

Goldenfields Water County Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2024

*To be innovative leaders in the supply and distribution of
water through regional efficiency, technical excellence and
customer service.*



Goldenfields Water County Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

General Purpose Financial Statements

for the year ended 30 June 2024

| Contents | Page |
|---|----------|
| Statement by Councillors and Management | 3 |
| Primary Financial Statements: | |
| Income Statement | 4 |
| Statement of Comprehensive Income | 5 |
| Statement of Financial Position | 6 |
| Statement of Changes in Equity | 7 |
| Statement of Cash Flows | 8 |
| Contents for the notes to the Financial Statements | 9 |
| Independent Auditor's Reports: | |
| On the Financial Statements (Sect 417 [2]) | 54 |
| On the Financial Statements (Sect 417 [3]) | 55 |

Overview

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

84 Parkes Street
Temora NSW 2666

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.gwcc.nsw.gov.au.

Goldenfields Water County Council

General Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

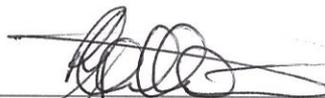
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 5 September 2024.



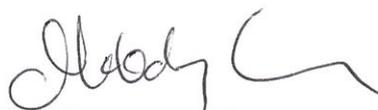
Clr Matthew Stadtmiller
Chairperson
5 September 2024



Clr Robert Callow
Deputy Chairperson
5 September 2024



Aaron Drenovski
General Manager
5 September 2024



Melody Carr
Responsible Accounting Officer
5 September 2024

Goldenfields Water County Council

Statement of Comprehensive Income

for the year ended 30 June 2024

| \$ '000 | Notes | 2024 | 2023 |
|--|-------|----------------|--------|
| Net operating result for the year – from Income Statement | | 11,464 | 2,215 |
| Other comprehensive income: | | | |
| Amounts which will not be reclassified subsequently to the operating result | | | |
| Gain on revaluation of infrastructure, property, plant and equipment | C1-6 | 45,764 | 19,170 |
| Other reserves movements | | (1,453) | – |
| Total items which will not be reclassified subsequently to the operating result | | 44,311 | 19,170 |
| Total other comprehensive income for the year | | 44,311 | 19,170 |
| Total comprehensive income for the year attributable to Council | | 55,775 | 21,385 |

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

Goldenfields Water County Council

Statement of Financial Position

as at 30 June 2024

| \$ '000 | Notes | 2024 | 2023 |
|--|-------|----------------|----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | C1-1 | 5,882 | 5,748 |
| Investments | C1-2 | 25,500 | 27,500 |
| Receivables | C1-4 | 10,488 | 5,208 |
| Inventories | C1-5 | 1,144 | 979 |
| Prepayments | | 909 | – |
| Total current assets | | 43,923 | 39,435 |
| Non-current assets | | | |
| Infrastructure, property, plant and equipment (IPPE) | C1-6 | 372,296 | 319,651 |
| Total non-current assets | | 372,296 | 319,651 |
| Total assets | | 416,219 | 359,086 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | C3-1 | 2,529 | 1,603 |
| Employee benefit provisions | C3-3 | 3,076 | 2,657 |
| Total current liabilities | | 5,605 | 4,260 |
| Non-current liabilities | | | |
| Payables | C3-1 | – | 12 |
| Employee benefit provisions | C3-3 | 163 | 138 |
| Total non-current liabilities | | 163 | 150 |
| Total liabilities | | 5,768 | 4,410 |
| Net assets | | 410,451 | 354,676 |
| EQUITY | | | |
| Accumulated surplus | C4-1 | 111,246 | 97,081 |
| IPPE revaluation reserve | C4-1 | 299,205 | 257,595 |
| Council equity interest | | 410,451 | 354,676 |
| Total equity | | 410,451 | 354,676 |

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

Goldenfields Water County Council

Statement of Changes in Equity

for the year ended 30 June 2024

| \$ '000 | Notes | 2024 | | | 2023 | | |
|---|-------|---------------------|--------------------------|----------------|---------------------|--------------------------|----------------|
| | | Accumulated surplus | IPPE revaluation reserve | Total equity | Accumulated surplus | IPPE revaluation reserve | Total equity |
| Opening balance at 1 July | | 97,081 | 257,595 | 354,676 | 94,866 | 238,425 | 333,291 |
| Net operating result for the year | | 11,464 | – | 11,464 | 2,215 | – | 2,215 |
| Net operating result for the period | | 11,464 | – | 11,464 | 2,215 | – | 2,215 |
| Other comprehensive income | | | | | | | |
| Gain (loss) on revaluation of infrastructure, property, plant and equipment | C1-6 | – | 45,764 | 45,764 | – | 19,170 | 19,170 |
| Other reserves movements | | 2,701 | (4,154) | (1,453) | – | – | – |
| Other comprehensive income | | 2,701 | 41,610 | 44,311 | – | 19,170 | 19,170 |
| Total comprehensive income | | 14,165 | 41,610 | 55,775 | 2,215 | 19,170 | 21,385 |
| Closing balance at 30 June | | 111,246 | 299,205 | 410,451 | 97,081 | 257,595 | 354,676 |

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

Goldenfields Water County Council

Statement of Cash Flows

for the year ended 30 June 2024

| Original unaudited budget 2024 | \$ '000 | Notes | Actual 2024 | Actual 2023 |
|---|---|-------|-----------------|----------------|
| Cash flows from operating activities | | | | |
| <i>Receipts:</i> | | | | |
| 6,795 | Annual charges | | 4,352 | 7,166 |
| 16,608 | User charges and fees | | 17,218 | 12,624 |
| 998 | Interest received | | 1,086 | 870 |
| 1,838 | Grants and contributions | | 10,453 | 4,568 |
| 178 | Other | | 168 | 394 |
| <i>Payments:</i> | | | | |
| (8,415) | Payments to employees | | (8,066) | (7,943) |
| (8,912) | Payments for materials and services | | (8,339) | (8,295) |
| (172) | Other | | (971) | (706) |
| 8,918 | Net cash flows from operating activities | F1-1 | 15,901 | 8,678 |
| Cash flows from investing activities | | | | |
| <i>Receipts:</i> | | | | |
| 12,911 | Redemption of term deposits | | 2,000 | 13,582 |
| – | Proceeds from sale of IPPE | | 796 | 642 |
| <i>Payments:</i> | | | | |
| (19,162) | Payments for IPPE | | (18,563) | (20,280) |
| (6,251) | Net cash flows from investing activities | | (15,767) | (6,056) |
| 2,667 | Net change in cash and cash equivalents | | 134 | 2,622 |
| 10,059 | Cash and cash equivalents at beginning of year | | 5,748 | 3,126 |
| 12,726 | Cash and cash equivalents at end of year | C1-1 | 5,882 | 5,748 |
| 19,189 | plus: Investments on hand at end of year | C1-2 | 25,500 | 27,500 |
| 31,915 | Total cash, cash equivalents and investments | | 31,382 | 33,248 |

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

Goldenfields Water County Council

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

| | |
|---|-----------|
| A About Council and these financial statements | 11 |
| A1-1 Basis of preparation | 11 |
| B Financial Performance | 13 |
| B1 Functions or activities | 13 |
| B1-1 Functions or activities – income, expenses and assets | 13 |
| B1-2 Components of functions or activities | 14 |
| B2 Sources of income | 15 |
| B2-1 Rates and annual charges | 15 |
| B2-2 User charges | 16 |
| B2-3 Other revenues | 17 |
| B2-4 Grants and contributions | 18 |
| B2-5 Interest and investment income | 20 |
| B2-6 Other income | 20 |
| B3 Costs of providing services | 21 |
| B3-1 Employee benefits and on-costs | 21 |
| B3-2 Materials and services | 22 |
| B3-3 Depreciation, amortisation and impairment of non-financial assets | 23 |
| B3-4 Other expenses | 23 |
| B4 Gains or losses | 24 |
| B4-1 Gain or loss from the disposal, replacement and de-recognition of assets | 24 |
| B5 Performance against budget | 25 |
| B5-1 Material budget variations | 25 |
| C Financial position | 27 |
| C1 Assets we manage | 27 |
| C1-1 Cash and cash equivalents | 27 |
| C1-2 Financial investments | 27 |
| C1-3 Restricted and allocated cash, cash equivalents and investments | 28 |
| C1-4 Receivables | 30 |
| C1-5 Inventories | 31 |
| C1-6 Infrastructure, property, plant and equipment | 32 |
| C2 Leasing activities | 35 |
| C2-1 Council as a lessee | 35 |
| C2-2 Council as a lessor | 35 |
| C3 Liabilities of Council | 37 |
| C3-1 Payables | 37 |
| C3-2 Borrowings | 37 |
| C3-3 Employee benefit provisions | 38 |
| C4 Reserves | 38 |
| C4-1 Nature and purpose of reserves | 38 |
| D Risks and accounting uncertainties | 39 |
| D1-1 Risks relating to financial instruments held | 39 |
| D2-1 Fair value measurement | 42 |

Goldenfields Water County Council

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

| | |
|--|-----------|
| D3-1 Contingencies | 44 |
| E People and relationships | 47 |
| E1 Related party disclosures | 47 |
| E1-1 Key management personnel (KMP) | 47 |
| E1-2 Councillor and Mayoral fees and associated expenses | 48 |
| E2 Other relationships | 48 |
| E2-1 Audit fees | 48 |
| F Other matters | 49 |
| F1-1 Statement of Cash Flows information | 49 |
| F2-1 Commitments | 50 |
| F3-1 Events occurring after the reporting date | 50 |
| F4 Statement of performance measures | 51 |
| F4-1 Statement of performance measures – consolidated results | 51 |
| G Additional Council disclosures (unaudited) | 52 |
| G1-1 Statement of performance measures – consolidated results (graphs) | 52 |

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 5 September 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 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.

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) employee benefit provisions – refer Note C3-3.

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables – refer Note C1-4
- (ii) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income for Not-for-Profit Entities* - refer to Notes B2-2 - B2-3.

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 activities have been included as part of the Consolidated Fund:

General Purpose Operations (Water Services)

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.

A1-1 Basis of preparation (continued)

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.

New accounting standards and interpretations issued but not yet effective

Council's assessment on the impact of upcoming new standards and interpretations (pronouncements) published by the Australian Accounting Standards Board that are likely to have an effect on Council's future financial statements, financial performance, financial position and cash flows are set out below:

| | |
|---|--|
| Pronouncement | AASB 2022-10 <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i> |
| Nature of change in accounting policy | <p>This Standard amends AASB 13, including adding authoritative implementation guidance and providing related illustrative examples, for application by not-for-profit public sector entities.</p> <p>In particular, this standard provides guidance on:</p> <ol style="list-style-type: none"> highest and best use financially feasible uses use of assumptions nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence when using the cost approach. |
| Effective date | The standard applies prospectively to annual periods beginning on or after 1 January 2024; i.e. Council's financial statements for the year ended 30 June 2025, with earlier application not permitted. |
| Expected impact on Council financial statements | There is not expected to be significant impact on the Councils' reported financial position, however Council shall review our fair value methodology to ensure that it is in accordance with the guidance included in AASB 2022-10. |

Apart from the standards listed above, there are no other released standards and interpretations (with future effective dates) that are expected to have a material impact on Council.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2023.

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.

| \$ '000 | Income | | Expenses | | Operating result | | Grants and contributions | | Carrying amount of assets | |
|---------------------------------------|---------------|--------|---------------|--------|------------------|-------|--------------------------|-------|---------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Functions or activities | | | | | | | | | | |
| Water supplies | 38,639 | 26,904 | 27,175 | 24,689 | 11,464 | 2,215 | 11,899 | 4,649 | 416,219 | 359,086 |
| Total functions and activities | 38,639 | 26,904 | 27,175 | 24,689 | 11,464 | 2,215 | 11,899 | 4,649 | 416,219 | 359,086 |

B1-2 Components of functions or activities

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

Water supplies

Council is responsible for water supply functions within the Local Government areas of Bland, Coolamon, Junee, Temora and parts of Cootamundra-Gundagai and Narrandera.

Council also supplies bulk water to Hilltops and other parts of Cootamundra-Gundagai.

Council does not undertake any other functions.

B2 Sources of income

B2-1 Rates and annual charges

| \$ '000 | 2024 | 2023 |
|---|--------------|--------------|
| Annual charges (pursuant to s496, 496A, 496B, 501 & 611) | | |
| – Residential | 1,869 | 1,771 |
| – Non-residential | 1,121 | 1,056 |
| – Rural | 1,676 | 1,592 |
| – Bulk supplies to councils | 1,698 | 1,608 |
| Less: pensioner rebates | (233) | (66) |
| Annual charges levied | 6,131 | 5,961 |
| Pensioner annual charges subsidies received: | | |
| – Water | 85 | 80 |
| Total annual charges | 6,216 | 6,041 |
| Total rates and annual charges | 6,216 | 6,041 |

Material accounting policy information

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

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

Pensioner 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

| \$ '000 | Timing | 2024 | 2023 |
|--|--------|---------------|---------------|
| User charges | | | |
| Residential | 2 | 5,097 | 4,192 |
| Non residential | 2 | 3,998 | 2,915 |
| Rural | 2 | 4,187 | 3,256 |
| Bulk supplies to councils | 2 | 5,069 | 4,436 |
| Inspection services | 2 | 8 | 8 |
| Private works | 2 | 1 | – |
| Section 603 certificates | 2 | 54 | 48 |
| Tapping fees | 2 | 161 | 72 |
| Connection application fees | 2 | 54 | 53 |
| Total user charges | | 18,629 | 14,980 |
| Timing of revenue recognition for user charges and fees | | | |
| User charges and fees recognised at a point in time (2) | | 18,629 | 14,980 |
| Total user charges and fees | | 18,629 | 14,980 |

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. There is no material obligation for Council in relation to refunds or returns.

B2-3 Other revenues

| \$ '000 | Timing | 2024 | 2023 |
|--|--------|-------------|-------------|
| Rental income – investment property | 2 | 5 | 1 |
| Diesel rebate | 2 | 18 | 7 |
| Employment / training incentives | 2 | 73 | 9 |
| Insurance rebates | 2 | 7 | 23 |
| Workers compensation rebate | 2 | – | 14 |
| Other | 2 | 8 | 7 |
| Total other revenue | | 111 | 61 |
| Timing of revenue recognition for other revenue | | | |
| Other revenue recognised at a point in time (2) | | 111 | 61 |
| Total other revenue | | 111 | 61 |

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

| \$ '000 | Timing | Capital 2024 | Capital 2023 |
|--|--------|-----------------|-----------------|
| Special purpose grants and non-developer contributions (tied) | | | |
| Cash contributions | | | |
| Water supplies | 2 | 4,448 | 3,799 |
| Total special purpose grants and non-developer contributions | | 4,448 | 3,799 |
| Non-cash contributions | | | |
| Water supply network | 2 | 91 | – |
| Total other contributions – non-cash | | 91 | – |
| Comprising: | | | |
| – Other funding | | 4,539 | 3,799 |
| | | 4,539 | 3,799 |

Developer contributions

Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):

| | | | |
|---------------------------------------|---|---------------|--------------|
| Cash contributions | | | |
| S 64 – water supply contributions | 2 | 7,360 | 850 |
| Total developer contributions | | 7,360 | 850 |
| Total grants and contributions | | 11,899 | 4,649 |

Timing of revenue recognition for grants and contributions

| | | | |
|--|--|---------------|--------------|
| Grants and contributions recognised at a point in time (2) | | 11,899 | 4,649 |
| Total grants and contributions | | 11,899 | 4,649 |

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. 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 and contributions 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.

Council was in receipt of a Capital Grant for the West Wyalong Water System Augmentation - supply and reticulation construction.

B2-4 Grants and contributions (continued)

Other grants and contributions

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

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

B2-5 Interest and investment income

| \$ '000 | 2024 | 2023 |
|--|--------------|------------|
| Interest on financial assets measured at amortised cost | | |
| – Overdue rates and annual charges (incl. special purpose rates) | 87 | 37 |
| – Cash and investments | 1,490 | 777 |
| Total interest and investment income (losses) | 1,577 | 814 |
| Interest and investment income is attributable to: | | |
| Unrestricted investments/financial assets: | | |
| Overdue rates and annual charges (general fund) | – | 37 |
| General Council cash and investments | 1,577 | 777 |
| Total interest and investment income | 1,577 | 814 |

Material accounting policy information

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

B2-6 Other income

| \$ '000 | Notes | 2024 | 2023 |
|--|-------|------------|------------|
| Rental income | | | |
| Rental properties | | | |
| Lease income (excluding variable lease payments not dependent on an index or rate) | | 61 | 56 |
| Lease income relating to variable lease payments not dependent on an index or a rate | | 23 | 27 |
| Total Rental properties | | 84 | 83 |
| Other lease income | | | |
| Leaseback fees - council vehicles | | 123 | 108 |
| Total other lease income | | 123 | 108 |
| Total other income | C2-2 | 207 | 191 |
| Total other income | | 207 | 191 |

B3 Costs of providing services

B3-1 Employee benefits and on-costs

| \$ '000 | 2024 | 2023 |
|--|--------------|--------------|
| Salaries and wages | 6,172 | 5,734 |
| Employee leave entitlements (ELE) | 1,473 | 1,390 |
| Superannuation | 1,200 | 1,019 |
| Workers' compensation insurance | 193 | 175 |
| Fringe benefit tax (FBT) | 103 | 101 |
| Payroll tax | 378 | 365 |
| Training costs (other than salaries and wages) | 127 | 160 |
| Protective clothing | 64 | 84 |
| Recruitment costs | 60 | 28 |
| Other | 64 | 61 |
| Total employee costs | 9,834 | 9,117 |
| Less: capitalised costs | (1,331) | (1,039) |
| Total employee costs expensed | 8,503 | 8,078 |

Material accounting policy information

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

B3-2 Materials and services

| \$ '000 | Notes | 2024 | 2023 |
|---|-------|-----------------|-----------------|
| Advertising | | 41 | 17 |
| Audit Fees | E2-1 | 53 | 50 |
| Bank charges | | 14 | 7 |
| Cleaning | | 87 | 35 |
| Collection agencies | | 56 | 70 |
| Computer software charges | | 97 | 207 |
| Contractor costs | | 12,409 | 14,791 |
| Council land rates | | 96 | 94 |
| Councillor and Mayoral fees and associated expenses | E1-2 | 119 | 120 |
| Electricity and heating | | 3,408 | 2,655 |
| Insurance | | 336 | 271 |
| Other expenses | | 64 | 50 |
| Printing, postage and stationery | | 81 | 86 |
| Raw materials and consumables | | 8,662 | 8,072 |
| Subscriptions and publications | | 157 | 377 |
| Telephone and communications | | 179 | 244 |
| Legal expenses | | 187 | 79 |
| – Legal expenses: debt recovery | | 13 | 8 |
| Expenses from leases of low value assets | C2-1 | 79 | 70 |
| Purchase of water | | 134 | 128 |
| Total materials and services | | 26,272 | 27,431 |
| Less: capitalised costs | | (17,310) | (19,302) |
| Total materials and services | | 8,962 | 8,129 |

Material accounting policy information

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

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

| \$ '000 | 2024 | 2023 |
|---|--------------|--------------|
| Depreciation and amortisation | | |
| Plant and equipment | 1,183 | 993 |
| Office equipment | 16 | 286 |
| Furniture and fittings | 11 | 11 |
| Infrastructure: | | |
| – Buildings – non-specialised | 225 | 227 |
| – Water mains | 4,797 | 4,501 |
| – Reservoirs | 1,298 | 1,123 |
| – Pumping stations and bores | 1,066 | 516 |
| – Treatment plants | 826 | 546 |
| – Microwave Network | 54 | 68 |
| Total gross depreciation and amortisation costs | 9,476 | 8,271 |
| Total depreciation and amortisation costs | 9,476 | 8,271 |
| Total depreciation, amortisation and impairment for non-financial assets | 9,476 | 8,271 |

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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.

B3-4 Other expenses

| \$ '000 | 2024 | 2023 |
|--|------------|------------|
| Other | | |
| – Other contributions/levies | 25 | – |
| Donations, contributions and assistance to other organisations (Section 356) | 186 | 211 |
| Total other | 211 | 211 |
| Less: capitalised costs | (25) | – |
| Total other expenses | 186 | 211 |

Material accounting policy information

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

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

| \$ '000 | Notes | 2024 | 2023 |
|---|-------|-------------|------------|
| Gain (or loss) on disposal of property (excl. investment property) | | | |
| Less: carrying amount of building assets sold/written off | | (37) | – |
| Gain (or loss) on disposal | | (37) | – |
| Gain (or loss) on disposal of plant and equipment | | | |
| | C1-6 | | |
| Proceeds from disposal – plant and equipment | | 796 | 642 |
| Less: carrying amount of plant and equipment assets sold/written off | | (807) | (474) |
| Gain (or loss) on disposal | | (11) | 168 |
| Net gain (or loss) from disposal of assets | | (48) | 168 |

Material accounting policy information

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

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 22 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 | 6,759 | 6,216 | (543) | (8)% U |
| User charges and fees | 16,534 | 18,629 | 2,095 | 13% F |
| Water usage was higher than original budget due to increased demand following a return to normal weather conditions compared to last two previous years where weather conditions had unusually high rainfall and low average temperatures. | | | | |
| Other revenues | 243 | 111 | (132) | (54)% U |
| 2023/24 financial year actual is consistent with prior financial year and variance to budget is due to updating the classifications compared to original budget. | | | | |
| Capital grants and contributions | 1,672 | 11,899 | 10,227 | 612% F |
| Council received a Capital Grant for the West Wyalong Reliability Project which was not included in the original budget. Council also received a Developer Contribution of \$5.1m in the 2023/24 financial year which was also not included in the original budget. There was also a increased number of developer applications. | | | | |
| Interest and investment revenue | 928 | 1,577 | 649 | 70% F |
| Interest rates increased in 2023/24 resulting in a significant increase than budgeted for. | | | | |
| Other income | - | 207 | 207 | ∞ F |

B5-1 Material budget variations (continued)

| \$ '000 | 2024 Budget | 2024 Actual | 2024 ----- Variance ----- | |
|---|----------------|----------------|------------------------------|---------|
| Expenses | | | | |
| Employee benefits and on-costs | 8,405 | 8,503 | (98) | (1)% U |
| Materials and services | 8,969 | 8,962 | 7 | 0% F |
| Depreciation, amortisation and impairment of non-financial assets | 8,480 | 9,476 | (996) | (12)% U |
| Variance due to the water infrastructure revaluation being completed in the 2023/24 financial year resulting in higher than budgeted depreciation expenses. | | | | |
| Other expenses | 172 | 186 | (14) | (8)% U |
| Statement of cash flows | | | | |
| Cash flows from operating activities | 8,918 | 15,901 | 6,983 | 78% F |
| Revenue for 2023/24 was higher than originally budgeted for which resulted in higher cash flows from operating activities. | | | | |
| Cash flows from investing activities | (6,251) | (15,767) | (9,516) | 152% U |
| Less investments required redeeming during the year than originally budgeted for due to an increase in the operating activities cash flow. | | | | |

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

| \$ '000 | 2024 | 2023 |
|--|--------------|--------------|
| Cash assets | | |
| Cash at bank and on hand | 2,042 | 2,044 |
| Cash equivalent assets | | |
| – Deposits at call | 3,840 | 3,704 |
| Total cash and cash equivalents | 5,882 | 5,748 |

Reconciliation of cash and cash equivalents

| | | |
|---|--------------|--------------|
| Total cash and cash equivalents per Statement of Financial Position | 5,882 | 5,748 |
| Balance as per the Statement of Cash Flows | 5,882 | 5,748 |

Material accounting policy information

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

C1-2 Financial investments

| \$ '000 | 2024 Current | 2023 Current |
|--|-----------------|-----------------|
| Debt securities at amortised cost | | |
| Long term deposits | 25,500 | 27,500 |
| Total | 25,500 | 27,500 |
| Total financial investments | 25,500 | 27,500 |

Material accounting policy information

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

C1-2 Financial investments (continued)

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

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

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

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

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

| \$ '000 | 2024 | 2023 |
|--|---------------|--------|
| (a) Externally restricted cash, cash equivalents and investments | | |
| Total cash, cash equivalents and investments | 31,382 | 33,248 |
| Less: Externally restricted cash, cash equivalents and investments | — | (1) |
| Cash, cash equivalents and investments not subject to external restrictions | 31,382 | 33,247 |

| | | |
|------------|---|---|
| Water fund | — | 1 |
|------------|---|---|

| \$ '000 | 2024 | 2023 |
|--|---------------|----------|
| (b) Internal allocations | | |
| Cash, cash equivalents and investments not subject to external restrictions | 31,382 | 33,247 |
| Less: Internally restricted cash, cash equivalents and investments | (10,365) | (26,474) |
| Unrestricted and unallocated cash, cash equivalents and investments | 21,017 | 6,773 |

Internal allocations

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

| | | |
|------------------------------------|---------------|--------|
| Plant and vehicle replacement | 1,463 | 3,463 |
| Infrastructure replacement | 1,350 | 20,459 |
| Employees leave entitlement | 2,552 | 2,552 |
| Section 64 developer contributions | 5,000 | — |
| Total internal allocations | 10,365 | 26,474 |

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

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

| \$ '000 | 2024 | 2023 |
|--|---------------|-------|
| (c) Unrestricted and unallocated | | |
| Unrestricted and unallocated cash, cash equivalents and investments | 21,017 | 6,773 |

C1-4 Receivables

| \$ '000 | 2024 Current | 2023 Current |
|----------------------------------|-----------------|-----------------|
| Availability (access) charges | 2,149 | 276 |
| Interest and extra charges | 119 | 78 |
| User charges and fees | 5,496 | 4,085 |
| Accrued revenues | | |
| – Interest on investments | 543 | 93 |
| Deferred developer contributions | 1,050 | 309 |
| Government grants and subsidies | 84 | 161 |
| Net GST receivable | 328 | 178 |
| Other debtors | 719 | 28 |
| Total | 10,488 | 5,208 |
| Total net receivables | 10,488 | 5,208 |

Material accounting policy information

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

Impairment

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

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

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

When considering the ECL for rates and annual charges debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Council's provision for impairment of receivables at 30 June 2024 is \$nil (2023: \$nil)

C1-5 Inventories

| \$ '000 | 2024 Current | 2023 Current |
|----------------------------------|-----------------|-----------------|
| (i) Inventories at cost | | |
| Stores and materials | 1,144 | 979 |
| Total inventories at cost | 1,144 | 979 |
| Total inventories | 1,144 | 979 |

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

C1-6 Infrastructure, property, plant and equipment

| By aggregated asset class | At 1 July 2023 | | | Asset movements during the reporting period | | | | | | | At 30 June 2024 | | |
|--|--------------------------|---|---------------------------|---|-------------------------|-----------------------------------|-------------------------|---------------|------------------------------|---|--------------------------|---|---------------------------|
| | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount | Additions renewals ¹ | Additions new assets | Carrying value of disposals | Depreciation expense | WIP transfers | Adjustments and transfers | Revaluation increments / (decrements) to equity (ARR) | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount |
| \$ '000 | | | | | | | | | | | | | |
| Capital work in progress | 16,930 | – | 16,930 | 6,496 | 4,244 | – | – | (11,611) | (137) | – | 15,922 | – | 15,922 |
| Plant and equipment | 9,760 | (5,109) | 4,651 | – | 1,635 | (697) | (1,183) | – | (111) | – | 9,270 | (4,975) | 4,295 |
| Office equipment | 1,773 | (1,724) | 49 | – | 26 | – | (16) | – | (8) | – | 1,313 | (1,262) | 51 |
| Furniture and fittings | 110 | (84) | 26 | – | – | – | (11) | – | – | – | 107 | (92) | 15 |
| Land: | | | | | | | | | | | | | |
| – Operational land | 3,751 | – | 3,751 | – | – | – | – | – | 167 | 800 | 4,718 | – | 4,718 |
| Infrastructure: | | | | | | | | | | | | | |
| – Buildings – non-specialised | 7,821 | (2,893) | 4,928 | – | 12 | (36) | (225) | – | – | 2,148 | 10,192 | (3,365) | 6,827 |
| – Water mains | 381,213 | (192,459) | 188,754 | 3,587 | 900 | – | (4,797) | 6,297 | (3,926) | 34,174 | 393,174 | (168,185) | 224,989 |
| – Reservoirs | 95,753 | (43,190) | 52,563 | 86 | 404 | – | (1,298) | 4,076 | 740 | 8,768 | 117,889 | (52,549) | 65,340 |
| – Pumping stations and bores | 38,824 | (17,519) | 21,305 | 734 | 491 | – | (1,066) | 1,017 | 1,181 | (1,423) | 37,031 | (14,792) | 22,239 |
| – Treatment plants | 45,591 | (20,071) | 25,520 | 27 | 62 | – | (826) | 73 | 478 | 1,193 | 45,675 | (19,148) | 26,527 |
| – Microwave Network | 1,282 | (108) | 1,174 | – | – | – | (54) | 148 | 1 | 104 | 1,461 | (88) | 1,373 |
| Total infrastructure, property, plant and equipment | 602,808 | (283,157) | 319,651 | 10,930 | 7,774 | (733) | (9,476) | – | (1,615) | 45,764 | 636,752 | (264,456) | 372,296 |

(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 | Carrying value of disposals | Depreciation expense | WIP transfers | Revaluation increments / (decrements) to equity (ARR) | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount |
| \$ '000 | | | | | | | | | | | | |
| Capital work in progress | 12,783 | – | 12,783 | 7,476 | 7,878 | – | – | (11,192) | (15) | 16,930 | – | 16,930 |
| Plant and equipment | 9,419 | (4,525) | 4,894 | – | 1,222 | (474) | (993) | – | – | 9,760 | (5,109) | 4,651 |
| Office equipment | 1,764 | (1,438) | 326 | – | 9 | – | (286) | – | – | 1,773 | (1,724) | 49 |
| Furniture and fittings | 110 | (73) | 37 | – | – | – | (11) | – | – | 110 | (84) | 26 |
| Land: | | | | | | | | | | | | |
| – Operational land | 3,751 | – | 3,751 | – | – | – | – | – | – | 3,751 | – | 3,751 |
| Infrastructure: | | | | | | | | | | | | |
| – Buildings – non-specialised | 7,821 | (2,666) | 5,155 | – | – | – | (227) | – | – | 7,821 | (2,893) | 4,928 |
| – Water supply network | 353,962 | (178,139) | 175,823 | 1,070 | 209 | – | (4,501) | 1,915 | 14,238 | 381,213 | (192,459) | 188,754 |
| – Reservoirs | 88,719 | (39,667) | 49,052 | 414 | – | – | (1,123) | 477 | 3,744 | 95,753 | (43,190) | 52,563 |
| – Pumping stations and bores | 31,645 | (15,873) | 15,772 | 1,768 | 142 | – | (516) | 4,635 | (496) | 38,824 | (17,519) | 21,305 |
| – Treatment plants | 39,487 | (19,320) | 20,167 | 43 | 48 | – | (546) | 4,165 | 1,643 | 45,591 | (20,071) | 25,520 |
| – Microwave Network | 1,190 | (4) | 1,186 | – | – | – | (68) | – | 56 | 1,282 | (108) | 1,174 |
| Total infrastructure, property, plant and equipment | 550,651 | (261,705) | 288,946 | 10,771 | 9,508 | (474) | (8,271) | – | 19,170 | 602,808 | (283,157) | 319,651 |

(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

Initial recognition of infrastructure, property, plant and equipment (IPPE)

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

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

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

Useful lives of IPPE

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

| Plant and equipment | Years | Buildings | Years |
|----------------------------|--------------|--------------------|--------------|
| Office equipment | 5 to 10 | Buildings: masonry | 50 to 60 |
| Office furniture | 10 | Buildings: other | 25 to 40 |
| Computer equipment | 5 | | |
| Vehicles | 6.25 | | |
| Heavy plant | 8 to 20 | | |
| Other plant and equipment | 5 to 15 | | |

Water assets

| | |
|---------------------------|----------|
| Reservoirs | 40 to 90 |
| Bores | 30 to 80 |
| Reticulation pipes: PVC | 50 to 80 |
| Reticulation pipes: other | 50 to 90 |
| Pumps and telemetry | 10 to 40 |

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 5 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning, industry and Environment - Water.

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

Found Assets

The revaluation process typically finds assets that have not been previously recognised. These assets are recognised in accordance with the revaluation model and disclosed as current year adjustments. Accumulated surplus is increased and is disclosed as an other reserve movement. For 2023/24 the fair value of found assets was \$2.7m.

C2 Leasing activities

C2-1 Council as a lessee

Income Statement

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

| \$ '000 | 2024 | 2023 |
|---|-----------|-----------|
| Expenses relating to leases of low-value assets | 79 | 70 |
| | 79 | 70 |

Material accounting policy information

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

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.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

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. All of Council's leases have been assessed as being eligible for either the short-term lease or low-value asset exceptions.

C2-2 Council as a lessor

Operating leases

Council leases out a number of residential properties to staff as well as access to Council owned sites to other utilities and leaseback vehicles to staff; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E in the Statement of Financial Position.

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

| \$ '000 | 2024 | 2023 |
|--|------------|------------|
| (i) Assets held as rental property | | |
| Lease income (excluding variable lease payments not dependent on an index or rate) | 61 | 56 |
| Lease income relating to variable lease payments not dependent on an index or a rate | 23 | 27 |
| Total income relating to operating leases for rental property assets | 84 | 83 |
| (ii) Assets held as property, plant and equipment | | |
| Lease income (excluding variable lease payments not dependent on an index or rate) | 123 | 108 |
| Total income relating to operating leases for Council assets | 123 | 108 |

C2-2 Council as a lessor (continued)

Material accounting policy information

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

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term.

C3 Liabilities of Council

C3-1 Payables

| \$ '000 | 2024 | | 2023 | |
|--|--------------|-------------|--------------|-------------|
| | Current | Non-current | Current | Non-current |
| Goods and services – operating expenditure | 827 | – | 39 | – |
| Prepaid rates and charges | 572 | – | 563 | – |
| Accrued expenses: | | | | |
| - Salaries and wages | 155 | – | 162 | – |
| - Employee benefits on-costs | – | – | 283 | 12 |
| - Other expenditure accruals | 642 | – | 465 | – |
| Other | 333 | – | 91 | – |
| Total payables | 2,529 | – | 1,603 | 12 |

Material accounting policy information

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

The financial liabilities of the Council comprise trade payables.

Payables

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

C3-2 Borrowings

Financing arrangements

| \$ '000 | 2024 | 2023 |
|--|--------------|------------|
| Total facilities | | |
| Total financing facilities available to Council at the reporting date are: | | |
| Bank overdraft facilities ¹ | 500 | 500 |
| Credit cards/purchase cards | 100 | 100 |
| Total financing arrangements | 600 | 600 |
| Drawn facilities | | |
| Financing facilities drawn down at the reporting date are: | | |
| Undrawn facilities | | |
| Undrawn financing facilities available to Council at the reporting date are: | | |
| – Bank overdraft facilities | 1,000 | 500 |
| – Credit cards/purchase cards | 98 | 94 |
| Total undrawn financing arrangements | 1,098 | 594 |

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

Material accounting policy information

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

C3-3 Employee benefit provisions

| \$ '000 | 2024 | 2024 | 2023 | 2023 |
|--|--------------|-------------|--------------|-------------|
| | Current | Non-current | Current | Non-current |
| Annual leave | 838 | – | 698 | – |
| Sick leave | 7 | – | – | – |
| Long service leave | 2,169 | 163 | 1,917 | 138 |
| Accrued leave | 62 | – | 42 | – |
| Total employee benefit provisions | 3,076 | 163 | 2,657 | 138 |

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

| \$ '000 | 2024 | 2023 |
|--|------------|--------------|
| The following provisions, even though classified as current, are not expected to be settled in the next 12 months. | | |
| Provisions – employees benefits | 222 | 1,587 |
| | 222 | 1,587 |

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods. These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

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.

Accumulated surplus

Other reserve movements in the Statement of Changes in Equity include the realisation of found assets (\$2.7m) and derecognition of duplicate assets (\$4.15m) discovered during the revaluation process and posted directly to accumulated surplus / IPPE revaluation reserve.

D Risks and accounting uncertainties

D1-1 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.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

| \$ '000 | Carrying value 2024 | Carrying value 2023 | Fair value 2024 | Fair value 2023 |
|-------------------------------------|------------------------|------------------------|--------------------|--------------------|
| Financial assets | | | | |
| Measured at amortised cost | | | | |
| Cash and cash equivalents | 5,882 | 5,748 | 5,882 | 5,758 |
| Receivables | 10,488 | 5,208 | 10,488 | 5,208 |
| Investments | | | | |
| – Debt securities at amortised cost | 25,500 | 27,500 | 25,500 | 27,500 |
| Total financial assets | 41,870 | 38,456 | 41,870 | 38,466 |
| Financial liabilities | | | | |
| Payables | 2,529 | 1,615 | 2,529 | 1,615 |
| Total financial liabilities | 2,529 | 1,615 | 2,529 | 1,615 |

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value
- **Debt securities at amortised cost** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.

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 its staff and an investment report is tabled at each Council meeting 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.

D1-1 Risks relating to financial instruments held (continued)

(a) Market risk – interest rate and price risk

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

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

Impact of a 1% movement in interest rates

| | | |
|-----------------------------|-----|-----|
| – Equity / Income Statement | 310 | 320 |
|-----------------------------|-----|-----|

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

| \$ '000 | overdue rates and annual charges | | | Total |
|-----------------------|----------------------------------|-----------|-----------|-------|
| | Not yet due | < 5 years | ≥ 5 years | |
| 2024 | | | | |
| Gross carrying amount | 1,349 | 773 | 27 | 2,149 |
| 2023 | | | | |
| Gross carrying amount | – | 256 | 20 | 276 |

Receivables - non-rates and annual charges and contract assets

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

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

| \$ '000 | Not yet overdue | Overdue debts | | | | Total |
|------------------------|-----------------|---------------|--------------|--------------|-----------|-------|
| | | 0 - 30 days | 31 - 60 days | 61 - 90 days | > 91 days | |
| 2024 | | | | | | |
| Gross carrying amount | 5,443 | 174 | 603 | 132 | 1,987 | 8,339 |
| Expected loss rate (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ECL provision | – | – | – | – | – | – |
| 2023 | | | | | | |
| Gross carrying amount | – | 4,692 | 23 | 10 | 207 | 4,932 |
| Expected loss rate (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ECL provision | – | – | – | – | – | – |

D1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk – 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 maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

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 and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

| \$ '000 | Weighted average interest rate | Subject to no maturity | payable in: ≤ 1 Year | 1 - 5 Years | > 5 Years | Total cash outflows | Actual carrying values |
|------------------------------------|---|------------------------------|-------------------------|----------------|-----------|------------------------|------------------------------|
| 2024 | | | | | | | |
| Payables | 0.00% | – | 2,529 | – | – | 2,529 | 2,529 |
| Total financial liabilities | | – | 2,529 | – | – | 2,529 | 2,529 |
| 2023 | | | | | | | |
| Payables | 0.00% | – | 1,615 | – | – | 1,615 | 1,615 |
| Total financial liabilities | | – | 1,615 | – | – | 1,615 | 1,615 |

D2-1 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.

| | | Fair value measurement hierarchy | | | | | | | |
|--|-------|----------------------------------|----------|---------------------------------------|--------------|---|----------------|----------------|----------------|
| \$ '000 | Notes | Date of latest valuation | | Level 2 Significant observable inputs | | Level 3 Significant unobservable inputs | | Total | |
| | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Recurring fair value measurements | | | | | | | | | |
| Infrastructure, property, plant and equipment | | | | | | | | | |
| | C1-6 | | | | | | | | |
| Plant and Equipment | | 30/06/24 | 30/06/23 | – | – | 4,295 | 4,651 | 4,295 | 4,651 |
| Office Equipment | | 30/06/24 | 30/06/23 | – | – | 51 | 49 | 51 | 49 |
| Furniture and Fittings | | 30/06/24 | 30/06/23 | – | – | 15 | 26 | 15 | 26 |
| Operational Land | | 30/06/24 | 30/06/18 | 4,718 | 3,751 | – | – | 4,718 | 3,751 |
| Buildings – Non Specialised | | 30/06/24 | 30/06/18 | 6,827 | 4,928 | – | – | 6,827 | 4,928 |
| Water Mains | | 30/06/24 | 30/06/22 | – | – | 224,989 | 188,754 | 224,989 | 188,754 |
| Reservoirs | | 30/06/24 | 30/06/22 | – | – | 65,340 | 52,563 | 65,340 | 52,563 |
| Pumping Stations and Bores | | 30/06/24 | 30/06/22 | – | – | 22,239 | 21,305 | 22,239 | 21,305 |
| Treatment Plants | | 30/06/24 | 30/06/22 | – | – | 26,527 | 25,520 | 26,527 | 25,520 |
| Microwave Network | | 30/06/24 | 30/06/22 | – | – | 1,373 | 1,174 | 1,373 | 1,174 |
| Total infrastructure, property, plant and equipment | | | | 11,545 | 8,679 | 344,829 | 294,042 | 356,374 | 302,721 |

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant and Equipment, Office Equipment and Furniture and Fittings

Plant and Equipment, Office Equipment and Furniture and Fittings are valued at depreciated historical cost.

The carrying amount of these assets approximates fair value due to the nature of the items. Council values Plant and Equipment, Office Equipment and Furniture and Fittings using unobservable level 3 inputs including gross historical cost, estimated useful life of the asset and residual value.

Land - Operational

This asset class comprises of all of Council's land classified as Operational Land under the *NSW Local Government Act 1993*. Land was revalued as at 30 June 2024 by Marsh Pty Ltd.

Fair value is based on sales of land in the locality and principles of the direct comparison method for individual parcels. Where there is a lack of comparable sales, closest comparable sales of properties with similar characteristics is used.

D2-1 Fair value measurement (continued)

Direct comparison method is considered a level 2 input, involves the analysis of sales evidence and comparisons of the subject land, taking into account matters such as area, location and other general site characteristics. The valuation techniques used maximise the use of observable data where it is available.

Buildings - Non Specialised

Buildings were valued at 30 June 2024 by Marsh Pty Ltd.

Fair value is determined using a sales based market value approach. A market approach is based on available sales evidence using either the direct comparison, summation or income approaches. Where a market value approach is not suitable, an alternative replacement cost approach is used. The cost approach may not be suitable for assets of a specialised nature where there is a lack of market evidence.

Market approach valuation is deemed to be a level 2 input. The valuation techniques used maximise the use of observable data where it is available.

Water Infrastructure

This comprises of water mains, reservoirs, bores, pumping stations and treatment plants.

These asset classes were revalued as at 30 June 2024 by Engineering staff at Council utilising the cost approach in conjunction with the NSW Water Supply & Sewerage Construction Cost Index from the NSW Reference Rates Manual. This method is based on determining the replacement cost of the modern equivalent and then adjusting for the level of consumed future economic benefit and impairment to arrive at the current replacement cost.

Replacement costs are based on the use of relevant unit rates based on component design, specification and material used, further adjusted for any location, geographical or other adjustments. All assets are split into the components used for asset management planning purposes.

Physical inspections were undertaken during 2023/24 on above ground infrastructure to confirm condition. Some assets such as underground pipes are not able to be inspected due to their nature. For these assets, reliance is placed on asset management and GIS system data based from day-to-day operations to manage these assets.

This approach is deemed to be a level 3 input due to the use of data that is unobservable in the market.

Fair value measurements using significant unobservable inputs (level 3)

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

| \$ '000 | 2024 | 2023 |
|--|----------------|---------|
| Balance at 1 July | 294,042 | 267,257 |
| Total gains or losses for the period | | |
| Recognised in other comprehensive income – revaluation surplus | 42,816 | 19,170 |
| Other movements | | |
| Purchases (GBV) | 19,564 | 16,360 |
| Disposals (WDV) | (697) | (474) |
| Depreciation and impairment | (9,251) | (8,271) |
| Adjustments and transfers | (1,645) | – |
| Balance at 30 June | 344,829 | 294,042 |

Highest and best use

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

D3-1 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 formula and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

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

Description of the funding arrangements.

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

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

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

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

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

The adequacy of contributions is assessed at each triennial actuarial investigation, the next of which is due effective 30 June 2024, 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.

D3-1 Contingencies (continued)

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 ended 30 June 2024 was \$46,584. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$29,180.

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

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

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of 0.22% as at 30 June 2024.

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

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

| | |
|--------------------|---|
| Investment return | 6.00% per annum |
| Salary inflation * | 3.5% per annum |
| Increase in CPI | 3.5% for FY 23/24 and 2.5% per annum thereafter |

* Plus promotional increases

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

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.

D3-1 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.

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. The aggregate amount of KMP compensation included in the Income Statement is:

| \$ '000 | 2024 | 2023 |
|--------------------------|--------------|--------------|
| Compensation: | | |
| Short-term benefits | 1,180 | 953 |
| Post-employment benefits | 160 | 129 |
| Other long-term benefits | 35 | 23 |
| Total | 1,375 | 1,105 |

Other transactions with KMP and their related parties

| Nature of the transaction | Ref | Transactions during the year | Outstanding balances including commitments | Terms and conditions | Impairment provision on outstanding balances | Impairment expense |
|------------------------------------|-----|---------------------------------|---|----------------------|---|-----------------------|
| \$ '000 | | | | | | |
| 2024 | | | | | | |
| Rental of Council Owned Properties | 1 | 16 | - | | - | - |
| 2023 | | | | | | |
| Rental of Council Owned Properties | 1 | 11 | - | | - | - |

1 Council owned properties rented to KMP.

E1-2 Councillor and Mayoral fees and associated expenses

| \$ '000 | 2024 | 2023 |
|--|------------|------------|
| The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are: | | |
| Members expenses – chairperson’s fee | 17 | 17 |
| Members expenses – members fees | 85 | 82 |
| Members expenses (incl. chairperson) – other (excluding fees above) | 17 | 21 |
| Total | 119 | 120 |

E2 Other relationships

E2-1 Audit fees

| \$ '000 | 2024 | 2023 |
|--|-----------|-----------|
| During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms | | |
| Auditors of the Council - NSW Auditor-General: | | |
| (i) Audit and other assurance services | | |
| Audit and review of financial statements | 35 | 17 |
| Remuneration for audit and other assurance services | 35 | 17 |
| Total Auditor-General remuneration | 35 | 17 |
| Non NSW Auditor-General audit firms | | |
| (i) Audit and other assurance services | | |
| Internal Audit costs | 18 | 33 |
| Remuneration for audit and other assurance services | 18 | 33 |
| Total remuneration of non NSW Auditor-General audit firms | 18 | 33 |
| Total audit fees | 53 | 50 |

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of Operating Result

| \$ '000 | 2024 | 2023 |
|---|---------------|--------------|
| Net operating result from Income Statement | 11,464 | 2,215 |
| Add/(less) for non-cash items: | | |
| Depreciation and amortisation | 9,476 | 8,271 |
| (Gain) / loss on disposal of assets | 48 | (168) |
| Non-cash capital grants and contributions | (91) | – |
| Change in assets and liabilities: | | |
| Movements in operating assets and liabilities | | |
| (Increase) / decrease of receivables | (5,280) | 132 |
| (Increase) / decrease of inventories | (165) | (205) |
| (Increase) / decrease of other current assets | (909) | – |
| Increase / (decrease) in payables | 788 | 39 |
| Increase / (decrease) in other accrued expenses payable | 170 | (570) |
| Increase / (decrease) in other liabilities | (44) | 5 |
| Increase / (decrease) in employee benefit provision | 444 | 84 |
| Increase / (decrease) in income received in advance | – | (1,125) |
| Net cash flows from operating activities | 15,901 | 8,678 |

F2-1 Commitments

Capital commitments (exclusive of GST)

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

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

Property, plant and equipment

| | | |
|--------------------------|--------------|--------------|
| Water infrastructure | 8,463 | 3,705 |
| Total commitments | 8,463 | 3,705 |

These expenditures are payable as follows:

| | | |
|----------------------|--------------|--------------|
| Within the next year | 8,463 | 3,705 |
| Total payable | 8,463 | 3,705 |

Sources for funding of capital commitments:

| | | |
|---------------------------------|--------------|--------------|
| Unrestricted general funds | 8,463 | 3,705 |
| Total sources of funding | 8,463 | 3,705 |

Details of capital commitments

Construction of Awning at Temora Workshop - \$58k
 Jugiong High Voltage Project - \$692k
 Kingsvale to Young Pipeline Upgrade - \$63k
 Marinna Pump Station Renewal - \$66k
 Matong WPS - \$49k
 Microwave Link Sites - \$50k
 Minor Pipeline Works - \$27k
 Minor Reservoir Repairs - \$22k
 Oura Pump Station and Dosing Room - \$1,889k
 Oura Reservoir and Aerator - \$5,308k
 Pump Station Switch Board Orders - \$109k
 Thanowring Road - \$95k
 West Wyalong Standpipe Reservoir - \$12k
 Other Minor Works - \$23k

F3-1 Events occurring after the reporting date

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

F4 Statement of performance measures

F4-1 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} | (387) | (1.45)% | (11.78)% | (9.83)% | > 0.00% |
| Total continuing operating revenue excluding capital grants and contributions ¹ | 26,740 | | | | |
| 2. Own source operating revenue ratio | | | | | |
| Total continuing operating revenue excluding all grants and contributions ¹ | 26,740 | 69.20% | 82.61% | 93.13% | > 60.00% |
| Total continuing operating revenue ¹ | 38,639 | | | | |
| 3. Unrestricted current ratio | | | | | |
| Current assets less all external restrictions | 32,291 | 6.00x | 14.75x | 10.58x | > 1.50x |
| Current liabilities less specific purpose liabilities | 5,383 | | | | |
| 4. Debt service cover ratio | | | | | |
| Operating result before capital excluding interest and depreciation/impairment/amortisation ¹ | 9,089 | ∞ | ∞ | ∞ | > 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 | 2,268 | 34.07% | 4.62% | 21.86% | < 10.00% |
| Rates and annual charges collectable | 6,657 | | | | |
| 6. Cash expense cover ratio | | | | | |
| Current year's cash and cash equivalents plus all term deposits | 31,382 | 21.67 months | 23.55 months | 28.23 months | > 3.00 months |
| Monthly payments from cash flow of operating and financing activities | 1,448 | | | | |

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

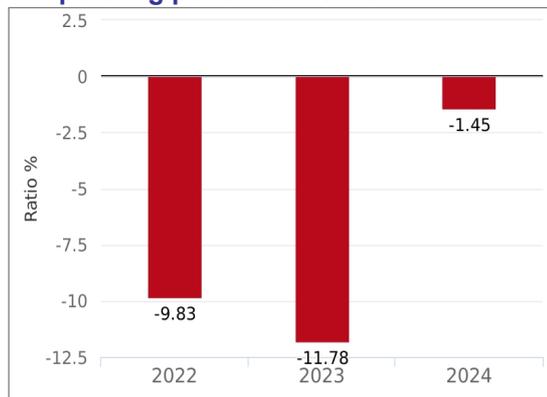
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

End of the audited financial statements

G Additional Council disclosures (unaudited)

G1-1 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 (1.45)%

Council is marginally below an acceptable level in meeting the Operating Performance ratio of greater than 0% with an indicator of -1.45% for the 2023/24 financial year.

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 69.20%

Council meets this indicator above the benchmark of meeting operating expenses with own source revenue with the exclusion of grant funding.

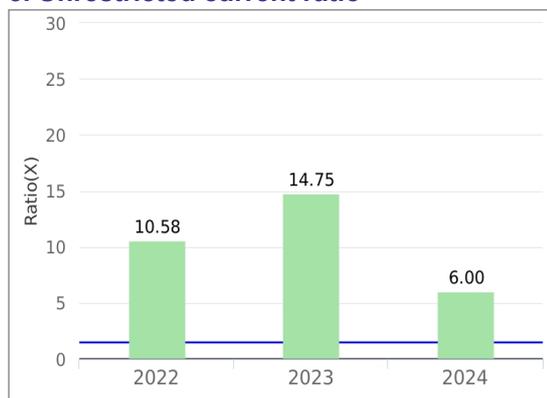
Benchmark: — > 60.00%

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 6.00x

Council is above the acceptable performance indicator of greater than 1.5 times with a result of 6 times.

Benchmark: — > 1.50x

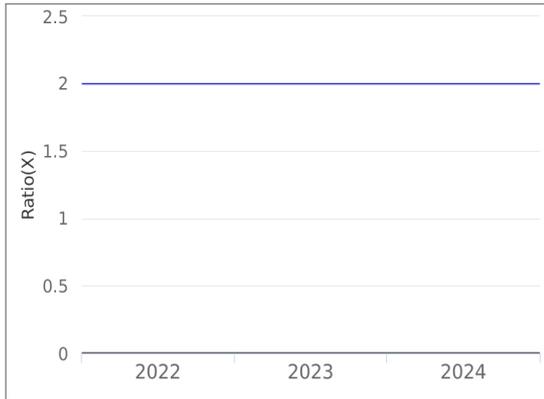
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

G1-1 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 ∞

This is not applicable to Council as there are no loans.

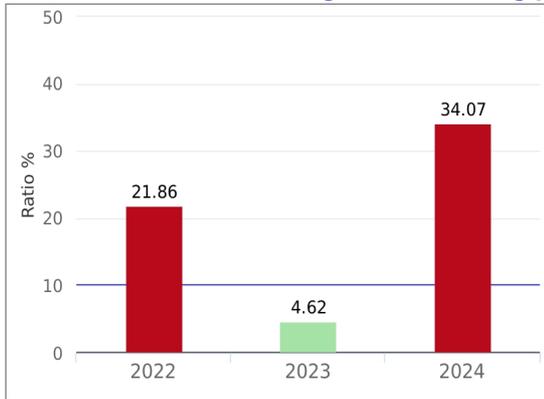
Benchmark: — > 2.00x

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 34.07%

Council's outstanding debt is below an acceptable range.

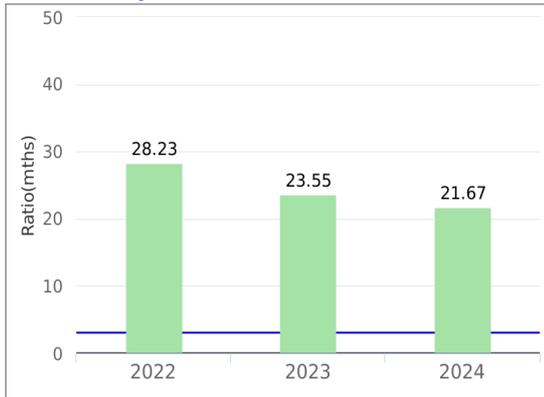
Benchmark: — < 10.00%

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 21.67 months

Council is well within this benchmark. This performance measure indicates the number of months that Council can pay expenses and is set at 3 months. Council currently would be able to meet payment of expenses for 21.67 months.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Goldenfields Water County Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

Goldenfields Water County Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

Goldenfields Water County Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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).

Goldenfields Water County Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- Sections 3 and 4 of the NSW Department of Planning and Environment, Water's Regulatory and assurance framework for local water utilities.

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

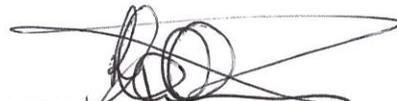
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

Signed in accordance with a resolution of Council made on 5 September 2024.



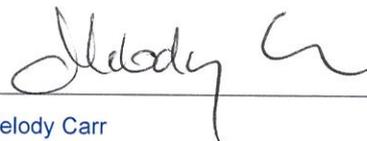
Clr Matthew Stadtmiller
Chairperson
05 September 2024



Clr Robert Callow
Deputy Chairperson
05 September 2024



Aaron Drenovski
General Manager
05 September 2024



Melody Carr
Responsible Accounting Officer
05 September 2024

Goldenfields Water County Council

Income Statement of water supply business activity

for the year ended 30 June 2024

| \$ '000 | 2024 | 2023 |
|--|----------------|----------------|
| Income from continuing operations | | |
| Access charges | 6,216 | 6,041 |
| User charges | 18,629 | 14,980 |
| Fees | 111 | 61 |
| Interest and investment income | 1,577 | 814 |
| Net gain from the disposal of assets | – | 168 |
| Other income | 207 | 191 |
| Total income from continuing operations | 26,740 | 22,255 |
| Expenses from continuing operations | | |
| Employee benefits and on-costs | 8,503 | 8,078 |
| Materials and services | 8,828 | 8,001 |
| Depreciation, amortisation and impairment | 9,476 | 8,271 |
| Water purchase charges | 134 | 128 |
| Other expenses | 186 | 211 |
| Net loss from the disposal of assets | 48 | – |
| Total expenses from continuing operations | 27,175 | 24,689 |
| Surplus (deficit) from continuing operations before capital amounts | (435) | (2,434) |
| Grants and contributions provided for capital purposes | 11,899 | 4,649 |
| Surplus (deficit) from continuing operations after capital amounts | 11,464 | 2,215 |
| Surplus (deficit) from all operations before tax | 11,464 | 2,215 |
| Surplus (deficit) after tax | 11,464 | 2,215 |
| Plus accumulated surplus | 97,081 | 94,866 |
| Plus: other reserves movements | 2,701 | – |
| Plus adjustments for amounts unpaid: | | |
| Closing accumulated surplus | 111,246 | 97,081 |
| Return on capital % | (0.1)% | (0.8)% |
| Subsidy from Council | 16,444 | 15,284 |
| Calculation of dividend payable: | | |
| Surplus (deficit) after tax | 11,464 | 2,215 |
| Less: capital grants and contributions (excluding developer contributions) | (11,899) | (4,649) |
| Surplus for dividend calculation purposes | – | – |
| Potential dividend calculated from surplus | – | – |

Goldenfields Water County Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

| \$ '000 | 2024 | 2023 |
|---|----------------|----------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 5,882 | 5,748 |
| Investments | 25,500 | 27,500 |
| Receivables | 10,488 | 5,208 |
| Inventories | 1,144 | 979 |
| Prepayments | 909 | – |
| Total current assets | 43,923 | 39,435 |
| Non-current assets | | |
| Infrastructure, property, plant and equipment | 372,296 | 319,651 |
| Total non-current assets | 372,296 | 319,651 |
| Total assets | 416,219 | 359,086 |
| LIABILITIES | | |
| Current liabilities | | |
| Payables | 2,529 | 1,603 |
| Employee benefit provisions | 3,076 | 2,657 |
| Total current liabilities | 5,605 | 4,260 |
| Non-current liabilities | | |
| Payables | – | 12 |
| Employee benefit provisions | 163 | 138 |
| Total non-current liabilities | 163 | 150 |
| Total liabilities | 5,768 | 4,410 |
| Net assets | 410,451 | 354,676 |
| EQUITY | | |
| Accumulated surplus | 111,246 | 97,081 |
| Revaluation reserves | 299,205 | 257,595 |
| Total equity | 410,451 | 354,676 |

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 2022 (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)

Goldenfields Water County Council (whole of Council operation)

Water supply within the Local Government areas of Bland, Coolamon, Junee, Temora and parts of Cootamundra-Gundagai, Hilltops and Narrandera. Bulk water is supplied to Hilltops and Cootamundra-Gundagai Councils.

Taxation equivalent charges

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

Notional rate applied (%)

Corporate income tax rate – **25%** (LY: 25%)

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

Note – Material accounting policy information (continued)

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% (LY: 25%).

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

Accordingly, there is no need for disclosure of internal charges in the SPFS.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.30% at 30/6/2024.

(iii) Dividends

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

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

Each dividend must be calculated and approved in accordance with Section 4 of the Department of Planning and Environment - Water’s regulatory and assurance framework.

- 50% of this surplus in any one year, or
- the number of water supply assessments at 30/06/2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with Section 4 of the Department of Planning and Environment - Water’s regulatory and assurance framework, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to DPIE - Water.

Goldenfields Water County Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Goldenfields Water County Council

SPECIAL SCHEDULES
for the year ended 30 June 2024

To be innovative leaders in the supply and distribution of water through regional efficiency, technical excellence and customer service.



Goldenfields Water County Council

Special Schedules

for the year ended 30 June 2024

Contents

Page

Special Schedules:

Report on infrastructure assets as at 30 June 2024

3

Goldenfields Water County Council

Report on infrastructure assets as at 30 June 2024

| Asset Class | Asset Category | Estimated cost | | 2023/24 Required maintenance ^a | 2023/24 Actual maintenance | Net carrying amount | Gross replacement cost (GRC) | Assets in condition as a percentage of gross replacement cost | | | | |
|---------------------------------|--------------------------|--|---|---|----------------------------------|------------------------|------------------------------------|--|--------------|--------------|--------------|-------------|
| | | Estimated cost to bring assets to satisfactory standard | to bring to the agreed level of service set by Council | | | | | 1 | 2 | 3 | 4 | 5 |
| | | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | | | | | |
| Buildings | Council Office | – | – | 175 | 112 | 2,325 | 2,876 | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% |
| | Council Works Depots | – | – | 109 | 88 | 2,492 | 3,313 | 2.9% | 86.4% | 8.3% | 2.4% | 0.0% |
| | Council Houses | – | – | 26 | 29 | 2,010 | 4,003 | 19.7% | 0.0% | 62.9% | 17.4% | 0.0% |
| | Sub-total | – | – | 310 | 229 | 6,827 | 10,192 | 8.7% | 56.3% | 27.4% | 7.6% | 0.0% |
| Water supply network | Mains | 24,233 | 38,047 | 2,381 | 2,225 | 224,989 | 393,174 | 25.6% | 34.7% | 19.9% | 12.8% | 7.0% |
| | Pumping Stations & Bores | 2,993 | 3,968 | 2,430 | 3,333 | 22,239 | 37,031 | 37.7% | 22.1% | 17.6% | 12.9% | 9.7% |
| | Reservoirs | 2,510 | 10,254 | 689 | 478 | 65,340 | 117,889 | 8.4% | 46.1% | 28.7% | 16.1% | 0.8% |
| | Treatment | 1,641 | 5,593 | 2,548 | 2,284 | 26,527 | 45,675 | 16.5% | 14.8% | 61.1% | 2.9% | 4.7% |
| | Microwave Network | – | – | 119 | 195 | 1,373 | 1,461 | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Sub-total | 31,377 | 57,862 | 8,167 | 8,515 | 340,468 | 595,230 | 22.4% | 34.6% | 24.6% | 12.7% | 5.7% | |
| Total – all assets | | 31,377 | 57,862 | 8,477 | 8,744 | 347,295 | 605,422 | 22.2% | 34.9% | 24.6% | 12.6% | 5.7% |

(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 |

Goldenfields Water County Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

| \$ '000 | Amounts 2024 | Indicator 2024 | Indicators | | Benchmark |
|--|-----------------|-------------------|------------|---------|-----------|
| | | | 2023 | 2022 | |
| Buildings and infrastructure renewals ratio | | | | | |
| Asset renewals ¹ | 10,930 | 132.23% | 297.61% | 309.51% | > 100.00% |
| Depreciation, amortisation and impairment | 8,266 | | | | |
| Infrastructure backlog ratio | | | | | |
| Estimated cost to bring assets to a satisfactory standard | 31,377 | 9.03% | 22.02% | 34.78% | < 2.00% |
| Net carrying amount of infrastructure assets | 347,295 | | | | |
| Asset maintenance ratio | | | | | |
| Actual asset maintenance | 8,744 | 103.15% | 109.92% | 92.08% | > 100.00% |
| Required asset maintenance | 8,477 | | | | |
| Cost to bring assets to agreed service level | | | | | |
| Estimated cost to bring assets to an agreed service level set by Council | 57,862 | 9.56% | 12.01% | 14.58% | |
| Gross replacement cost | 605,422 | | | | |

(*) 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.