach, with effective date 30 June 2022. The approach estimated the replacement cost for each pool by componentising its significant parts.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

Valuations for all swimming pool assets have been indexed at 30 June 2024 in line with relevant ABS indices.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Plant and equipment	Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Office equipment	Replacement Cost	Current Replacement Cost, Remaining Useful Life
Furniture and fittings	Replacement Cost	Current Replacement Cost, Remaining Useful Life
Community Land	Unimproved Value	New South Wales Valuer Generals Unimproved Value
Land improvements	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Buildings non specialised	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Building specialised	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Other structures	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Roads and bridges	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Kerb and gutter	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Footpaths	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Stormwater drainage	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Water supply network	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Sewerage network	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Swimming pools	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value
Other assets	Depreciated Replacement Cost	Current Replacement Cost, Remaining Useful Life, Residual Value

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:

	Plant and equipment		Office equipment		Furniture and fittings		Community Land	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	1,390	1,693	126	112	99	89	2,573	2,214
Total gains or losses for the period								
Other movements								
Purchases (GBV)	820	255	10	41	21	27	–	–
Disposals (WDV)	(149)	–	–	–	–	–	–	–
Depreciation and impairment	(409)	(557)	(35)	(29)	(20)	(17)	–	–
Adjustments and Transfers	–	–	–	–	–	–	–	359
Rounding	–	(1)	(2)	2	(1)	–	–	–
Closing balance	1,652	1,390	99	126	99	99	2,573	2,573

	Land improvement		Buildings n/spec'd		Building specialised		Other structures	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	906	938	27,033	25,628	1,146	1,088	7,328	6,195
Total gains or losses for the period								
Other movements								
Purchases (GBV)	–	–	616	237	84	–	314	996
Disposals (WDV)	–	–	(415)	–	–	–	(6)	–
Depreciation and impairment	(31)	(31)	(637)	(621)	(21)	(19)	(238)	(180)
Adjustments and Transfers	–	–	–	–	–	–	34	–
Revaluations	–	–	1,802	1,788	78	76	424	317
Rounding	–	(1)	(1)	1	–	1	(1)	–
Closing balance	875	906	28,398	27,033	1,287	1,146	7,855	7,328

	Roads and bridges		Kerb and gutter		Footpaths		Stormwater drainage	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	149,077	148,336	3,151	2,978	1,363	1,319	4,603	4,338
Total gains or losses for the period								
Other movements								
Purchases (GBV)	4,250	887	–	52	–	–	–	–
Depreciation and impairment	(4,196)	(7,646)	(55)	(52)	(35)	(33)	(70)	(65)
Adjustments and Transfers	1,109	–	–	–	–	–	–	–
Revaluations	7,667	7,502	166	173	71	76	230	329
Rounding	2	(2)	(1)	–	–	1	(1)	1
Closing balance	157,909	149,077	3,261	3,151	1,399	1,363	4,762	4,603

	Water supply network		Sewerage network		Swimming pool		Other assets	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	9,808	9,232	9,943	9,325	939	891	533	536
Total gains or losses for the period								
Other movements								
Purchases (GBV)	127	4	140	6	–	–	17	18
Depreciation and impairment	(297)	(130)	(163)	(99)	(16)	(15)	(89)	(48)
Revaluations	482	702	496	712	64	63	25	28
Rounding	–	–	(1)	(1)	1	–	2	(1)
Closing balance	10,120	9,808	10,415	9,943	988	939	488	533

continued on next page ...

E2-1 Fair value measurement (continued)

	Total	
	2024	2023
	\$ '000	\$ '000
Opening balance	220,018	214,912
Purchases (GBV)	6,399	2,523
Disposals (WDV)	(570)	–
Depreciation and impairment	(6,312)	(9,542)
Adjustments and Transfers	1,143	359
Revaluations	11,505	11,766
Rounding	(3)	–
Closing balance	232,180	220,018

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

Buildings assets were revalued during the year and while a small number of assets were assessed with market inputs (level 2), Council has utilised the level 3 valuations effective 30 June 2023.

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 9.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

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

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$32,400.54. The last valuation of the Scheme was performed by Fund Actuary, Richard Boyfield, FIAA as at 30 June 2023. The amount of additional contributions included in

E3-1 Contingencies (continued)

the total employer contribution advised above is \$8,406.11. Council's expected contribution to the plan for the next annual reporting period is \$23,025.47.

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is 0.08%

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity. StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA. These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

E3-1 Contingencies (continued)

(iv) Other guarantees

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

2. Other 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) Potential land acquisitions due to planning restrictions imposed by Council

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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:

	2024	2023
	\$ '000	\$ '000
Compensation:		
Short-term benefits	635	534
Termination benefits	20	40
Total	655	574

F1-2 Councillor and Mayoral fees and associated expenses

	2024	2023
	\$ '000	\$ '000

The aggregate amount of Councillor and Administrator fees and associated expenses included in materials and services expenses in the Income Statement are:

Administrator fee	120	123
Other Councillors' expenses (including Administrator)	13	4
Total	133	127

F2 Other relationships

F2-1 Audit fees

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

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

	67	63
Remuneration for audit and other assurance services	67	63
Total Auditor-General remuneration	67	63
Total audit fees	67	63

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
Net operating result from Income Statement	4,345	6,849
Add / (less) non-cash items:		
Depreciation and amortisation	6,312	5,741
(Gain) / loss on disposal of assets	(295)	300
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Revaluation decrements / impairments of IPP&E direct to P&L	–	152
Share of net (profits)/losses of associates/joint ventures using the equity method	61	65
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(501)	(794)
Increase / (decrease) in provision for impairment of receivables	151	(45)
(Increase) / decrease of inventories	(84)	42
(Increase) / decrease of other current assets	(4)	4
Increase / (decrease) in payables	(143)	(737)
Increase / (decrease) in accrued interest payable	(1)	(5)
Increase / (decrease) in other accrued expenses payable	22	10
Increase / (decrease) in other liabilities	(42)	(539)
Increase / (decrease) in contract liabilities	(388)	1,298
Increase / (decrease) in employee benefit provision	(65)	138
Net cash flows from operating activities	9,368	12,479

G2-1 Commitments

Capital commitments (exclusive of GST)

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

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

Property, plant and equipment

Sewerage and water infrastructure	–	6
Buildings	4,607	5,005
Roads	1,163	972
Other Structures	2,749	3,082
Total commitments	8,519	9,065

These expenditures are payable as follows:

Within the next year	4,239	4,785
Later than one year and not later than 5 years	4,280	4,280
Total payable	8,519	9,065

Sources for funding of capital commitments:

Future grants and contributions	4,280	4,280
Unexpended grants	4,239	4,785
Total sources of funding	8,519	9,065

G3-1 Events occurring after the reporting date

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

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2}	94	0.39%	20.40%	11.37%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	23,953				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	11,008	39.36%	32.98%	35.46%	> 60.00%
Total continuing operating revenue ¹	27,970				
3. Unrestricted current ratio					
Current assets less all external restrictions	24,776	16.51x	12.49x	7.15x	> 1.50x
Current liabilities less specific purpose liabilities	1,501				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	6,495	21.37x	34.03x	24.01x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	304				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	292	5.09%	5.45%	2.44%	< 10.00%
Rates and annual charges collectable	5,742				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	34,833	20.93	26.03	24.66	> 3.00
Monthly payments from cash flow of operating and financing activities	1,664	months	months	months	months

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

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

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2}	(3.97)%	17.43%	32.28%	42.85%	26.30%	42.21%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	32.20%	25.10%	97.40%	100.00%	100.00%	100.00%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	16.51x	12.49x	0.22x	∞	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	26.31x	45.77x	9.21x	8.56x	∞	∞	> 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	4.22%	4.15%	8.83%	9.61%	4.49%	6.38%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	19.07 months	25.30 months	35.99 months	33.83 months	36.33 months	28.48 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note G6-1 above.

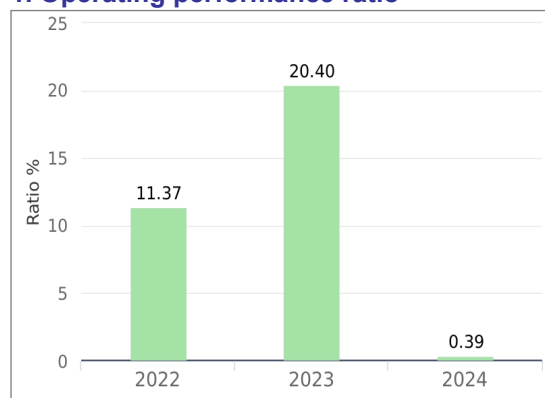
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

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 0.39%

The ratio has declined from previous years due to the increase in expenditures from previously unspent grant funds for projects that had been delayed for up to 2 years due to major flooding events across the regions. This made access to ground works impossible for an extended period and also restricted access to available contractors and suppliers, due to higher than normal demand. Council commenced accelerated works during FY 24 to reduce the backlog of project expenditure.

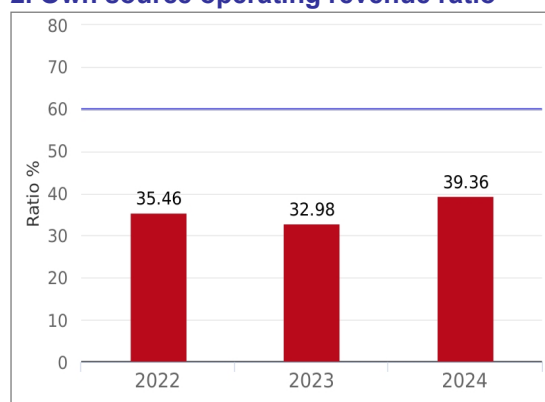
Benchmark: — > 0.00%

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 39.36%

This ratio has increased slightly during FY 24 but remains relatively consistent with past year's performance and is typical of the level of own source funds available to smaller councils across the state which are heavily dependent on external funding.

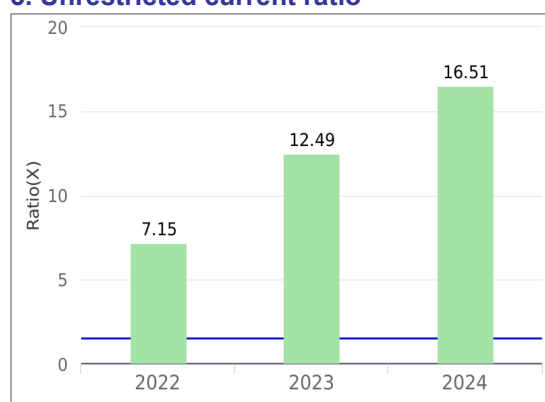
Benchmark: — > 60.00%

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 16.51x

Council's Unrestricted Current ratio has continued to improve over the past 3 years, indicating improvement in financial management and prudent budget control.

Benchmark: — > 1.50x

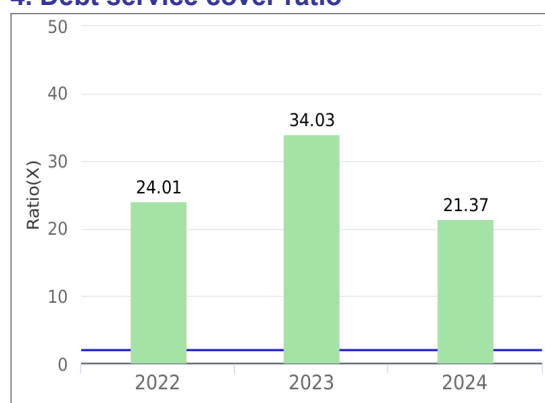
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

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 21.37x

The ratio is in line with the decline in Operating Performance ratio above which reflects increased operating expenditures during FY 24. The ratio remains well above benchmark.

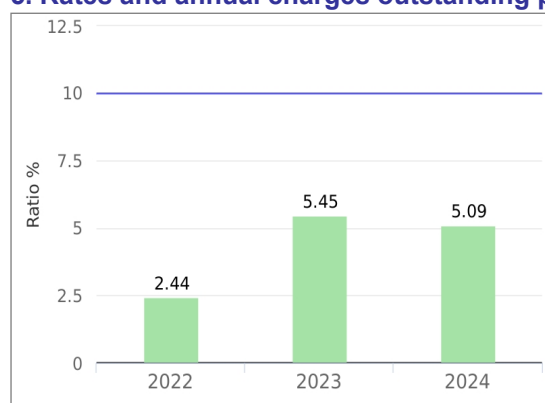
Benchmark: — > 2.00x

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 5.09%

Rates and Charges outstanding has declined slightly over the previous period, and remains well under benchmark of 10%. The performance against the benchmark remains very strong in comparison to smaller regional and remote councils across the state. Increased recovery action during FY 25 will further improve Council's position.

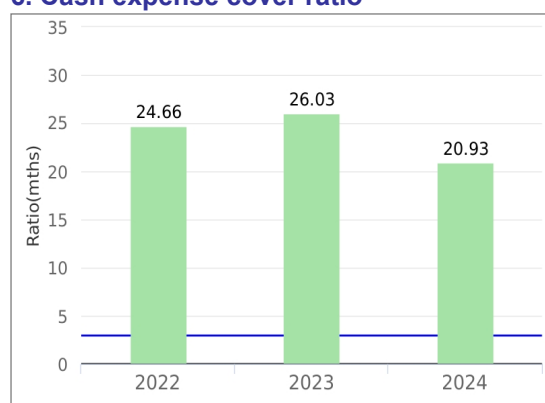
Benchmark: — < 10.00%

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 20.93 months

Performance against this ratio is again reflective of increased expenditures during FY 24 to reduce the backlog of grant programs, however the ratio remains well above benchmark.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Financial review

H1-2 Financial review (continued)

Key financial figures of Council over the past 5 years

	2024 \$ '000	2023 \$ '000	2022 \$ '000	2021 \$ '000	2020 \$ '000
Inflows:					
Rates and annual charges revenue	5,419	5,052	4,557	4,129	3,875
User charges revenue	3,462	2,225	2,191	1,980	2,297
Interest and investment revenue (losses)	1,570	665	119	74	153
Grants income – operating and capital	16,962	16,978	13,352	12,476	12,137
Total income from continuing operations	28,265	25,331	20,688	19,113	18,816
Sale proceeds from IPPE	865	–	43	–	40
Outflows:					
Employee benefits and on-cost expenses	5,594	4,936	5,432	5,777	5,020
Borrowing costs	89	101	119	125	143
Materials and contracts expenses	11,323	6,763	3,681	2,814	4,437
Total expenses from continuing operations	23,920	18,482	15,292	14,675	15,246
Total cash purchases of IPPE	7,430	2,551	7,730	6,386	8,277
Total loan repayments (incl. leases)	215	206	190	257	265
Operating surplus/(deficit) (excl. capital income)	328	4,087	1,656	753	(487)
Financial position figures					
Current assets	38,658	35,604	25,145	20,586	14,357
Current liabilities	8,511	8,515	8,548	7,613	4,432
Net current assets	30,147	27,089	16,597	12,973	9,925
Available working capital (Unrestricted net current assets)	9,986	4,716	3,050	4,888	2,569
Cash and investments – unrestricted	7,506	2,644	2,651	4,297	1,453
Cash and investments – internal restrictions	13,785	12,996	11,618	6,287	6,446
Cash and investments – total	34,833	32,245	22,523	18,042	11,784
Total borrowings outstanding (loans, advances and finance leases)	1,425	1,640	1,846	2,036	2,293
Total value of IPPE (excl. land and earthworks)	332,452	310,194	291,539	242,898	235,913
Total accumulated depreciation	99,223	90,720	76,665	102,491	97,192
Indicative remaining useful life (as a % of GBV)	70%	71%	74%	58%	59%

Source: published audited financial statements of Council (current year and prior year)

H1-3 Council information and contact details

Principal place of business:

70 Market street
BALRANALD NSW 2715

Contact details

Mailing Address:

PO Box 120
BALRANALD NSW 2715

Telephone: 03 5020 1300

Facsimile: 03 5020 1620

Opening hours:

8:30am - 5:00pm
Monday to Friday

Internet: www.balranald.nsw.gv.au

Email: council@balranald.nsw.gv.au

Officers

General Manager (Acting)

Mr Glenn Carroll

Administrator

Mr Michael Colreavy

Responsible Accounting Officer

Mr Glen Carroll

Public Officer

Carol Holmes

Auditors

Auditor General of NSW
Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney
NSW 2000



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Balranald Shire Council

To the Councillors of Balranald Shire Council

Opinion

I have audited the accompanying financial statements of Balranald 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.



Manuel Moncada

Director, Financial Audit
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY



Cr Louie Zaffina
Mayor
Balranald Shire Council
PO Box 120
Balranald NSW 2715

Contact: Manuel Moncada
Phone no: 02 9275 7333
Our ref: R008-2124742775-8221

30 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024 \$m	2023 \$m	Variance %
Rates and annual charges revenue	5.42	5.05	7.3
Grants and contributions revenue	16.96	16.98	0.1
Operating result from continuing operations	4.35	6.85	36.6
Net operating result before capital grants and contributions	0.33	4.09	92.0

Rates and annual charges revenue (\$5.42 million) increased by \$0.37 million (7.3 per cent) in 2023–24 due to a special rate variation increase of 10 per cent.

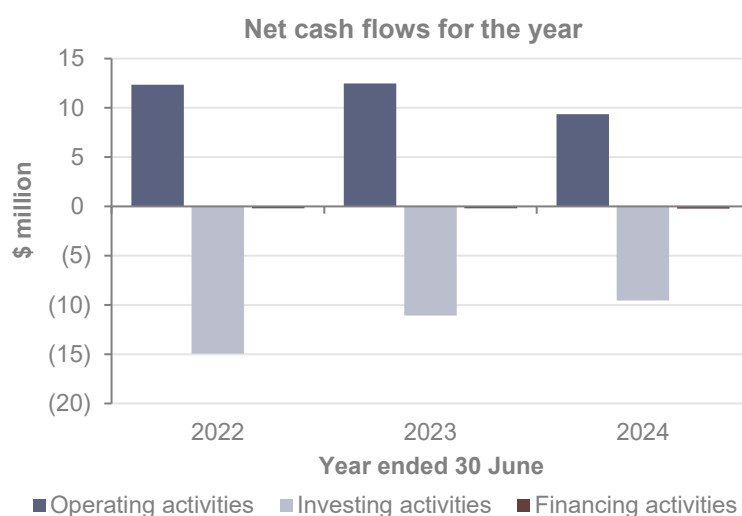
Grants and contributions revenue (\$16.96 million) decreased by \$0.02 million (0.1 per cent) in 2023–24.

Council's operating result from continuing operations (\$4.35 million including the effect of depreciation and amortisation expense of \$6.31 million) was \$2.50 million lower than the 2022–23 result. This was mainly due to increased expenditure on road repairs and maintenance.

The net operating result before capital grants and contributions (\$0.33 million) was \$3.76 million lower than the 2022–23 result.

STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash decreased by \$0.4 million to \$5.3 million at the close of the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	34.8	32.2	Externally restricted balances comprise mainly of unspent grants and Domestic Waste Management Charges, and water and sewer funds.
Restricted cash and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	13.5	16.6	
• Internal allocations	13.8	13.0	

PERFORMANCE

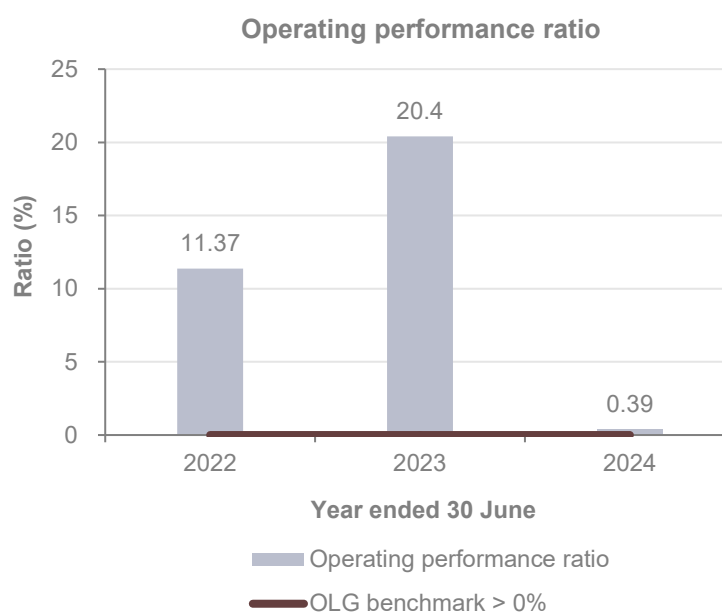
Performance measures

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

The Council met the OLG benchmark for the current reporting period.

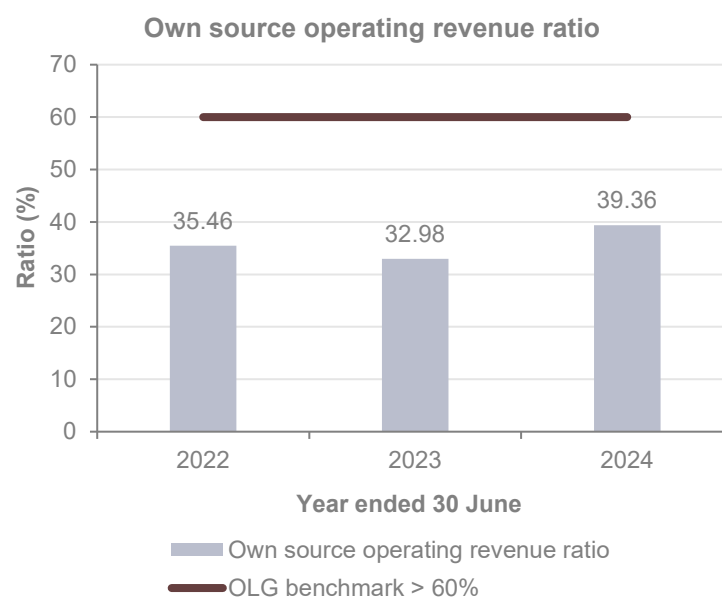
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

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

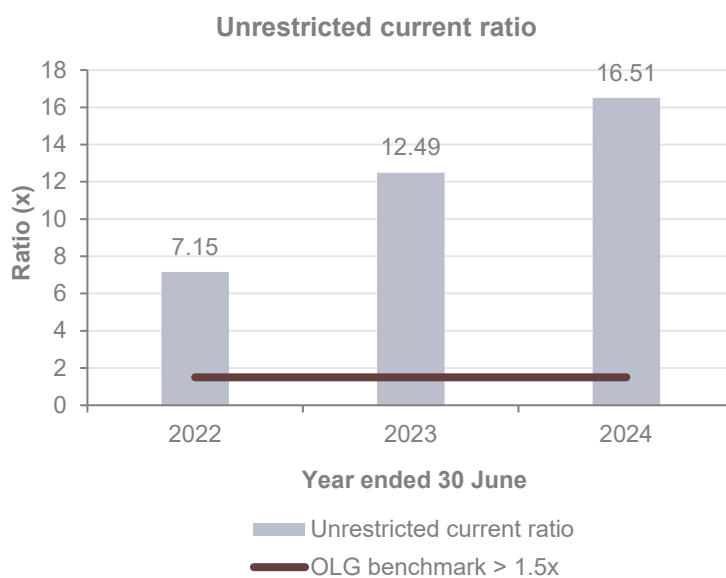
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

The Council met the OLG benchmark for the current reporting period.

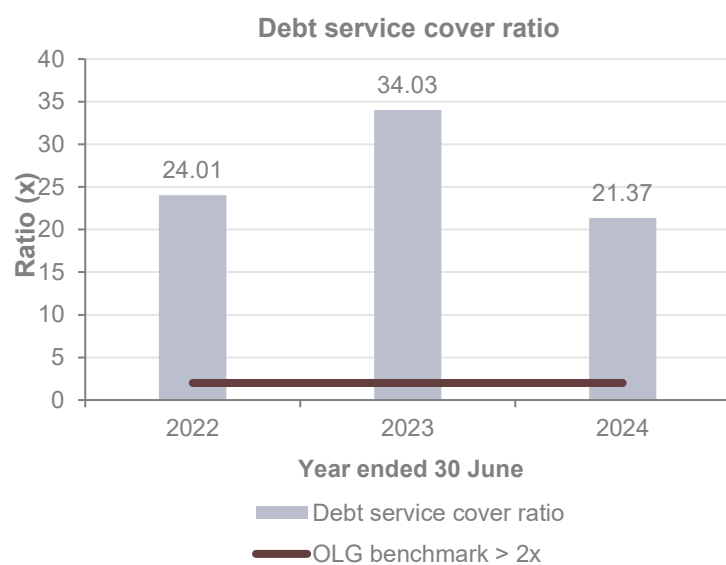
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

The Council met the OLG benchmark for the current reporting period.

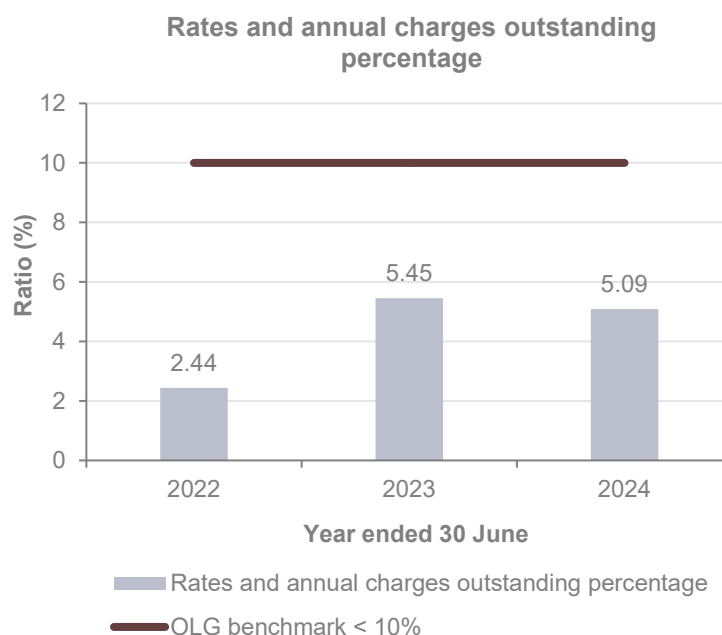
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

The Council met the OLG benchmark for the current reporting period.

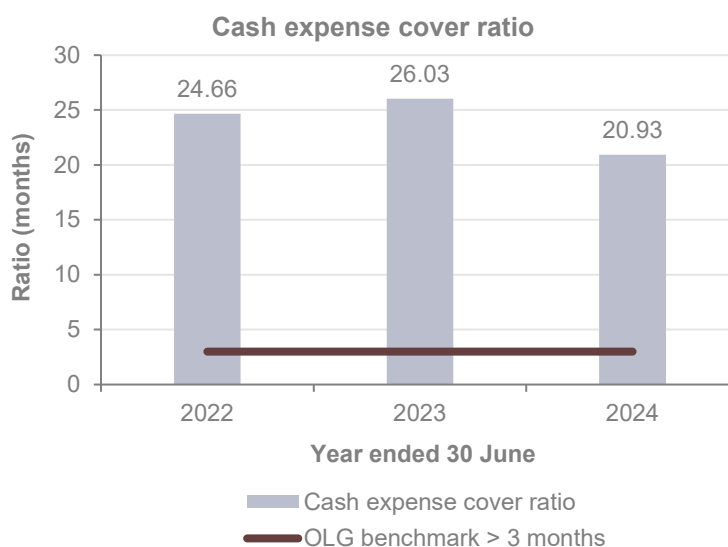
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional councils.



Cash expense cover ratio

The Council met the OLG 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's asset renewal additions for the year were \$4.5 million compared to \$2.0 million for the prior year
- The level of asset renewals during the year represented 71 percent of the total depreciation expense (\$6.3 million) for the year.
-

OTHER MATTERS

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements 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.

The Council's:

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



Manuel Moncada
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Balranald Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



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).

Balranald Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Statement by Administrator and Management

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

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

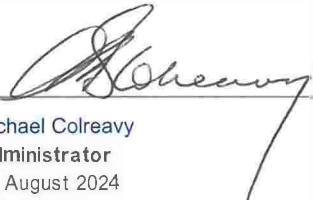
- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government Code of Accounting Practice and Financial Reporting,
- Sections 3 and 4 of the NSW Department of 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, and
- accord with Council's accounting and other records.
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

Signed in accordance with a resolution of Council made on 20 August 2024.



Michael Colreavy
Administrator
20 August 2024



Glenn Carroll
Acting General Manager
20 August 2024



Glenn Carroll
Responsible Accounting Officer
20 August 2024

Balranald Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
Access charges	940	896
User charges	842	710
Fees	15	12
Interest and investment income	112	96
Grants and contributions provided for operating purposes	50	–
Other income	188	62
Total income from continuing operations	2,147	1,776
Expenses from continuing operations		
Employee benefits and on-costs	184	187
Borrowing costs	32	36
Materials and services	873	591
Depreciation, amortisation and impairment	297	145
Water purchase charges	31	28
Other expenses	37	28
Total expenses from continuing operations	1,454	1,015
Surplus (deficit) from continuing operations before capital amounts	693	761
Grants and contributions provided for capital purposes	6	–
Surplus (deficit) from continuing operations after capital amounts	699	761
Surplus (deficit) from all operations before tax	699	761
Less: corporate taxation equivalent (25%) [based on result before capital]	(173)	(190)
Surplus (deficit) after tax	526	571
Plus accumulated surplus	6,813	6,052
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	173	190
Less:		
Closing accumulated surplus	7,512	6,813
Return on capital %	6.7%	7.5%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	526	571
Less: capital grants and contributions (excluding developer contributions)	(6)	–
Surplus for dividend calculation purposes	520	571
Potential dividend calculated from surplus	260	286

Balranald Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
Access charges	710	708
User charges	93	96
Liquid trade waste charges	4	8
Fees	7	5
Interest and investment income	54	42
Other income	14	27
Total income from continuing operations	882	886
Expenses from continuing operations		
Employee benefits and on-costs	58	49
Materials and services	405	349
Depreciation, amortisation and impairment	163	114
Other expenses	24	—
Total expenses from continuing operations	650	512
Surplus (deficit) from continuing operations before capital amounts	232	374
Surplus (deficit) from continuing operations after capital amounts	232	374
Surplus (deficit) from all operations before tax	232	374
Less: corporate taxation equivalent (25%) [based on result before capital]	(58)	(94)
Surplus (deficit) after tax	174	280
Plus accumulated surplus	4,078	3,704
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	58	94
Less:		
Closing accumulated surplus	4,310	4,078
Return on capital %	2.2%	3.7%
Subsidy from Council	229	38
Calculation of dividend payable:		
Surplus (deficit) after tax	174	280
Surplus for dividend calculation purposes	174	280
Potential dividend calculated from surplus	87	140

Balranald Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
ASSETS		
Current assets		
Cash and cash equivalents	3,998	3,070
Investments	600	600
Receivables	280	250
Total current assets	4,878	3,920
Non-current assets		
Receivables	22	65
Infrastructure, property, plant and equipment	10,889	10,599
Total non-current assets	10,911	10,664
Total assets	15,789	14,584
LIABILITIES		
Current liabilities		
Contract liabilities	–	6
Payables	170	61
Borrowings	83	79
Total current liabilities	253	146
Non-current liabilities		
Borrowings	397	480
Total non-current liabilities	397	480
Total liabilities	650	626
Net assets	15,139	13,958
EQUITY		
Accumulated surplus	7,512	6,813
Revaluation reserves	7,627	7,145
Total equity	15,139	13,958

Balranald Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
ASSETS		
Current assets		
Cash and cash equivalents	1,468	1,215
Investments	500	500
Receivables	60	63
Total current assets	2,028	1,778
Non-current assets		
Receivables	8	15
Infrastructure, property, plant and equipment	10,717	10,244
Total non-current assets	10,725	10,259
Total assets	12,753	12,037
LIABILITIES		
Current liabilities		
Payables	–	12
Total current liabilities	–	12
Total liabilities	–	12
Net assets	12,753	12,025
EQUITY		
Accumulated surplus	4,310	4,078
Revaluation reserves	8,443	7,947
Total equity	12,753	12,025

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

Nil

Category 2

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

a. Balranald Shire Council combined water supplies

Comprising the whole of the operations and assets of the raw and filtered water supply systems, that services the towns of Balranald and Euston.

b. Balranald Shire Council sewerage service

Comprising the whole of the operations and assets of the sewerage reticulation and treatment systems, that services the towns of Balranald and Euston.

Taxation equivalent charges

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

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

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

Note – Material accounting policy information (continued)

Notional rate applied (%)

Corporate income tax rate – 25%

Land tax – the first \$969,000 of combined land values attracts **0%**. For the combined land values in excess of \$969,000 up to \$5,925,000 the rate is \$100 + **1.6%**. For the remaining combined land value that exceeds \$4,616,000 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 section 4 of 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 regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to sections 3 and 4 of 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% (22/23 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 for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Note – Material accounting policy information (continued)

Operating result before capital income + interest expense

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

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

(iii) Dividends

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

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

Each dividend must be calculated and approved in accordance with the 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, statement of compliance and statement of dividend payment form and unqualified independent financial audit report are submitted to DCCEEW.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Balranald Shire Council

To the Councillors of Balranald Shire Council

Opinion

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

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Manuel Moncada

Director, Financial Audit
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Balranald Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



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Balranald Shire Council

Permissible income for general rates

	Notes	Calculation 2023/24 \$ '000	Calculation 2024/25 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	3,170	3,449
Plus or minus adjustments ²	b	5	(9)
Notional general income	c = a + b	3,175	3,440
Permissible income calculation			
Percentage increase	d	10.00%	10.00%
Plus percentage increase amount ³	f = d x (c + e)	318	344
Sub-total	g = (c + e + f)	3,493	3,784
Plus (or minus) last year's carry forward total	h	(30)	14
Sub-total	j = (h + i)	(30)	14
Total permissible income	k = g + j	3,463	3,798
Less notional general income yield	l	3,449	3,799
Catch-up or (excess) result	m = k - l	13	(2)
Carry forward to next year ⁴	p = m + n + o	13	(2)

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) 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

Balranald Shire Council

To the Councillors of Balranald Shire Council

Opinion

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



Manuel Moncada

Director, Financial Audit
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Balranald Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Buildings – non-specialised	170	125	409	290	28,398	48,021	35.0%	60.0%	5.0%	0.0%	0.0%
	Buildings – specialised	—	—	—	—	1,287	1,754	95.0%	0.0%	5.0%	0.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	170	125	409	290	29,685	49,775	37.1%	57.9%	5.0%	0.0%	0.0%
Other structures	Other structures	—	—	554	622	7,855	10,400	10.0%	40.0%	40.0%	10.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	—	—	554	622	7,855	10,400	10.0%	40.0%	40.0%	10.0%	0.0%
Roads	Roads	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sealed roads	2,700	2,700	1,184	1,807	116,468	141,512	75.0%	5.0%	15.0%	3.0%	2.0%
	Unsealed roads	1,800	1,800	1,846	6,143	36,235	58,082	5.0%	10.0%	50.0%	30.0%	5.0%
	Bridges	—	—	—	—	1,495	2,824	7.0%	0.0%	93.0%	0.0%	0.0%
	Footpaths	15	80	36	36	1,399	2,108	0.0%	25.0%	75.0%	0.0%	0.0%
	Other road assets	—	—	42	49	3,711	8,706	70.0%	0.0%	30.0%	0.0%	0.0%
	Kerb and channels	—	—	16	9	3,261	5,016	30.0%	45.0%	15.0%	10.0%	0.0%
	Other road assets (incl. bulk earth works)	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	4,515	4,580	3,124	8,044	162,569	218,248	53.5%	7.2%	26.5%	10.2%	2.6%
Water supply network	Water supply network	800	2,200	939	732	10,120	19,402	20.0%	10.0%	50.0%	20.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	800	2,200	939	732	10,120	19,402	20.0%	10.0%	50.0%	20.0%	0.0%
Sewerage network	Sewerage network	450	1,200	418	156	10,415	14,588	7.0%	50.0%	30.0%	13.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	450	1,200	418	156	10,415	14,588	7.0%	50.0%	30.0%	13.0%	0.0%
Stormwater drainage	Stormwater drainage	750	150	—	—	4,762	6,410	15.0%	80.0%	5.0%	0.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	750	150	—	—	4,762	6,410	15.0%	80.0%	5.0%	0.0%	0.0%

Balranald Shire Council

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

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Open space / recreational assets	Swimming pools	—	—	20	31	988	1,326	10.0%	40.0%	45.0%	5.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	—	—	20	31	988	1,326	10.0%	40.0%	45.0%	5.0%	0.0%
Other infrastructure assets	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
Total – all assets		6,685	8,255	5,464	9,875	226,394	320,149	44.5%	19.8%	24.8%	9.1%	1.8%

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

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

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Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	4,473	98.01%	19.97%	89.06%	> 100.00%
Depreciation, amortisation and impairment	4,564				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	6,685	2.94%	2.81%	1.82%	< 2.00%
Net carrying amount of infrastructure assets	227,553				
Asset maintenance ratio					
Actual asset maintenance	9,875	180.73%	185.67%	92.73%	> 100.00%
Required asset maintenance	5,464				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	8,255	2.58%	2.76%	2.23%	
Gross replacement cost	320,149				

(*) 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.

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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	105.58%	20.50%	0.00%	0.00%	85.89%	0.00%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	2.63%	2.45%	7.91%	8.16%	4.32%	4.53%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	218.82%	390.61%	77.96%	56.91%	37.32%	29.57%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	1.70%	1.82%	11.34%	11.99%	8.23%	8.73%	
Gross replacement cost							

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