

Blayney Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024



Blayney Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Blayney Shire 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])	83
On the Financial Statements (Sect 417 [3])	86

Overview

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

91 Adelaide Street
Blayney NSW 2799

Council's guiding principles are detailed in Chapter 3 of the Local Government Act 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.blayney.nsw.gov.au.

Blayney Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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 27 August 2024.



Cr. S.J. Ferguson

Mayor

27 August 2024



Cr. D. Somerville

Deputy Mayor

27 August 2024



M. Dicker

General Manager

27 August 2024



T. Irlam

Responsible Accounting Officer

27 August 2024

Blayney Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		13,874	11,599
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	17,891	34,023
Other comprehensive income – joint ventures and associates		2,477	4,545
Total items which will not be reclassified subsequently to the operating result		20,368	38,568
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Other movements		10	55
Total items which will be reclassified subsequently to the operating result when specific conditions are met		10	55
Total other comprehensive income for the year		20,378	38,623
Total comprehensive income for the year attributable to Council		34,252	50,222

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

Blayney Shire Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	8,042	5,771
Investments	C1-2	25,000	23,500
Receivables	C1-4	1,675	1,026
Inventories	C1-5	1,409	1,350
Contract assets and contract cost assets	C1-6	1,673	3,755
Other		64	73
Total current assets		37,863	35,475
Non-current assets			
Infrastructure, property, plant and equipment (IPPE)	C1-7	404,006	379,271
Intangible assets	C1-8	35	62
Right of use assets	C2-1	32	42
Investments accounted for using the equity method	D2-3	37,923	35,050
Total non-current assets		441,996	414,425
Total assets		479,859	449,900
LIABILITIES			
Current liabilities			
Payables	C3-1	2,289	2,051
Contract liabilities	C3-2	5,224	5,212
Lease liabilities	C2-1	8	10
Borrowings	C3-3	466	597
Employee benefit provisions	C3-4	2,079	2,165
Provisions	C3-5	371	70
Total current liabilities		10,437	10,105
Non-current liabilities			
Payables	C3-1	1	1
Contract liabilities	C3-2	–	3,924
Lease liabilities	C2-1	25	33
Borrowings	C3-3	4,910	5,376
Employee benefit provisions	C3-4	70	53
Provisions	C3-5	1,091	1,335
Total non-current liabilities		6,097	10,722
Total liabilities		16,534	20,827
Net assets		463,325	429,073
EQUITY			
Accumulated surplus	C4-1	201,017	184,666
IPPE revaluation reserve	C4-1	262,243	244,352
Other reserves	C4-1	65	55
Council equity interest		463,325	429,073
Total equity		463,325	429,073

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

Blayney Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024				2023			
		Accumulated surplus	IPPE revaluation reserve	Other reserves	Total equity	Accumulated surplus	IPPE revaluation reserve	Other reserves	Total equity
Opening balance at 1 July		184,666	244,352	55	429,073	168,522	210,329	–	378,851
Opening balance		184,666	244,352	55	429,073	168,522	210,329	–	378,851
Net operating result for the year		13,874	–	–	13,874	11,599	–	–	11,599
Net operating result for the period		13,874	–	–	13,874	11,599	–	–	11,599
Other comprehensive income									
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	17,891	–	17,891	–	34,023	–	34,023
Joint ventures and associates		2,477	–	–	2,477	4,545	–	–	4,545
Other reserves movements		–	–	10	10	–	–	55	55
Other comprehensive income		2,477	17,891	10	20,378	4,545	34,023	55	38,623
Total comprehensive income		16,351	17,891	10	34,252	16,144	34,023	55	50,222
Closing balance at 30 June		201,017	262,243	65	463,325	184,666	244,352	55	429,073

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

Blayney Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
13,289	Rates and annual charges		12,956	12,273
1,687	User charges and fees		1,941	2,801
652	Interest received		1,245	385
14,027	Grants and contributions		15,343	21,070
–	Bonds, deposits and retentions received		–	93
377	Other		1,941	2,084
<i>Payments:</i>				
(7,842)	Payments to employees		(7,035)	(7,190)
(6,515)	Payments for materials and services		(7,037)	(6,787)
(197)	Borrowing costs		(197)	(224)
–	Bonds, deposits and retentions refunded		(93)	–
(1,158)	Other		(985)	(719)
14,320	Net cash flows from operating activities	G1-1	18,079	23,786
Cash flows from investing activities				
<i>Receipts:</i>				
–	Sale of real estate assets		–	45
395	Proceeds from sale of IPPE		334	467
20	Deferred debtors receipts		20	20
<i>Payments:</i>				
(1,656)	Acquisition of term deposits		(1,500)	(5,500)
(11,502)	Payments for IPPE		(14,065)	(14,713)
–	Purchase of intangible assets		–	(41)
(12,743)	Net cash flows from investing activities		(15,211)	(19,722)
Cash flows from financing activities				
<i>Payments:</i>				
(596)	Repayment of borrowings		(597)	(628)
–	Principal component of lease payments		(10)	(18)
–	Other		10	55
(596)	Net cash flows from financing activities		(597)	(591)
981	Net change in cash and cash equivalents		2,271	3,473
3,130	Cash and cash equivalents at beginning of year		5,771	2,298
4,111	Cash and cash equivalents at end of year	C1-1	8,042	5,771
16,136	plus: Investments on hand at end of year	C1-2	25,000	23,500
20,247	Total cash, cash equivalents and investments		33,042	29,271

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

Blayney Shire 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 and fees	16
B2-3 Other revenues	17
B2-4 Grants and contributions	18
B2-5 Interest and investment income	22
B2-6 Other income	22
B3 Costs of providing services	23
B3-1 Employee benefits and on-costs	23
B3-2 Materials and services	24
B3-3 Borrowing costs	25
B3-4 Depreciation, amortisation and impairment of non-financial assets	26
B3-5 Other expenses	27
B4 Gains or losses	28
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	28
B5 Performance against budget	29
B5-1 Material budget variations	29
C Financial position	31
C1 Assets we manage	31
C1-1 Cash and cash equivalents	31
C1-2 Financial investments	31
C1-3 Restricted and allocated cash, cash equivalents and investments	32
C1-4 Receivables	34
C1-5 Inventories	35
C1-6 Contract assets and Contract cost assets	36
C1-7 Infrastructure, property, plant and equipment	37
C1-8 Intangible assets	41
C2 Leasing activities	42
C2-1 Council as a lessee	42

Blayney Shire Council

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

C2-2 Council as a lessor	44
C3 Liabilities of Council	45
C3-1 Payables	45
C3-2 Contract Liabilities	45
C3-3 Borrowings	46
C3-4 Employee benefit provisions	48
C3-5 Provisions	49
C4 Reserves	51
C4-1 Nature and purpose of reserves	51
D Council structure	52
D1 Results by fund	52
D1-1 Income Statement by fund	52
D1-2 Statement of Financial Position by fund	53
D2 Interests in other entities	54
D2-1 Interests in associates	54
E Risks and accounting uncertainties	58
E1-1 Risks relating to financial instruments held	58
E2-1 Fair value measurement	61
E3-1 Contingencies	70
F People and relationships	73
F1 Related party disclosures	73
F1-1 Key management personnel (KMP)	73
F1-2 Councillor and Mayoral fees and associated expenses	75
F2 Other relationships	75
F2-1 Audit fees	75
G Other matters	76
G1-1 Statement of Cash Flows information	76
G2-1 Commitments	77
G3 Statement of developer contributions as at 30 June 2024	78
G3-1 Summary of developer contributions	78
G3-2 Developer contributions by plan	79
G3-3 Contributions not under plans	79
G3-4 S64 contributions	79
G4 Statement of performance measures	80
G4-1 Statement of performance measures – consolidated results	80
G4-2 Statement of performance measures by fund	81
H Additional Council disclosures (unaudited)	82
H1-1 Council information and contact details	82

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 27 August 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these consolidated financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.

Council has made provision for some receivables but based on the effectiveness of Council's debt recovery actions to date has deemed it highly likely that these receivables will not be recoverable.

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

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations (General Fund)
- Sewerage service (Sewer Fund)

A1-1 Basis of preparation (continued)

The Trust Fund

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

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

Trust monies and property held by Council but not subject to the control of Council have been excluded.

Volunteer services

Council engages the use of volunteers through a Memorandum of Understanding with the Blayney Shire Arts & Craft Inc. in its Visitor Information Centre which is manned during business hours of the adjoining coffee shop. It is located next door to Council which provides much of the same information available as well as at various other locations throughout the Blayney Shire. Information about Council's services and upcoming events are available on both social media and Council's website and therefore Council would be unlikely to employ the services if they were not provided by volunteers.

Council also participates in tree planting with schools and community groups on an ad hoc basis.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

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

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

New accounting standards adopted during the year

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

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

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

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

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

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

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
1. Public Infrastructure and Services	18,765	14,312	11,369	10,350	7,396	3,962	15,890	11,844	400,531	374,714
2. Local Governance and Finance	14,113	13,652	3,632	3,153	10,481	10,499	2,371	2,983	53,813	48,435
3. The Local and Visitor Economy	294	818	547	848	(253)	(30)	72	229	1,086	862
4. Community, Sport, Heritage and Culture	808	1,870	3,874	3,889	(3,066)	(2,019)	749	1,784	22,049	23,894
5. The Natural Environment	2,482	2,109	3,166	2,922	(684)	(813)	35	60	2,380	1,995
Total functions and activities	36,462	32,761	22,588	21,162	13,874	11,599	19,117	16,900	479,859	449,900

B1-2 Components of functions or activities

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

1. Maintain and Improve Public Infrastructure and Services

Public infrastructure and services are the bones that support a community. Council Functions included are Engineering Services, Plant Operations, Local, Regional and State Roads, Bridges, Footpaths, Sewerage Operations, Stormwater Drainage, Public Cemeteries and Public Conveniences.

2. Build the Capacity and Capability of Local Governance and Finance

To achieve our preferred future we will all need to work together. Council functions included are Governance, Corporate Services, Public Order & Safety, Health and Food Control, Public Halls and Community Centres, Real Estate and General Purpose Revenues.

3. Promote Blayney Shire to grow the Local and Visitor Economy

Ensuring that industry, agriculture and mining exist in harmony working together and collaborating for regional economic growth of the region. Council functions included are Tourism, Industrial and Economic Development and Private Works.

4. Enhance facilities and networks that supports Community Sport, Heritage and Culture

Preserving our history while being productive and innovative we will enhance and develop our sporting and recreational assets so that the facilities are modern and have regional standing. Council functions included are Public Libraries, Swimming Pool and Leisure Centre, Sporting Grounds, Parks and Showgrounds, Rural Fire Services, Youth, Family and Aged and Disabled Services.

5. Protect our Natural Environment

Encourage sustainable land use practices and protect the biodiversity and health of our waterways. Council functions include Environmental Services, Noxious Plant Management, Domestic and Other Waste Management, Street Cleaning, Town Planning and Building Control.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2024	2023
Ordinary rates		
Residential	2,243	2,134
Farmland	2,365	2,310
Mining	4,891	2,991
Business	498	400
Less: pensioner rebates (mandatory)	(84)	(82)
Rates levied to ratepayers	9,913	7,753
Pensioner rate subsidies received	47	45
Total ordinary rates	9,960	7,798
Special rates		
Mining special rate	–	1,728
Rates levied to ratepayers	–	1,728
Total special rates	–	1,728
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,074	977
Sewerage services	1,582	1,425
Waste management services (non-domestic)	404	322
Less: pensioner rebates (mandatory)	(66)	(62)
Annual charges levied	2,994	2,662
Pensioner annual charges subsidies received:		
– Sewerage	14	13
– Domestic waste management	22	21
Total annual charges	3,030	2,696
Total rates and annual charges	12,990	12,222

Council has used 2023 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

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

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

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

B2-2 User charges and fees

\$ '000	2024	2023
Specific user charges		
Sewerage services	250	198
Total specific user charges	250	198
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions		
Building regulation	360	358
Private works – section 67	175	573
Section 10.7 certificates (EP&A Act)	24	19
Section 603 certificates	15	19
Other	11	12
Total fees and charges – statutory/regulatory	585	981
(ii) Fees and charges – other		
Cemeteries	67	108
Room/facility hire	75	75
Leaseback fees – Council vehicles	94	89
Quarry revenues	337	308
Waste disposal tipping fees	501	268
Other	30	22
Total fees and charges – other	1,104	870
Total other user charges and fees	1,689	1,851
Total user charges and fees	1,939	2,049
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time (1)	–	–
User charges and fees recognised at a point in time (2)	1,939	2,049
Total user charges and fees	1,939	2,049

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.

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

B2-3 Other revenues

\$ '000	2024	2023
Diesel rebate	90	65
Employment & training incentives	106	–
Insurance claims recoveries	19	20
Insurance rebates	28	22
Legal fees recovery – other	14	26
Recycling income (non-domestic)	82	103
Other	61	80
Total other revenue	400	316

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	–	–
Other revenue recognised at a point in time (2)	400	316
Total other revenue	400	316

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	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
Current year allocation					
Financial assistance	2	202	872	-	-
Payment in advance - future year allocation					
Financial assistance	2	3,145	3,461	-	-
Amount recognised as income during current year		3,347	4,333	-	-
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Sewerage services	1	18	-	-	-
Bushfire and emergency services	2	107	170	440	356
Environmental programs	1	41	-	-	-
Local Roads & Community Infrastructure	2	1,050	235	-	-
Library	2	82	80	-	-
Recreation and culture	1	22	-	383	346
Transport (other roads and bridges funding)	1	205	452	9,436	7,733
Transport (roads to recovery)	2	537	537	-	-
Transport for NSW contributions (regional roads, block grant)	2	353	346	-	-
Tourism	1	72	192	-	-
Stronger Country Communities	1	-	-	221	687
Other specific grants	2	96	112	-	55
Total special purpose grants and non-developer contributions – cash		2,583	2,124	10,480	9,177
Non-cash contributions					
Bushfire services	2	-	-	-	344
Drainage	2	-	-	684	-
Recreation and culture	2	-	-	-	29
Roads, bridges and footpaths	2	-	-	915	-
Sewerage (excl. section 64 contributions)	2	-	-	366	-
Total other contributions – non-cash		-	-	1,965	373
Total special purpose grants and non-developer contributions (tied)		2,583	2,124	12,445	9,550
Total grants and non-developer contributions		5,930	6,457	12,445	9,550
Comprising:					
- Commonwealth funding		4,934	5,106	-	520
- State funding		822	1,178	10,386	8,935
- Other funding		174	173	2,059	95
		5,930	6,457	12,445	9,550

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
	G3					
Cash contributions						
s7.11 – contributions towards amenities/services		2	–	–	408	521
s64 – sewerage service contributions		2	–	–	233	266
Sewerage Services - Future Infrastructure Subsidy		2	–	–	101	106
Total developer contributions – cash			–	–	742	893
Total developer contributions			–	–	742	893
Total contributions			–	–	742	893
Total grants and contributions			5,930	6,457	13,187	10,443
Timing of revenue recognition for grants and contributions						
Recognised over time (1)			1,268	1,112	8,283	9,111
Recognised at a point in time (2)			4,662	5,345	4,904	1,332
Total grants and contributions			5,930	6,457	13,187	10,443

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants and contributions				
Unspent funds at 1 July	1,053	729	8,083	2,469
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	48	–	1,455	–
Add: Funds received and not recognised as revenue in the current year	61	593	721	7,645
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(653)	(269)	(4,041)	(2,031)
Unspent grants at 30 June	509	1,053	6,218	8,083

Unexpended grants as at 30 June 2024 include funding received to construct roads and community infrastructure under the State Government's Resources for Regions Rounds 9, Stronger Country Communities Round 5, Fixing Country Bridges, Regional & Local Roads Repair Program and Local Government Flood Recovery Program.

Contributions

Unspent funds at 1 July	–	–	3,160	2,228
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	931	1,005
Add: contributions received and not recognised as revenue in the current year	–	–	–	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	–	–	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(350)	(73)
Unspent contributions at 30 June	–	–	3,741	3,160

Unexpended contributions as at 30 June 2024 include contributions levied under s7.11 Developer Contributions, s64 Contributions, and Sewerage Services Future Infrastructure Subsidy.

B2-4 Grants and contributions (continued)

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grants 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.

As at 30 June 2024 Council did not have any grant funding within the scope of AASB 15.

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000		2024	2023
Interest on financial assets measured at amortised cost			
– Overdue rates and annual charges (incl. special purpose rates)		28	9
– Cash and investments		1,440	721
Total interest and investment income (losses)		1,468	730

B2-6 Other income

\$ '000	Notes	2024	2023
Rental income			
Rental income		152	147
Total rental income	C2-2	152	147
Net share of interests in joint ventures and associates using the equity method			
Associates		396	397
Total net share of interests in joint ventures and associates using the equity method	D2	396	397
Total other income		548	544

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	5,641	5,552
Employee leave entitlements (ELE)	1,034	969
Superannuation	747	694
Workers' compensation insurance	120	174
Fringe benefit tax (FBT)	97	93
Training costs (other than salaries and wages)	97	80
Protective clothing	27	30
Other	45	47
Total employee costs	7,808	7,639
Less: capitalised costs	(871)	(669)
Total employee costs expensed	6,937	6,970

Material accounting policy information

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.

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

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		2,717	2,640
Contractor costs		453	190
Audit Fees	F2-1	102	89
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	175	163
Advertising		44	58
Bank charges		27	26
Cleaning		7	4
Electricity and heating		373	395
Insurance		584	508
Postage		20	14
Printing and stationery		30	33
Street lighting		81	82
Subscriptions and publications		464	482
Telephone and communications		67	64
Valuation fees		38	34
Water charges		154	124
Other expenses		170	281
Legal expenses:			
– Legal expenses: planning and development		1	93
– Legal expenses: debt recovery		12	23
– Legal expenses: other		14	26
Expenses from short-term leases		5	–
Total materials and services		5,538	5,329
Total materials and services		5,538	5,329

B3-3 Borrowing costs

\$ '000	Notes	2024	2023
(i) Interest bearing liability costs			
Interest on leases		2	2
Interest on loans		192	220
Total interest bearing liability costs		194	222
Total interest bearing liability costs expensed		194	222
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	(35)	51
Total other borrowing costs		(35)	51
Total borrowing costs expensed		159	273

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		1,342	1,272
Office equipment		107	116
Furniture and fittings		19	20
Land improvements (depreciable)		164	151
Infrastructure:			
	C1-7		
– Buildings – non-specialised		96	47
– Buildings – specialised		849	592
– Roads		3,899	3,531
– Bridges		398	354
– Footpaths		161	144
– Stormwater drainage		204	200
– Sewerage network		708	669
– Swimming pools		63	95
– Other open space/recreational assets		187	168
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-7	18	14
– Quarry assets	C3-5,C1-7	283	86
– Other remediation assets	C3-5,C1-7	4	3
Intangible assets	C1-8	27	33
Right of use assets	C2-1	10	19
Total gross depreciation and amortisation costs		8,539	7,514
Total depreciation and amortisation costs		8,539	7,514
Total depreciation, amortisation and impairment for non-financial assets		8,539	7,514

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

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

B3-5 Other expenses

\$ '000	2024	2023
Other		
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW & SES)	64	45
– NSW RFS Levy	420	311
Donations, contributions and assistance to other organisations (Section 356)	230	208
– Contributions to Central West Libraries	191	185
– Contribution to Central Tablelands Weeds Authority	160	98
Total other	1,065	847
Total other expenses	1,065	847

B4 Gains or losses

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

\$ '000	Notes	2024	2023
Infrastructure, property, plant and equipment	C1-7		
Proceeds from disposal		334	467
Less: carrying amount of assets sold/written off		(684)	(696)
Gain (or loss) on disposal		(350)	(229)
Gain (or loss) on disposal of real estate assets held for sale	C1-5		
Proceeds from disposal		-	45
Less: carrying amount of assets sold/written off		-	(45)
Gain (or loss) on disposal		-	-
Net gain (or loss) from disposal of assets		(350)	(229)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 27 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				
User charges and fees	1,564	1,939	375	24% F
Additional private works undertaken and increased revenue at Council's waste facility.				
Other revenues	324	400	76	23% F
Additional revenues associated with staff employment and training incentives.				
Capital grants and contributions	6,329	13,187	6,858	108% F
Capital grants and contributions were significantly higher than forecast due to:				
<ul style="list-style-type: none"> • Recognition of the Regional & Local Roads Repair Funding received in 2023/24 which wasn't announced until September 2023. • Developer contributions received and associated contributed assets resulting from finalisation of 2 sub-divisions. • Works funded under Resources for Regions Round 9 brought forward from 2024/25. 				
Interest and investment revenue	647	1,468	821	127% F
Interest and investment returns were significantly higher than forecast with maturity of the remaining investments locked in at significantly lower rates subsequently reinvested throughout 2023/24 at much higher rates. The average rate of interest earned increased from 2.90% in 2022/23 to 4.92% by the end of 2023/24. Council continues to hold unusually high levels of cash with continued prepayment of grants & contributions to fund future works.				
Other income	160	548	388	243% F
Share on interest in Council's Joint Ventures - Central Tablelands Water and Central Tablelands Weeds Authority was significantly higher than forecast.				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Expenses				
Employee benefits and on-costs	7,849	6,937	912	12% F
Employee benefits were less than forecast due to a higher allocation of wages capitalised, reduction in training costs due to an increase of subsidised training programs and a number of temporary vacant positions.				
Materials and services	6,390	5,538	852	13% F
Consultancy fees were reduced due to delays in commencement of a number of grant funded master plans which will carry over to the 2024/25 financial year. Council also reduced overall fleet maintenance costs compared to budget whilst increasing plant utilisation.				
Borrowing costs	195	159	36	18% F
Remeasurement adjustment due to a change in the discount rate used in the measurement of long term provision for remediation and restoration liabilities.				
Depreciation, amortisation and impairment of non-financial assets	7,418	8,539	(1,121)	(15)% U
Depreciation expense increased following finalisation of the buildings revaluation in 2022/23 and application of material indexation to the fair value of the remaining infrastructure asset classes which was not forecast in the original budget. Council also recognised depreciation expense on the RFS red fleet following rescission of the Recognition of Rural Fire Assets policy in August 2023.				
Net losses from disposal of assets	39	350	(311)	(797)% U
Budgeted write off on disposal of infrastructure related assets, mainly bridges, roads and other assets was higher than forecast as a result of projects brought forward following receipt of successful grant funding.				
Statement of cash flows				
Cash flows from operating activities	14,320	18,079	3,759	26% F
Significant increase in grants and contributions recognised.				
Cash flows from investing activities	(12,743)	(15,211)	(2,468)	19% U
Council continues to hold significant amounts of capital grants and contributions received in advance which has contributed to higher than forecast cash holdings which has been invested in short term deposits to maximise investment returns.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	8,042	5,771
Total cash and cash equivalents	8,042	5,771

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	8,042	5,771
Balance as per the Statement of Cash Flows	8,042	5,771

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost				
Term deposits	25,000	-	23,500	-
Total	25,000	-	23,500	-
Total financial investments	25,000	-	23,500	-
Total cash assets, cash equivalents and investments	33,042	-	29,271	-

Material accounting policy information

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.

Amortised cost

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

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

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

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	33,042	29,271
Less: Externally restricted cash, cash equivalents and investments	<u>(18,340)</u>	<u>(20,329)</u>
Cash, cash equivalents and investments not subject to external restrictions	14,702	8,942
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	5,163	9,136
Specific purpose unexpended grants – sewer fund	61	–
External restrictions – included in liabilities	5,224	9,136
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – General Fund	1,683	1,532
Developer contributions – sewer fund	2,058	1,628
Specific purpose unexpended grants (recognised as revenue) – general fund	1,503	–
Sewer fund	6,625	6,439
Voluntary planning agreements	589	524
Special variation rates - mining	–	403
Domestic waste management	658	667
External restrictions – other	13,116	11,193
Total external restrictions	18,340	20,329

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

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

\$ '000	2024	2023
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	14,702	8,942
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	1,769	1,731
Employees leave entitlement	1,063	1,068
Emergency Works / Natural Disaster	70	–
Centrepoint	35	61
Election reserve	89	71
Environmental projects – Belubula River	27	27
Financial Assistance Grant	3,145	1,869
I.T reserve	394	359
Property account	1,565	1,525
Property account - borrowings	733	880
Quarry remediation	806	219
Village enhancement program	232	153
Security bonds, deposits & retentions	465	558
Carryover works	215	230
Total internal allocations	10,608	8,751

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

C1-4 Receivables

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Rates and annual charges	199	–	131	–
Interest and extra charges	23	–	23	–
User charges and fees	172	–	111	–
Private works	42	–	40	–
Contributions to works	378	–	–	–
Accrued revenues				
– Interest on investments	634	–	411	–
Deferred debtors	–	–	20	–
Government grants and subsidies	1	–	4	–
Net GST receivable	226	–	286	–
Total	1,675	–	1,026	–
Total net receivables	1,675	–	1,026	–

Material accounting policy information

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

Impairment

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

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

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

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

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
(i) Inventories at cost				
Real estate for resale	434	-	434	-
Stores and materials	181	-	149	-
Trading stock	794	-	767	-
Total inventories at cost	1,409	-	1,350	-
Total inventories	1,409	-	1,350	-

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Land held for resale

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

C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	1,673	-	3,755	-
Total contract assets and contract cost assets	1,673	-	3,755	-

Contract assets

Other	1,673	-	3,755	-
Total contract assets	1,673	-	3,755	-

Contract assets

Contract assets represent work completed by Council in advance of grant funding being provided.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period						At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	10,177	–	10,177	–	–	–	–	18	–	10,195	–	10,195
Plant and equipment	21,392	(15,360)	6,032	–	1,840	(287)	(1,342)	–	–	23,045	(16,802)	6,243
Office equipment	1,049	(816)	233	–	17	–	(107)	–	–	1,066	(923)	143
Furniture and fittings	531	(388)	143	–	8	–	(19)	–	–	539	(407)	132
Land:												
– Operational land	1,797	–	1,797	–	–	–	–	–	–	1,797	–	1,797
– Community land	10,931	–	10,931	–	–	–	–	–	–	10,931	–	10,931
– Land under roads (post 30/6/08)	47	–	47	–	–	–	–	–	–	47	–	47
Land improvements – non-depreciable	3,693	–	3,693	–	–	–	–	–	188	3,881	–	3,881
Land improvements – depreciable	6,697	(1,742)	4,955	–	–	(29)	(164)	–	244	7,000	(1,994)	5,006
Infrastructure:												
– Buildings – non-specialised	4,773	(2,269)	2,504	18	–	–	(96)	–	135	5,053	(2,492)	2,561
– Buildings – specialised	39,734	(12,389)	27,345	67	24	–	(849)	2,005	1,690	44,369	(14,087)	30,282
– Roads	257,458	(48,179)	209,279	3,049	921	(255)	(3,899)	3,049	10,466	277,156	(54,546)	222,610
– Bridges	37,624	(10,709)	26,915	1,049	–	(78)	(398)	949	1,341	41,225	(11,447)	29,778
– Footpaths	11,496	(3,483)	8,013	38	254	(8)	(161)	411	400	12,758	(3,811)	8,947
– Major earthworks (non-depreciable)	15,163	–	15,163	–	–	–	–	–	773	15,936	–	15,936
– Stormwater drainage	21,763	(5,038)	16,725	18	683	(3)	(204)	–	838	23,564	(5,507)	18,057
– Sewerage network	35,479	(9,196)	26,283	–	400	(12)	(708)	758	1,297	38,420	(10,402)	28,018
– Swimming pools	3,361	(188)	3,173	–	–	–	(63)	–	199	3,576	(267)	3,309
– Other open space/recreational assets	7,330	(2,134)	5,196	9	13	(12)	(187)	260	320	8,062	(2,463)	5,599
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Quarry assets	762	(225)	537	–	172	–	(283)	–	–	934	(508)	426
– Tip assets	281	(224)	57	–	–	–	(18)	–	–	281	(242)	39
– Other remediation assets	80	(7)	73	–	–	–	(4)	–	–	80	(11)	69
Total infrastructure, property, plant and equipment	491,618	(112,347)	379,271	4,248	4,332	(684)	(8,502)	7,450	17,891	529,915	(125,909)	404,006

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period								At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	11,208	–	11,208	–	–	–	–	(1,031)	–	–	–	10,177	–	10,177
Plant and equipment	20,830	(14,491)	6,339	–	1,316	(351)	(1,272)	–	–	–	–	21,392	(15,360)	6,032
Office equipment	1,002	(700)	302	–	47	–	(116)	–	–	–	–	1,049	(816)	233
Furniture and fittings	531	(368)	163	–	–	–	(20)	–	–	–	–	531	(388)	143
Land:														
– Operational land	1,226	–	1,226	–	–	–	–	–	–	–	571	1,797	–	1,797
– Community land	8,230	–	8,230	–	–	–	–	–	–	–	2,701	10,931	–	10,931
– Land under roads (post 30/6/08)	31	–	31	–	16	–	–	–	–	–	–	47	–	47
Land improvements – non-depreciable	3,403	–	3,403	–	–	–	–	–	–	–	290	3,693	–	3,693
Land improvements – depreciable	5,938	(1,454)	4,484	35	–	–	(151)	218	–	–	369	6,697	(1,742)	4,955
Infrastructure:														
– Buildings – non-specialised	2,546	(937)	1,609	–	44	–	(47)	–	(8)	–	906	4,773	(2,269)	2,504
– Buildings – specialised	32,443	(13,404)	19,039	185	171	(161)	(592)	1,401	12	–	7,290	39,734	(12,389)	27,345
– Roads	229,135	(40,882)	188,253	3,637	543	(27)	(3,531)	4,685	–	–	15,719	257,458	(48,179)	209,279
– Bridges	33,028	(9,994)	23,034	1,674	9	(125)	(354)	864	–	(107)	1,920	37,624	(10,709)	26,915
– Footpaths	10,487	(3,066)	7,421	11	97	–	(144)	8	–	–	620	11,496	(3,483)	8,013
– Major earthworks (non-depreciable)	13,974	–	13,974	–	–	–	–	–	–	–	1,189	15,163	–	15,163
– Stormwater drainage	19,689	(4,478)	15,211	80	–	(2)	(200)	479	–	–	1,157	21,763	(5,038)	16,725
– Sewerage network	32,847	(7,930)	24,917	23	13	(15)	(669)	146	–	–	1,868	35,479	(9,196)	26,283
– Swimming pools	4,466	(355)	4,111	12	–	–	(95)	–	–	(855)	–	3,361	(188)	3,173
– Other open space/recreational assets	6,403	(1,808)	4,595	141	242	(15)	(168)	20	(4)	–	385	7,330	(2,134)	5,196
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Tip assets	281	(210)	71	–	–	–	(14)	–	–	–	–	281	(224)	57
– Quarry assets	763	(140)	623	–	–	–	(86)	–	–	–	–	762	(225)	537
– Other remediation assets	80	(4)	76	–	–	–	(3)	–	–	–	–	80	(7)	73
Total infrastructure, property, plant and equipment	438,541	(100,221)	338,320	5,798	2,498	(696)	(7,462)	6,790	–	(962)	34,985	491,618	(112,347)	379,271

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

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

Material accounting policy information

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

Sewerage network assets are indexed at each reporting period in accordance with the NSW Rates Reference Manual issued by Crown Lands and Water.

Other asset classes are indexed in accordance with the appropriate Australian Bureau of Statistics indices.

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

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

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	30
Office furniture	10 to 20	Benches, seats etc.	25 to 50
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	35 to 150
Other plant and equipment	5 to 15	Buildings: other	30 to 200
Sewer assets		Stormwater assets	
Bores	20 to 40	Pits	100
Reticulation pipes: PVC	70	Pipes	70 to 100
Reticulation pipes: other	45 to 170	Culverts	100
Pumps and telemetry	10 to 60	Flood control structures	80 to 100
Transportation assets		Other infrastructure assets	
Sealed roads: surface	15 to 25	Other infrastructure	14 to 100
Sealed roads: structure	45 to 200	Swimming pools	30 to 80
Unsealed roads	15 to 200	Other open space/recreational assets	15 to 100
Bridge: concrete/steel	100	Land improvements depreciable	10 to 100
Bridge: other	50	Land improvements non depreciable	infinite
Bulk earthworks	infinite		
Kerb, gutter and footpaths	25 to 200		

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

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

Land under roads

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

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

Crown reserves

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

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

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

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
Software		
Opening values at 1 July		
Gross book value	661	620
Accumulated amortisation	(599)	(566)
Net book value – opening balance	62	54
Movements for the year		
Purchases	–	41
Amortisation charges	(27)	(33)
Closing values at 30 June		
Gross book value	661	661
Accumulated amortisation	(626)	(599)
Total software – net book value	35	62
Total intangible assets – net book value	35	62

Material accounting policy information

IT development and software

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including fleet and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Buildings

Council does not lease any land and buildings.

Vehicles

Council leases equipment with lease terms of 5 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 1 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage. Usage charges have been expensed to the income statement.

Extension options

Council does not include any options in any current leases.

(a) Right of use assets

\$ '000	Plant & Equipment	Total
2024		
Opening balance at 1 July	42	42
Depreciation charge	(10)	(10)
Balance at 30 June	32	32
2023		
Opening balance at 1 July	21	21
Additions to right-of-use assets	40	40
Depreciation charge	(19)	(19)
Balance at 30 June	42	42

(b) Lease liabilities

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	8	25	10	33
Total lease liabilities	8	25	10	33

C2-1 Council as a lessee (continued)

(c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2024					
Cash flows	9	27	–	36	33
2023					
Cash flows	12	36	–	48	43

(d) Income Statement

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

\$ '000	2024	2023
Interest on lease liabilities	2	2
Depreciation of right of use assets	10	19
Expenses relating to short-term leases	5	–
	17	21

(e) Statement of Cash Flows

Total cash outflow for leases	17	20
	17	20

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

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E (refer Note C1-7) 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:

- Pipeline rental
- Coffee shop - Visitor Information Centre
- Telecommunications towers
- Public Halls & Sporting Facilities (Casual)
- Blayney Meals on Wheels
- Blayney Men's Shed - Carpark
- Blayney Golf Club

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

(ii) Assets held as property, plant and equipment

Council provides operating leases on Council buildings and land for the purpose of tourism and economic affairs, the table below relates to operating leases on assets disclosed in C1-7.

Lease income (excluding variable lease payments not dependent on an index or rate)	152	147
Total income relating to operating leases for Council assets	152	147

(ii) Maturity analysis of contractual lease income

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

< 1 year	156	142
1–2 years	130	143
2–3 years	132	134
3–4 years	118	131
4–5 years	121	117
> 5 years	1,436	1,641
Total undiscounted lease payments to be received	2,093	2,308

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	1,374	–	1,053	–
Accrued expenses:				
– Borrowings	21	–	24	–
– Other expenditure accruals	38	1	59	1
Security bonds, deposits and retentions	504	–	597	–
Prepaid rates	352	–	318	–
Total payables	2,289	1	2,051	1

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

\$ '000	2024	2023
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	377	453
Total payables	377	453

Material accounting policy information

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2024		2023	
		Current	Non-current	Current	Non-current
Unexpended capital grants (to construct Council controlled assets)	(i)	5,224	–	5,212	3,924
Total contract liabilities		5,224	–	5,212	3,924

Notes

(i) Council has received funding to construct assets including sporting facilities, roads, bridges and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. All revenue is expected to be recognised in the next 12 months.

C3-2 Contract Liabilities (continued)

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

\$ '000	2024	2023
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	5,057	2,098
Other	140	–
Total revenue recognised that was included in the contract liability balance at the beginning of the period	5,197	2,098

Significant changes in contract liabilities

Council received significant grant funding in advance in 2022/23 and 2023/24 to construct Council controlled assets from Resources for Regions Round 9, Stronger Country Communities Round 5 and Bridge Replacement Program. Projects funded by these programs commenced in 2023/24 and will be finalised by the end of 2024/25 reducing the overall liability at the end of the current reporting period.

C3-3 Borrowings

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured ¹	466	4,910	597	5,376
Total borrowings	466	4,910	597	5,376

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

(a) Changes in liabilities arising from financing activities

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	5,973	(597)	–	–	–	–	5,376
Lease liability (Note C2-1b)	43	(10)	–	–	–	–	33
Total liabilities from financing activities	6,016	(607)	–	–	–	–	5,409

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	6,601	(628)	–	–	–	–	5,973
Lease liability (Note C2-1b)	21	(19)	41	–	–	–	43
Total liabilities from financing activities	6,622	(647)	41	–	–	–	6,016

C3-3 Borrowings (continued)

(b) Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	50	50
Credit cards/purchase cards	40	40
Total financing arrangements	90	90
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	3	5
Total drawn financing arrangements	3	5
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	50	50
– Credit cards/purchase cards	37	35
Total undrawn financing arrangements	87	85

Additional financing arrangements information

Breaches and defaults

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

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

C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	424	–	433	–
Long service leave	1,564	68	1,637	51
ELE on-costs	91	2	95	2
Total employee benefit provisions	2,079	70	2,165	53

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	1,539	1,617
	1,539	1,617

Material accounting policy information

Other long-term employee benefit obligations

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

C3-5 Provisions

\$ '000	2024		2023	
	Current	Non-Current	Current	Non-Current
Other provisions				
Other	–	–	70	–
Sub-total – other provisions	–	–	70	–
Asset remediation/restoration:				
Asset remediation/restoration (future works)	371	1,091	–	1,335
Sub-total – asset remediation/restoration	371	1,091	–	1,335
Total provisions	371	1,091	70	1,335

Description of and movements in provisions

\$ '000	Other provisions		
	Asset remediation	Legal claims	Total
2024			
At beginning of year	1,335	70	1,405
Changes to provision:			
– Revised discount rate	(94)	–	(94)
– Revised costs	(10)	–	(10)
Unwinding of discount	59	–	59
Additional provisions	172	–	172
Amounts used (payments)	–	(66)	(66)
Unused amounts reversed	–	(4)	(4)
Total other provisions at end of year	1,462	–	1,462
2023			
At beginning of year	1,338	–	1,338
Changes to provision:			
– Revised discount rate	(6)	–	(6)
Unwinding of discount	58	–	58
Additional provisions	–	70	70
Unused amounts reversed	(55)	–	(55)
Total other provisions at end of year	1,335	70	1,405

Nature and purpose of provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate Council's tips and quarries.

Legal claims

Council had an ongoing legal case which was determined on 27 June 2023 resulting in Council being liable for 50% of the applicant's costs as the second respondent to be shared with the first respondent. A settlement which determined the amount of compensation was not reached until 4 September 2023. All payments have now been finalised and there are no future provisions required to date.

Material accounting policy information

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

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

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

C3-5 Provisions (continued)

Asset remediation – tips and quarries and other remediation assets

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

Other reserves

The remediation reserve is used to record increments and decrements in the revaluation of the rehabilitation provision for restoration assets including Council's quarries and waste facility.

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2024	Sewer 2024
Income from continuing operations		
Rates and annual charges	11,383	1,607
User charges and fees	1,681	258
Interest and investment revenue	1,116	352
Other revenues	400	–
Grants and contributions provided for operating purposes	5,898	32
Grants and contributions provided for capital purposes	12,487	700
Other income	548	–
Total income from continuing operations	33,513	2,949
Expenses from continuing operations		
Employee benefits and on-costs	6,643	294
Materials and services	4,588	950
Borrowing costs	133	26
Depreciation, amortisation and impairment of non-financial assets	7,799	740
Other expenses	1,063	2
Net losses from the disposal of assets	338	12
Total expenses from continuing operations	20,564	2,024
Operating result from continuing operations	12,949	925
Net operating result for the year	12,949	925
Net operating result attributable to each council fund	12,949	925
Net operating result for the year before grants and contributions provided for capital purposes	462	225

D1-2 Statement of Financial Position by fund

\$ '000	General 2024	Sewer 2024
ASSETS		
Current assets		
Cash and cash equivalents	5,868	2,174
Investments	18,430	6,570
Receivables	1,639	36
Inventories	1,409	–
Contract assets and contract cost assets	1,673	–
Other	64	–
Total current assets	29,083	8,780
Non-current assets		
Infrastructure, property, plant and equipment	374,671	29,335
Investments accounted for using the equity method	37,923	–
Intangible assets	35	–
Right of use assets	32	–
Total non-current assets	412,661	29,335
Total assets	441,744	38,115
LIABILITIES		
Current liabilities		
Payables	2,192	97
Contract liabilities	5,163	61
Lease liabilities	8	–
Borrowings	396	70
Employee benefit provision	2,079	–
Provisions	371	–
Total current liabilities	10,209	228
Non-current liabilities		
Payables	1	–
Lease liabilities	25	–
Borrowings	4,688	222
Employee benefit provision	70	–
Provisions	1,091	–
Total non-current liabilities	5,875	222
Total liabilities	16,084	450
Net assets	425,660	37,665
EQUITY		
Accumulated surplus	189,471	11,546
Revaluation reserves	236,124	26,119
Other reserves	65	–
Council equity interest	425,660	37,665
Total equity	425,660	37,665

D2 Interests in other entities

\$ '000	Council's share of net assets	
	2024	2023
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Associates	37,923	35,050
Total net share of interests in joint ventures and associates using the equity method – assets	37,923	35,050
Total Council's share of net assets	37,923	35,050

Interests in associates

Net carrying amounts – Council's share

\$ '000	Place of business	Nature of relationship	2024	2023
Central Tablelands Water *	Blayney	Associate	37,574	34,722
Central Tablelands Weeds Authority	Bathurst	Associate	349	328
Total carrying amounts – material associates			37,923	35,050

(*) Share of interest in associates for Central Tablelands Water represents the 2022/23 audited Financial Statements for Central Tablelands Water

Central Tablelands Water

Council is a member of Central Tablelands Water County Council, a water supply authority constituted under NSW Local Government Legislation. The county area embraces the Shires of Blayney, Cabonne and Weddin.

Central Tablelands Weeds Authority

Council is a member of Upper Macquarie County Council which is a single purpose local government authority, established by the Governor under Section 387 of the Local Government Act 1993, as the control authority for biosecurity weed threats in the areas of Bathurst Regional Council, Blayney Shire Council, Lithgow City Council and Oberon Council.

D2-1 Interests in associates (continued)

The following information is provided for associates that are individually material to the Council. Included are the amounts as per the individual associates' financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

Details

	Principal activity	Measurement method
Central Tablelands Water	Water supply	Equity
Central Tablelands Weeds Authority	Weeds Council	Equity

Relevant interests and fair values

	Proportion of voting power	
	2024	2023
Central Tablelands Water	33%	33%
Central Tablelands Weeds Authority	25%	25%

D2-1 Interests in associates (continued)

Summarised financial information for associates

\$ '000	Central Tablelands Water *		Central Tablelands Weeds Authority	
	2024	2023	2024	2023
Statement of financial position				
Current assets				
Cash and cash equivalents	2,268	933	1,374	1,393
Other current assets	8,958	8,802	168	93
Non-current assets	103,097	95,882	186	220
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	567	478	–	–
Other current liabilities	1,002	953	327	386
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	21	11	6	7
Net assets	112,733	104,175	1,395	1,313
Statement of comprehensive income				
Income	8,639	7,785	1,803	1,666
Interest income	289	67	53	50
Depreciation and amortisation	(2,727)	(2,340)	(46)	(38)
Interest expense	–	(11)	–	–
Other expenses	(5,073)	(4,406)	(1,728)	(1,549)
Profit/(loss) from continuing operations	1,128	1,095	82	129
Profit/(loss) for period	1,128	1,095	82	129
Other comprehensive income	7,430	13,634	–	–
Total comprehensive income	8,558	14,729	82	129
Share of income – Council (%)	33%	33%	25%	25%
Profit/(loss) – Council (\$)	376	365	21	32
Total comprehensive income – Council (\$)	2,852	4,909	21	32
Summarised Statement of cash flows				
Cash flows from operating activities	3,999	3,148	(7)	106
Cash flows from investing activities	(2,664)	(3,094)	(12)	(163)
Cash flows from financing activities	–	(413)	–	–
Net increase (decrease) in cash and cash equivalents	1,335	(359)	(19)	(57)
Reconciliation of the carrying amount				
Opening net assets (1 July)	104,175	89,446	1,313	1,184
Profit/(loss) for the period	1,128	1,095	82	129
Other adjustments to equity	7,430	13,634	–	–
Closing net assets	112,733	104,175	1,395	1,313
Council's share of net assets (%)	33%	33%	25%	25%
Council's share of net assets (\$)	37,574	34,722	349	328

(*) Share of interest in associates for Central Tablelands Water represents the 2022/23 audited Financial Statements for Central Tablelands Water

D2-1 Interests in associates (continued)

In addition to the joint ventures and associates disclosed individually above, Council has interests in a number of individually immaterial joint ventures and associates that have still been accounted for using the equity method.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

The fair value of receivables, loans, investments and financial liabilities approximates the carrying amount.

The risks associated with the financial instruments held are:

- Market risk – interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers before placing any cash and investments.

(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	80	58
Impact of a 10% movement in price of investments		
– Equity / Income Statement	804	577

(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.

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2024				
Gross carrying amount	–	199	–	199
2023				
Gross carrying amount	–	131	–	131

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	2,127	73	258	93	598	3,149
2023						
Gross carrying amount	3,377	140	46	13	1,074	4,650

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2024							
Payables	0.00%	504	1,785	1	–	2,290	2,290
Borrowings	3.21%	–	639	2,337	3,598	6,574	5,376
Total financial liabilities		504	2,424	2,338	3,598	8,864	7,666
2023							
Payables	0.00%	597	1,454	1	–	2,052	2,052
Borrowings	4.18%	–	785	2,454	4,120	7,359	5,973
Total financial liabilities		597	2,239	2,455	4,120	9,411	8,025

Loan agreement breaches

There have been no breaches to loan agreements throughout the financial year.

E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023
Infrastructure, property, plant and equipment	C1-7						
Plant and equipment		–	–	6,243	6,032	6,243	6,032
Office equipment		–	–	143	233	143	233
Furniture and fittings		–	–	132	143	132	143
Operational land		–	–	1,797	1,797	1,797	1,797
Community land		–	–	10,931	10,931	10,931	10,931
Land under roads (post 30/06/08)		–	–	47	47	47	47
Land improvements - non depreciable		–	–	3,881	3,693	3,881	3,693
Land improvements - depreciable		–	–	5,006	4,955	5,006	4,955
Buildings – non-specialised		–	–	2,561	2,504	2,561	2,504
Buildings – specialised		207	217	30,075	27,128	30,282	27,345
Roads		–	–	222,610	209,279	222,610	209,279
Bridges		–	–	29,778	26,915	29,778	26,915
Footpaths		–	–	8,947	8,013	8,947	8,013
Major earthworks		–	–	15,936	15,163	15,936	15,163
Stormwater		–	–	18,057	16,725	18,057	16,725
Sewerage network		–	–	28,018	26,283	28,018	26,283
Swimming Pools		–	–	3,309	3,173	3,309	3,173
Open space/recreation assets		–	–	5,599	5,196	5,599	5,196
Tip assets		–	–	39	57	39	57
Quarry assets		–	–	426	537	426	537
Other remediation assets		–	–	69	73	69	73
Total infrastructure, property, plant and equipment		207	217	393,604	368,877	393,811	369,094

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:

E2-1 Fair value measurement (continued)

Infrastructure, property, plant and equipment (IPPE)

Plant and Equipment – Major plant (graders, loaders trucks etc.), fleet vehicles (cars, utes etc.) and minor plant (chainsaws, mowers etc.)

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Plant and Equipment are valued at cost but are disclosed at fair value.

Office Equipment – Computers, servers

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Office Equipment is valued at cost but is disclosed at fair value.

Furniture and Fittings – Desks, chairs, air conditioners, cupboards

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Furniture and Fittings are valued at cost but are disclosed at fair value.

Operational Land – Industrial land, quarries and rural fire service land

Valuation Techniques: 'Market approach'

Inputs Used (Level 3): Land area, rate per square metre, zoning restrictions, geographical location - sales of comparable land

Council's Operational Land has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to:

- The land's description and/or dimensions,
- Planning and other constraints on development, and
- The potential for alternative use.

Community Land – Parkland, sporting grounds, reserves, land under public buildings (halls & community centre)

Valuation Techniques: 'Market approach adjusted for restrictions'

Inputs Used (Level 3): The NSW Valuer General's valuations (as at 30 June 2023)

Council's community land is land intended for public access and use, or where other restrictions applying to the land create some obligation to maintain public access (such as a trust deed, or dedication under section 94 of the Environmental Planning and Assessment Act 1979). This gives rise to the restrictions in the Act, intended to preserve the qualities of the land.

Community Land:

- Cannot be sold
- Cannot be leased, licensed, or any other estate granted over the land for more than 21 years
- Must have a plan of management

In relation to the valuing of Community Land the Office of Local Government has authorised the use of the NSW Valuer General's valuations as a sufficient basis to represent fair value for the revaluation of community land under clause 31 of AASB 116.

Depreciable Land Improvements – Gardens/softfall areas, cricket pitches, other depreciable assets.

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Dimensions and specifications, unit rates, useful lives and asset condition.

Depreciable Land Improvements were valued as at 30 June 2021.

E2-1 Fair value measurement (continued)

Valuations are based on dimensions, specifications and unit rates derived from indexed historical costs and from industry rates such as the 'Rawlinsons Australian Construction handbook'. A spatial information system and 7.5cm aerial imagery were used to accurately calculate asset dimensions.

Council Officers undertook onsite inspections to verify asset location, type and to establish condition ratings for each asset to calculate the remaining life/fair value of each asset.

Council has indexed Depreciable Land Improvements by the annual road and bridge construction Index of 5.10% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Non Depreciable Land Improvements – Bores, wetlands and earthworks.

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Dimensions units rates and useful lives.

Non Depreciable Land Improvements were valued as at 30 June 2021.

Valuations are based on dimensions and unit rates derived from indexed historical costs and from industry rates such as the 'Rawlinsons Australian Construction handbook'. A spatial information system and 7.5cm aerial imagery were used to accurately calculate asset dimensions.

Council has indexed Non Depreciable Land Improvements by the annual road and bridge construction price index of 5.10% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Buildings (Specialised/Non Specialised) – Community halls, toilet blocks, council offices, library, multipurpose centre, works depot

Valuation Techniques: 'Cost approach & Market approach'

Inputs Used (Level 2 and Level 3): Market approach, Unit rates, useful life, asset condition

Council's buildings were valued at fair value on 30th June 2023 in accordance with Australian Accounting Standards (Fair Value Methodology) and international valuation standards. 'Fair value' is the best estimate of the price reasonably obtainable in the market at the date of valuation.

Council's Specialised Buildings were valued by Assetval a business of Marsh Pty Ltd (Assetval) as at 30 June 2023. The methodology adopted by Australis Assetval is on an individually assessed (asset-by-asset) basis to determine which method is most appropriate.

Council has indexed Specialised and Non Specialised buildings by the non-residential building construction price index of 6.41% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Open Space/Recreational Assets – Fencing, shadesails, other recreational furniture

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Dimensions, specifications, unit rates, useful life and asset condition.

Open space/recreational assets were valued as at 30 June 2021.

Valuations are based on dimensions, specifications and unit rates derived from indexed historical costs and from industry rates such as the 'Rawlinsons Australian Construction handbook'. A spatial information system and 7.5cm aerial imagery were used to accurately calculate asset dimensions.

Council Officers undertook onsite inspections to verify asset location, type and to establish condition ratings for each asset to calculate the remaining life/fair value of each asset.

Council has indexed Open Space and Other Recreation Assets by the non-residential building construction price index of 6.41% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Roads – Road surface, pavement, formation, major earthworks

Valuation Techniques: 'Cost approach'

E2-1 Fair value measurement (continued)

Inputs Used (Level 3): Unit rates, useful life, asset condition

Council's road infrastructure assets were last valued in-house on 30 June 2020. As per Paragraph 43 of AASB116, Council's roads infrastructure assets were segmented and componentised into the following categories (each representing a significant part of the overall asset):

- Road Surface
- Pavement Base Layer
- Pavement Sub Base Layer
- Formation including Minor Culverts
- Roadside Furniture (crash barriers & signs)

GPS logged to establish the length and extent of the network. Road terminuses (extent of Council maintenance activities) were taken as the measure of asset length. Recent works have been included from Works as Executed plans.

Seal widths (sealed roads) and running surface width (unsealed roads) were verified using aerial imagery and random field testing. Pavement widths are assumed to be equal to the seal width / running surface width, which was confirmed by random sampling of a range of road classifications across the Shire.

Formation widths for sealed and unsealed roads were established by random sampling in the field and from aerial imagery analysis of a range of road classifications and were demonstrated to be double the width of the pavement for sealed roads and 1.4 times the width of the surface for unsealed roads. Formation depth varies according to the Class of road, with urban areas assumed to be a greater depth, as urban roads tend to be on flood plains. Formation costs allow for the installation of drainage blankets over 20% of the road length and for 1.2 minor culverts per kilometre (based on the average number per kilometre across the Shire).

Unit rates for formation, pavement and sealing were based on recent Council works and validated against Rawlinsons Australian Construction handbook. Unit rates are assumed to be for an undulating topography, as this represents the majority of road corridors in the Shire. The slightly steeper grades are assumed to be countered by the substantially longer corridors of flat to slightly undulating topography.

Condition Assessment data was obtained from laser survey undertaken by the Australian Road Research Board (ARRB) in 2019/20 (sealed roads) and assessment by Council Officers utilising the UnsealedRoads.com assessment methodology (unsealed roads). Condition data was used as a substitute for date of construction data to establish remaining lives. This was due to Council not having complete road construction / rehabilitation / initial sealing data.

Roadside furniture including crash barriers and signs were collated from the ARRB survey for sealed roads and by Council staff for unsealed roads. An average unit rate by length categories was applied to crash barriers (including guard rail and wire rope) to account for variations in the value of the various 'end treatments' used on guard rail. Condition ratings are per item, collated by Council staff using a standard Condition Rating Guide. Unit rates for signs are based on an assumed Type B size sign with one post, to provide an average cost, to account for multiple posts and multiple sign faces on a single post. The unit rate reflects the cost of recent Council works. Condition ratings were supplied by ARRB for sealed road signs and by Council staff for unsealed roads.

Council has indexed all Road asset sub classes by the annual road and bridge construction Index of 5.10% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Bridges – Concrete bridges, Timber Bridges, Bridge sized culverts

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimension and specifications (concrete/timber).

Council defines a bridge as a structure with a road centreline length of 6m or more and has inspected all Bridges and Major Culverts utilising a standardised Bridge Measurement Guide to determine the split between Bridges and Major Culverts, resulting in transfers into and out of the Bridge Asset Class.

Condition assessment for bridges was undertaken by professional bridge engineering companies for Timber bridges (Level 3 inspections) and by an experienced bridge 'ganger' for concrete bridges and other Council staff using Culvert Condition Assessment Guide for Culvert style bridges (Level 1 inspections, based on observed defects), but does not include core sampling or tensile testing of any components. Bridges constructed in the last 5 years have been assumed to be in Condition 1.

Bridge values were determined on the basis of a square metre (of deck) rate, based on a number of bridges Council has had built in the last five years.

E2-1 Fair value measurement (continued)

Council has indexed Bridges by the annual road and bridge construction Index of 5.10% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Footpaths – Footways including cycleways

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications (concrete/bitumen/pavers).

Footpaths assets lengths, widths and extents were verified using 7.5cm aerial imagery and field inspection. Condition Assessments were undertaken of the entire network by Council staff utilising a standardised Condition Assessment Guide. These inspections are undertaken 6 monthly in the Blayney and Millthorpe CBDs and annual across the full network.

Unit Rates for footpaths are derived from recent Council works, as Council has constructed significant lengths of footpath in recent years.

Council has indexed Footpaths by the annual road and bridge construction Index of 5.10% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Stormwater Drainage - includes pits and pipes

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

Council's register was developed using a combination of field observation and aerial imagery. The level of capture is estimated to be around 85% to 95%, as by its nature Urban Stormwater drainage is difficult to locate and Council does not have complete records of drainage installed. Pipe sizes have been estimated in some instances, as it is not possible to access all pipes.

Condition assessment was undertaken by Council staff using a standardised Condition Assessment Guide, with the condition of most pipes assumed from the condition of associated pits, due to a lack of accessibility.

Unit Rates for stormwater pits, pipes were derived from the Office of Water; NSW reference Rates Manual; Valuation of Water Supply, Sewerage and Stormwater Assets, Reinforced Concrete Box Culverts from recent council works and concrete lined drains from Rawlinsons Australian Construction Handbook. As with Kerb and Gutter, these rates do not take into account any allowance for the removal of existing (failed) stormwater assets.

Council has indexed Stormwater Drainage assets by the annual NSW Water and Sewer Reference Rate of 5.07% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Major Earthworks – (transport asset class only)

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, dimensions and specifications

Major Earthworks have been captured through field surveys and Works as Executed plans for more recent works. Bulk earthworks do not include earthworks for buildings and within Parks and Gardens, as these are accounted for within those asset classes, where applicable.

Council has verified the extent of some of its major earthworks through the use of Drone Survey, resulting in changes in some existing estimates. The condition of major earthworks is assumed to be 1, as these are a very long life assets, which are not depreciated.

The Unit Rates for Major Earthworks are derived from recent Council works and have been compared with rates from the Rawlinsons Australian Construction Handbook.

Council has indexed Major Earthworks by the annual road and bridge construction Index of 5.10% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Major Culverts – Pipe Culverts, Reinforced Concrete Box Culverts

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset dimensions, asset condition

E2-1 Fair value measurement (continued)

The location and condition of all Major Culverts has been verified by an extensive review by Council Officers, utilising standardised Condition Inspection Guides. Culverts of 450mm or less have not been valued separately due to their cost (purchase price and installation cost) and have been allowed for in the cubic metre rate for road formation.

Major Culverts have been normalised to align with Modern Engineering Equivalent Replacement Asset (MEERA) to standardise culvert sizes and interpolation was used to account for nonstandard sizes. They are valued as single, double, triple or quad pipes / box culverts. Major Culverts do not include Bridge size (6m+ along road centre line) culverts, as these were valued in the Bridge Register.

Unit rates for culverts are derived from recent Council works and include materials (contract rates), excavation and nonlinear variation for multi cell culverts.

Council has indexed Major Culverts by the annual road and bridge construction Index of 5.10% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Kerb and Gutter – highback concrete, rollback concrete, median and 'splitter islands', bluestone and riverstone

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset dimensions, asset condition

The Kerb and Gutter asset register was developed using 7.5cm Aerial imagery for Blayney and the Villages. This data was verified with an inspection program to determine the accuracy and materials used. The bulk of Council's kerb and gutter network is concrete ('high back' or 'roll back'), however some kerb and gutter is constructed from bluestone or river stone. Median and 'splitter islands' are included in this asset sub class.

Condition assessment for Kerb and Gutter was collated by Council staff using a standardised Condition Assessment Guide.

Unit Rates were established on 'First Principles' and verified against a tender that Council had recently submitted for kerb and gutter works. Unit rates for the bluestone and river stone kerbs and gutters was also established on 'First Principles' and verified against recent 'reconstruction' works in Carcoar.

Unit rates for kerb and gutter are all based on 'Greenfields' costs and do not include any allowance of the removal of existing failed sections.

Council has indexed Kerb and Gutter assets by the annual road and bridge construction Index of 5.10% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Sewerage Network – Sewer pipes, pump stations, treatment plant, telemetry system, manholes

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

Council's Sewer Assets were valued by AUSTRALIS Asset Advisory Group as at 30 June 2022, based on current unit rates.

Australis conducted a physical inspection of the ground-level facility assets in the system such as treatment plants, pumping stations and effluent reuse reservoir. Condition assessments of the Gravity Main Network were supplied by Council to Australis, being a combination of in-house and contractor inspections from 2017 to 2022, utilising the WSAA Conduit Inspection and Reporting Code for the differing age groupings of the pipe network.

The asset register was built using Council GIS data with modifications made to achieve the correct level of componentisation and to collect additional details regarding material and capacities of the assets. Council has further componentised the Sewer pipe network into a pipe and a conduit component to account for the contemporary practice of relining of pipes. It is anticipated that pipes can be relined at least twice generating an extension of the useful life of the conduit component.

Council has indexed Sewer assets by the annual NSW Water and Sewer Reference Rate of 5.07% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Swimming Pools

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

E2-1 Fair value measurement (continued)

Council's swimming pools were valued at fair value on 30th June 2023 in accordance with Australian Accounting Standards (Fair Value Methodology) and international valuation standards. 'Fair value' is the best estimate of the price reasonably obtainable in the market at the date of valuation.

Council's swimming pools were valued by Assetval a business of Marsh Pty Ltd (Assetval) The methodology adopted by Assetval is on an individually assessed (asset-by-asset) basis to determine which method is most appropriate.

Council has indexed Swimming Pools by the non-residential building construction price index of 6.41% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Tip, Quarry & other remediation Assets – Reinstatement, rehabilitation and restoration

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, dimensions and specifications

It has been recognised that there will be significant costs associated with the closure and post closure management of the landfill, quarry and other remediation sites. Closure of the landfill and quarry sites will involve a wide range of activities including final capping of the landfill waste and site re-vegetation, monitoring of landfill gas, revision of the surface water management system and leachate management infrastructure to suit post-closure operation.

Valuations are based on actual timing of costs and future environmental management requirements.

Fair value measurements using significant unobservable inputs (level 3)

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

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

\$ '000	Fair value (30/6/24) 2024	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant & Equipment	6,243	Cost Approach	<ul style="list-style-type: none"> • Gross Replacement Cost • Remaining Useful Life
Office Equipment	143	Cost Approach	<ul style="list-style-type: none"> • Gross Replacement Cost • Remaining Useful Life
Furniture & Fittings	132	Cost Approach	<ul style="list-style-type: none"> • Gross Replacement Cost • Remaining Useful Life
Operational Land	1,797	Market Approach	<ul style="list-style-type: none"> • Price per square metre
Community Land	10,931	Market Approach - adjusted for restrictions	<ul style="list-style-type: none"> • NSW Valuer General Valuation (Unimproved Capital Value)
Land under roads - (post 30/06/2008)	47	Market Approach	<ul style="list-style-type: none"> • Price per square metre
Land Improvements - non depreciable	3,881	Cost Approach	<ul style="list-style-type: none"> • Unit Rates
Depreciable Land Improvements	5,006	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful life
Buildings – Specialised	30,282	Cost Approach & Market Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful life
Buildings – Non Specialised	2,561	Cost Approach & Market Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful life
Open Space/Recreation Assets	5,599	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful life
Roads	222,610	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions • Useful Life

E2-1 Fair value measurement (continued)

\$ '000	Fair value (30/6/24) 2024	Valuation technique/s	Unobservable inputs
Bridges	29,778	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions • Useful Life
Footpaths	8,947	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions • Useful Life
Major Earthworks	15,936	Cost Approach	<ul style="list-style-type: none"> • Unit Rates
Stormwater Drainage	18,057	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions • Useful Life
Sewerage Network	28,018	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Useful Life • Asset Conditions
Swimming Pools	3,309	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions • Useful Life
Waste facility, quarries & other remediation assets	534	Cost Approach	<ul style="list-style-type: none"> • Discounted Future Cash Flow

E2-1 Fair value measurement (continued)

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

\$ '000	Total	
	2024	2023
Opening balance	368,877	326,729
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	17,891	34,189
Other movements		
Transfers from/(to) another asset class	–	–
Other adjustments and transfers	–	–
Purchases (GBV)	16,012	16,117
Disposals (WDV)	(684)	(696)
Depreciation and impairment	(8,492)	(7,462)
Closing balance	393,604	368,877

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

For each FV hierarchy transfer into or out of level 3, please reference and list the details and reasons for the change here.

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20 million for 1 July 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.

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

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$ 75,727.10. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$35,139.30. Council's expected contribution to the plan for the next annual reporting period is \$64,209.60.

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is 0.20%

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 FY23/24 2.5% per annum thereafter

* Plus promotional increases

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

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 Mutual Limited

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

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

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

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

E3-1 Contingencies (continued)

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	1,036	1,013
Post-employment benefits	81	81
Other long-term benefits	20	117
Total	1,137	1,211

Other transactions with KMP and their related parties

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

Nature of the transaction		Transactions	Outstanding		Impairment	
\$ '000	Ref	during the year	balances	Terms and conditions	provision on	Impairment
			including		outstanding	expense
			commitments		balances	
2024						
Catering	1	–	–	Paid on invoice	–	–
Donations & Financial Assistance Grants	2	46	–	Paid on completion of works	–	–
Supply of water	3	158	–	Payable by instalment date	–	–
Supply of materials and consumables	4	5	–	Paid on invoice	–	–
2023						
Catering	1	6	–	Paid on invoice	–	–
Donations & Financial Assistance Grants	2	4	–	Paid on completion of works	–	–
Supply of water	3	165	–	Payable by instalment date	–	–
Supply of materials and consumables	4	8	–	Paid on invoice	–	–

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

- 1 Catering for training and meetings of Council were supplied by related parties of a number of KMP's

- 2 Council have donated funds to local not for profit organisations for community projects where a number of KMP's are members

- 3 A KMP was the Chair of a joint organisation (County Council) who supplies water to Council Facilities

- 4 Council has procured materials and consumables from a supplier who is a related party of a KMP of Council.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	28	28
Councillors' fees	92	88
Other Councillors' expenses (including Mayor)	42	35
Superannuation	13	12
Total	175	163

F2 Other relationships

F2-1 Audit fees

\$ '000	2024	2023
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	67	50
Remuneration for audit and other assurance services	67	50
Total Auditor-General remuneration	67	50
Non NSW Auditor-General audit firms		
(ii) Non-assurance services		
Internal Audit	35	39
Remuneration for non-assurance services	35	39
Total remuneration of non NSW Auditor-General audit firms	35	39
Total audit fees	102	89

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	13,874	11,599
Add / (less) non-cash items:		
Depreciation and amortisation	8,539	7,514
(Gain) / loss on disposal of assets	350	229
Non-cash capital grants and contributions	(1,965)	(373)
Unwinding of discount rates on reinstatement provisions	(35)	52
Share of net (profits)/losses of associates/joint ventures using the equity method	(396)	(397)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(669)	241
(Increase) / decrease of inventories	(59)	(18)
(Increase) / decrease of other current assets	9	55
(Increase) / decrease of contract asset	2,082	(1,410)
Increase / (decrease) in payables	321	409
Increase / (decrease) in accrued interest payable	(3)	(3)
Increase / (decrease) in other accrued expenses payable	(21)	7
Increase / (decrease) in other liabilities	(59)	115
Increase / (decrease) in contract liabilities	(3,912)	5,938
Increase / (decrease) in employee benefit provision	(69)	(187)
Increase / (decrease) in other provisions	92	15
Net cash flows from operating activities	18,079	23,786

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Sewerage and water infrastructure	362	–
Road infrastructure	841	1,342
Total commitments	1,203	1,342
These expenditures are payable as follows:		
Within the next year	1,203	1,342
Total payable	1,203	1,342
Sources for funding of capital commitments:		
Future grants and contributions	–	202
Unexpended grants	841	1,140
Externally restricted reserves	362	–
Total sources of funding	1,203	1,342

Details of capital commitments

Council entered into a contract for the design and construction of the Swallow Creek Bridge in July 2023 scheduled for completion in 2024/25. A contract was also entered into for CCTV, smoke testing and relining of sewer pipes in June 2024 scheduled for completion in 2024/25.

G3 Statement of developer contributions as at 30 June 2024

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Local infrastructure fund	1,532	408	–	–	93	(350)	–	1,683	–
S7.11 contributions – under a plan	1,532	408	–	–	93	(350)	–	1,683	–
Future Sewerage Infrastructure Contributions	319	101	–	–	22	–	–	442	–
S64 contributions	1,309	233	–	–	74	–	–	1,616	–
Total contributions	3,160	742	–	–	189	(350)	–	3,741	–

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

G3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year				Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
CONTRIBUTION PLAN NUMBER – Local infrastructure fund										
Local infrastructure fund	1,532	408	–	–	93	(350)	–	1,683	–	
Total	1,532	408	–	–	93	(350)	–	1,683	–	

G3-3 Contributions not under plans

Future Infrastructure Subsidy

Sewerage services	319	101	–	–	22	–	–	442	–
Total	319	101	–	–	22	–	–	442	–

G3-4 S64 contributions

S64 contributions

Sewerage services	1,309	233	–	–	74	–	–	1,616	–
Total	1,309	233	–	–	74	–	–	1,616	–

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	641	2.80%	4.51%	(1.96)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	22,879				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	16,949	46.99%	47.78%	47.90%	> 60.00%
Total continuing operating revenue ¹	36,066				
3. Unrestricted current ratio					
Current assets less all external restrictions	19,487	6.23x	5.68x	4.67x	> 1.50x
Current liabilities less specific purpose liabilities	3,130				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	9,339	12.19x	9.55x	8.44x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	766				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	222	1.69%	1.24%	1.58%	< 10.00%
Rates and annual charges collectable	13,172				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	33,042	24.87	22.65	15.97	> 3.00
Monthly payments from cash flow of operating and financing activities	1,329	months	months	months	months

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

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

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Sewer Indicators		Benchmark
	2024	2023	2024	2023	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	2.02%	4.33%	10.00%	6.39%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹					
2. Own source operating revenue ratio					
Total continuing operating revenue excluding capital grants and contributions ¹	44.48%	45.13%	75.18%	82.97%	> 60.00%
Total continuing operating revenue ¹					
3. Unrestricted current ratio					
Current assets less all external restrictions	6.23x	5.68x	38.51x	34.44x	> 1.50x
Current liabilities less specific purpose liabilities					
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	11.28x	9.54x	38.12x	9.66x	> 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	1.61%	1.08%	2.24%	2.49%	< 10.00%
Rates and annual charges collectable					
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	19.53 months	17.69 months	103.28 months	85.74 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities					

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

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

H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business:

91 Adelaide Street
Blayney NSW 2799

Contact details

Mailing Address:

PO Box 62
Blayney NSW 2799

Opening hours:

9:30am to 4:00pm
Monday to Friday

Internet: www.blayney.nsw.gov.au

Email: council@blayney.nsw.gov.au

Officers

General Manager

M.Dicker

Responsible Accounting Officer

T.Irlam

Public Officer

A. Franze

Auditors

Auditor General New South Wales
Level 19 Tower 2 Darling Park
201 Sussex Street
SYDNEY NSW 2000

Elected members

Mayor

Cr. S.J. Ferguson

Deputy Mayor

Cr. D Somerville

Councillors

Cr. A Ewin

Cr. C Gosewisch

Cr. J Newstead

Cr. M Pryse Jones

Cr. B Reynolds



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Farisha Ali
Delegate of the Auditor-General for New South Wales

4 October 2024
SYDNEY

Cr Bruce Reynolds
 Mayor
 Blayney Shire Council
 PO Box 62
 BLAYNEY NSW 2799

Contact: Farisha Ali
 Phone no: 02 9275 7373
 Our ref: [R008-2124742775-6750](#)

4 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024 \$m	2023 \$m	Variance %
Rates and annual charges revenue	13.0	12.2	 6.6
Grants and contributions revenue	19.1	16.9	 13.0
Operating result from continuing operations	13.9	11.6	 19.8
Net operating result before capital grants and contributions	0.7	1.2	 41.7

Rates and annual charges revenue (\$13.0 million) increased by \$0.8 million (6.6 per cent) in 2023–24 due to rate peg increase of 3.7 per cent. Coupled with an increase in sewerage annual charges and waste management services revenue.

Grants and contributions revenue (\$19.1 million) increased by \$2.2 million (13.0 per cent) in 2023–24 due to:

- increase of \$1.6 million of non-cash contributions recognised during the year
- increase of \$1.7 million of grants recognised received for transport infrastructure.
- offset by a decrease in the financial assistance grants (\$1 million), receiving 84 per cent of the for 2024-25 in advance (100 per cent in 2022-23).

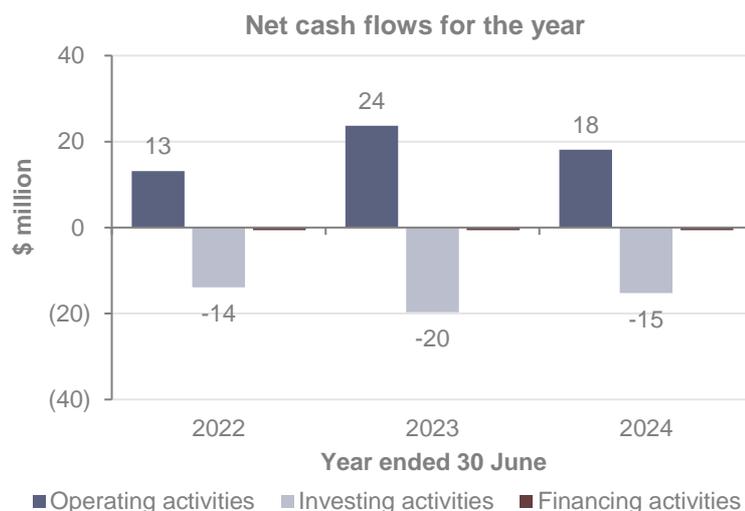
Council’s operating result from continuing operations (\$13.9 million including depreciation, amortisation and impairment expense of \$8.5 million) was \$2.3 million higher than the 2022–23 result. Which is predominantly due to the increase in grants and contributions (\$2.2 million) and the increase in interest and investment income (\$0.7 million) due to the increase in interest rates.

The net operating result before capital grants and contributions (\$0.7 million) was \$0.5 million lower than the 2022–23 result. This was due to a decrease in operating grants and contributions of \$0.5 million, which is due to the above-mentioned decrease in the financial assistance grants of \$1 million offset by various increases (totalling \$0.5 million) in special purpose operating grants.

STATEMENT OF CASH FLOWS

Cash balances increased due to the following factors:

- \$4 million less in net outflows for term deposits
- Payments for infrastructure, property, plant and equipment were \$0.6 million lower than the previous year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	33.0	29.3	Externally restricted balances comprise mainly of developer contributions, sewer funds and unspent specific purpose grants.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	18.3	20.3	
• Internal allocations	10.6	8.8	

Debt

At 30 June 2024, Council had:

- \$5.4 million in secured loans (\$6.0 million in 2022-23)
- \$50,000 in approved overdraft facility with nil drawn down
- \$40,000 in credit card facility with \$3,000 used.

PERFORMANCE

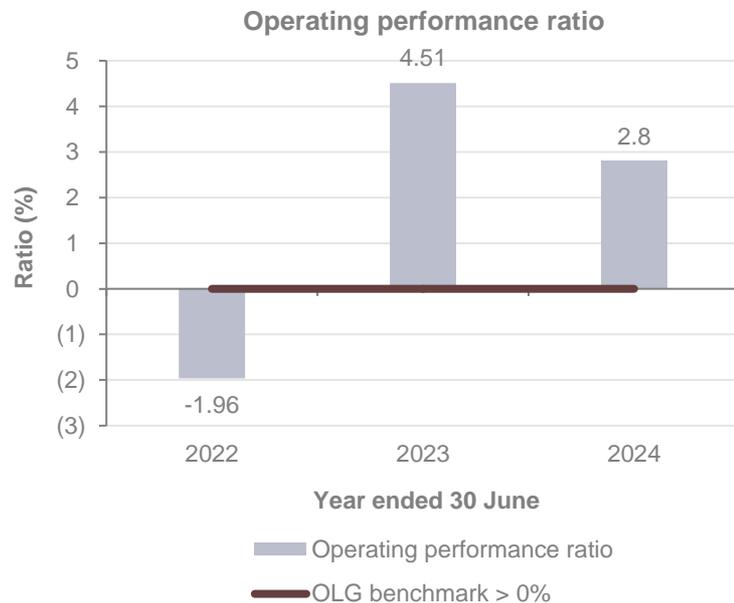
Performance measures

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

Operating performance ratio

Council exceeded the benchmark for the current reporting period.

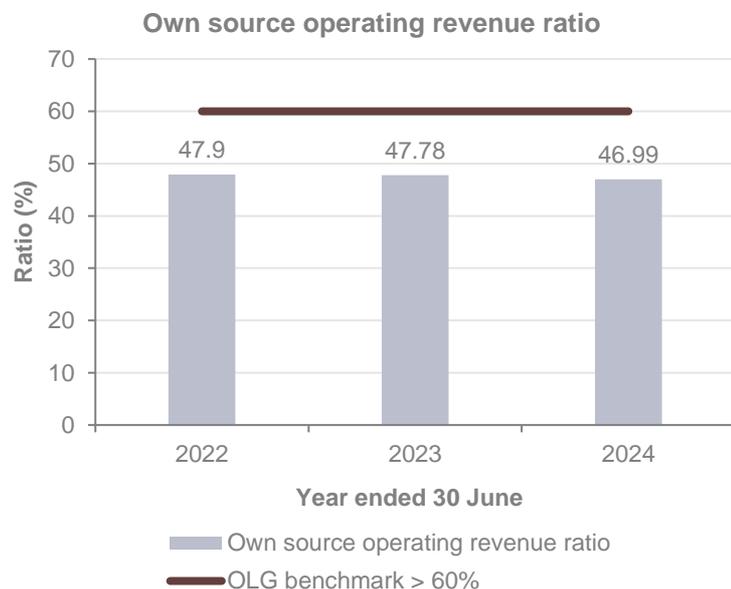
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

Council continues to remain below the benchmark due to the high level of grants and contributions received.

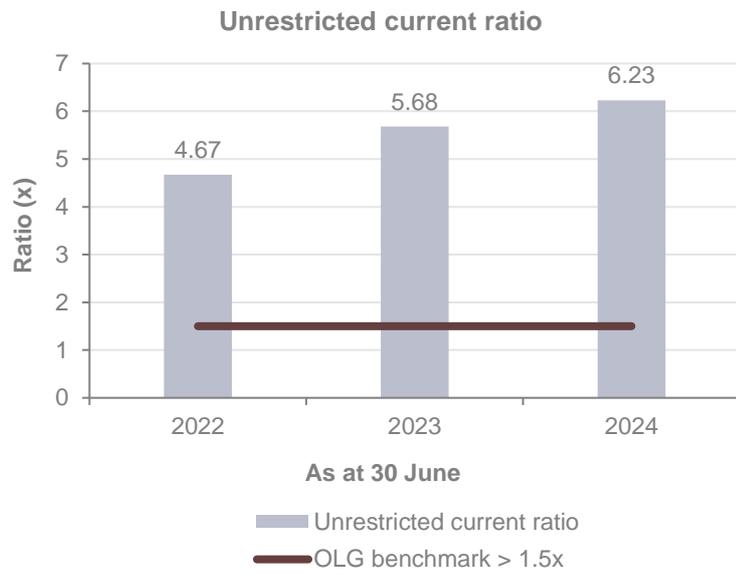
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

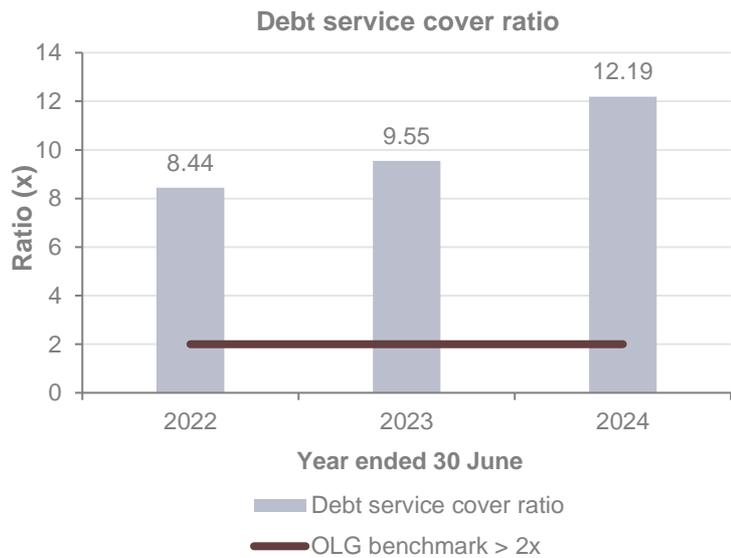
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council exceeded the benchmark for the current reporting period.

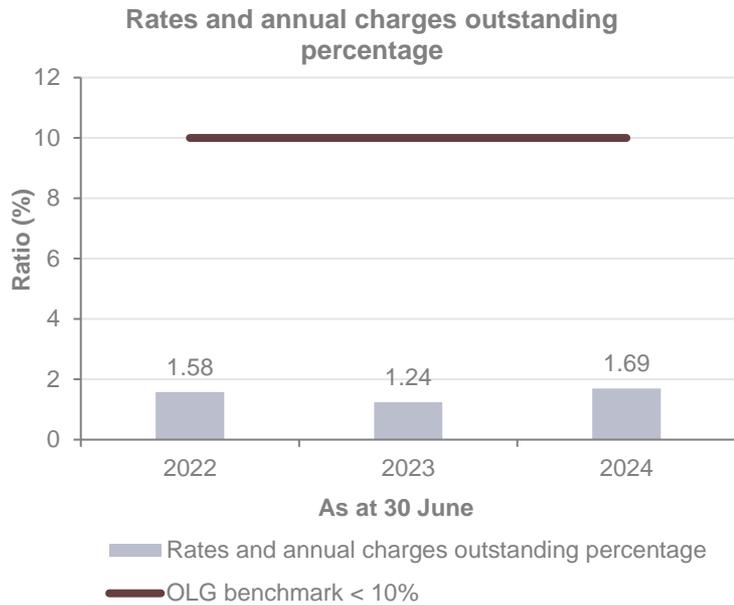
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

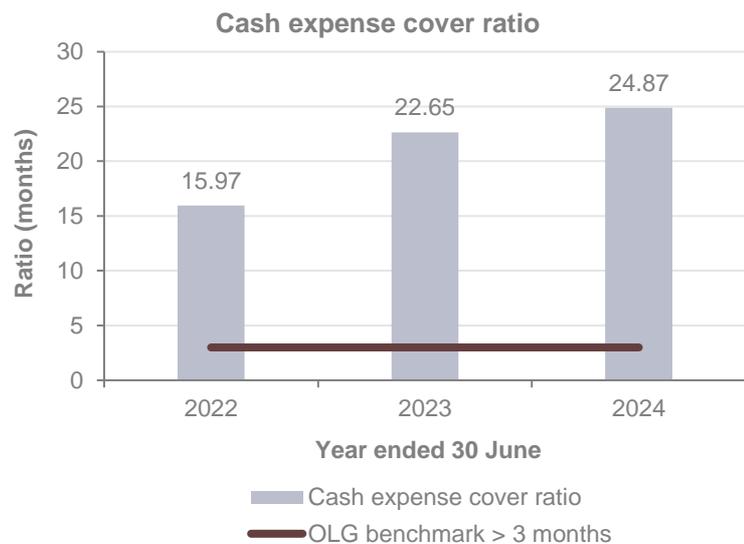
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council exceeded the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$4.2 million of infrastructure, property, plant and equipment during the 2023-24 financial year. This was mainly spent on roads and bridges. A further \$4.3 million was spent on new assets including plant and equipment, roads and stormwater drainage.

OTHER MATTERS

Legislative compliance

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

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



Farisha Ali
Associate Director - Financial Audit

Delegate of the Auditor-General for New South Wales

Blayney Shire 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 sewerage business activity	4
Statement of Financial Position of water supply business activity	n/a
Statement of Financial Position of sewerage business activity	5
Note – Material accounting policy information	6
Auditor's Report on Special Purpose Financial Statements	9

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).

Blayney Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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

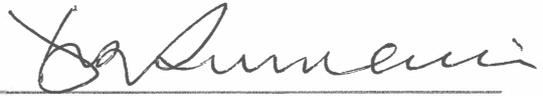
- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

Signed in accordance with a resolution of Council made on 27 August 2024.



Cr. S.J. Ferguson
Mayor
27 August 2024



Cr. D. Somerville
Deputy Mayor
27 August 2024



M. Dicker
General Manager
27 August 2024



T. Irlam
Responsible Accounting Officer
27 August 2024

Blayney Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	1,607	1,446
User charges	168	149
Liquid trade waste charges	90	52
Interest and investment income	352	248
Grants and contributions provided for operating purposes	32	14
Net gain from the disposal of assets	–	(15)
Total income from continuing operations	2,249	1,894
Expenses from continuing operations		
Employee benefits and on-costs	294	240
Borrowing costs	26	31
Materials and services	950	795
Depreciation, amortisation and impairment	740	702
Loss on disposal of assets	12	–
Other expenses	2	5
Total expenses from continuing operations	2,024	1,773
Surplus (deficit) from continuing operations before capital amounts	225	121
Grants and contributions provided for capital purposes	700	372
Surplus (deficit) from continuing operations after capital amounts	925	493
Surplus (deficit) from all operations before tax	925	493
Less: corporate taxation equivalent (25%) [based on result before capital]	(56)	(30)
Surplus (deficit) after tax	869	463
Plus accumulated surplus	10,621	10,128
– Corporate taxation equivalent	56	30
Closing accumulated surplus	11,546	10,621
Return on capital %	0.9%	0.5%
Subsidy from Council	1,010	968
Calculation of dividend payable:		
Surplus (deficit) after tax	869	463
Less: capital grants and contributions (excluding developer contributions)	(700)	(372)
Surplus for dividend calculation purposes	169	91
Potential dividend calculated from surplus	84	45

Blayney Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	2,174	1,659
Investments	6,570	6,408
Receivables	36	26
Total current assets	8,780	8,093
Non-current assets		
Infrastructure, property, plant and equipment	29,335	27,854
Total non-current assets	29,335	27,854
Total assets	38,115	35,947
LIABILITIES		
Current liabilities		
Contract liabilities	61	–
Payables	97	171
Borrowings	70	64
Total current liabilities	228	235
Non-current liabilities		
Borrowings	222	292
Total non-current liabilities	222	292
Total liabilities	450	527
Net assets	37,665	35,420
EQUITY		
Accumulated surplus	11,546	10,621
Revaluation reserves	26,119	24,799
Total equity	37,665	35,420

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)

Nil

Category 2

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

a. Blayney Sewerage Service

Sewerage reticulation and treatment system servicing the town of Blayney, which has been established as a Special Rate Fund

b. Millthorpe Sewerage Service

Sewerage reticulation and treatment system servicing the town of Millthorpe, which has been established as a Special Rate Fund

Taxation equivalent charges

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

Notional rate applied (%)

Note – Material accounting policy information (continued)

Corporate income tax rate – **25%** (23/24 25%)

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

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

In accordance with section 4 of Department of Planning and Environment (DPE) – Water's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to sections 3 and 4 of DPE – Water's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the relevant corporate income tax rate, currently 25% (22/23 25%).

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

Note – Material accounting policy information (continued)

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

(iii) Dividends

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

A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with section 4 of DPE – Water's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with section 4 of DPE – Water's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DPE – Water.



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the Material accounting policy information note to the financial statements which describes the basis of accounting. The financial statements have been

prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Farisha Ali', written in a cursive style.

Farisha Ali
Delegate of the Auditor-General for New South Wales

4 October 2024
SYDNEY

Blayney Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024



Blayney Shire Council

Special Schedules

for the year ended 30 June 2024

Contents	Page
Special Schedules:	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2024	7

Blayney Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹			
Last year notional general income yield	a	9,566	10,028
Plus or minus adjustments ²	b	77	8
Notional general income	c = a + b	9,643	10,036
Permissible income calculation			
Percentage increase	d	3.70%	10.00%
Plus percentage increase amount ³	f = d x (c + e)	357	1,004
Sub-total	g = (c + e + f)	10,000	11,040
Plus (or minus) last year's carry forward total	h	–	(29)
Less valuation objections claimed in the previous year	i	(1)	–
Sub-total	j = (h + i)	(1)	(29)
Total permissible income	k = g + j	9,999	11,011
Less notional general income yield	l	10,028	11,005
Catch-up or (excess) result	m = k – l	(29)	5
Plus income lost due to valuation objections claimed ⁴	n	–	1
Less unused catch-up greater than 10 years ⁵	o	–	8
Carry forward to next year ⁶	p = m + n + o	(29)	14

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts or the rate peg balance amounts will be deducted if they are not caught up within ten years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for when setting the rates in a future year.
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



Farisha Ali
Delegate of the Auditor-General for New South Wales

4 October 2024
SYDNEY

Blayney Shire 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	Other	6,491	1,970	509	631	32,843	49,422	17.3%	51.2%	17.5%	9.5%	4.5%	
	Sub-total	6,491	1,970	509	631	32,843	49,422	17.3%	51.2%	17.5%	9.5%	4.5%	
Roads	Sealed roads	1,805	390	1,868	440	159,576	198,678	79.7%	16.8%	2.6%	0.8%	0.1%	
	Unsealed roads	3,764	895	423	1,728	36,182	45,047	66.4%	12.6%	12.6%	7.1%	1.3%	
	Bridges	1,834	359	124	23	29,778	41,225	53.8%	30.4%	11.4%	4.2%	0.2%	
	Footpaths	741	130	143	2	8,947	12,758	41.5%	26.8%	25.9%	5.8%	0.0%	
	Major earthworks (non depreciable)	–	–	–	–	15,936	15,936	100.0%	0.0%	0.0%	0.0%	0.0%	
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Kerb & Gutter	988	254	183	–	15,617	19,443	31.4%	45.6%	17.9%	4.0%	1.0%	
	Roadside Furniture	299	161	33	–	2,818	3,509	45.6%	43.1%	2.8%	0.8%	7.7%	
	Culverts	504	135	99	–	8,417	10,479	72.0%	16.5%	6.7%	3.7%	1.1%	
Sub-total	9,935	2,324	2,873	2,193	277,271	347,075	71.2%	19.3%	6.7%	2.4%	0.4%		
Sewerage network	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Gravity Reticulations	60	19	209	22	13,588	18,634	98.9%	0.5%	0.2%	0.2%	0.2%	
	Rising mains	–	–	74	421	4,850	6,650	100.0%	0.0%	0.0%	0.0%	0.0%	
	Sewerage Treatment Plant	47	8	102	463	6,641	9,106	58.8%	25.6%	15.1%	0.5%	0.0%	
	Pump Stations	202	35	45	104	2,939	4,030	19.0%	38.2%	37.8%	5.0%	0.0%	
Sub-total	309	62	430	1,010	28,018	38,420	81.2%	10.3%	7.6%	0.7%	0.2%		
Stormwater drainage	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Stormwater Pipes/Lines	258	100	101	88	15,549	20,291	65.8%	28.4%	4.5%	0.6%	0.7%	
	Stormwater Pits	35	8	16	13	2,508	3,273	72.7%	22.6%	3.6%	0.9%	0.2%	
Sub-total	293	108	117	101	18,057	23,564	66.7%	27.6%	4.4%	0.6%	0.7%		
Open space / recreational assets	Swimming pools	–	–	94	159	3,309	3,576	100.0%	0.0%	0.0%	0.0%	0.0%	
	Other	35	7	391	402	5,599	8,062	53.8%	22.2%	23.6%	0.4%	0.0%	
	Sub-total	35	7	485	561	8,908	11,638	68.0%	15.4%	16.3%	0.3%	0.0%	
Total – all assets		17,063	4,471	4,414	4,496	365,097	470,119	66.0%	22.2%	8.0%	2.9%	0.9%	

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

Blayney Shire Council

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

Infrastructure asset condition assessment 'key'

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

Blayney Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	10,155	154.68%	205.14%	212.83%	> 100.00%
Depreciation, amortisation and impairment	6,565				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	17,063	4.55%	5.52%	3.28%	< 2.00%
Net carrying amount of infrastructure assets	375,292				
Asset maintenance ratio					
Actual asset maintenance	4,496	101.86%	104.88%	116.96%	> 100.00%
Required asset maintenance	4,414				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	4,471	0.95%	1.20%	0.75%	
Gross replacement cost	470,119				

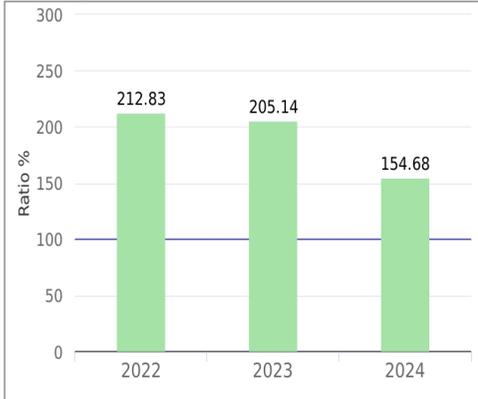
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Blayney Shire Council

Report on infrastructure assets as at 30 June 2024

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

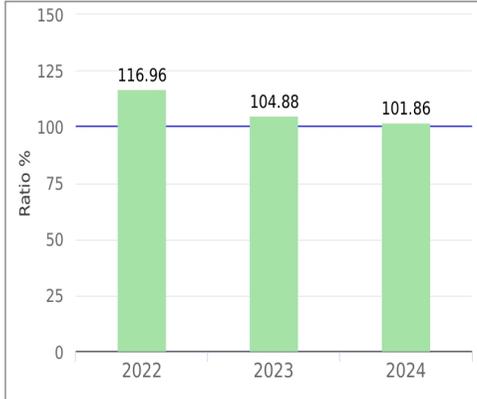
Commentary on result

23/24 ratio 154.68%

The building and infrastructure renewal ratio achieved the benchmark in 2023/24. This is a result of Council focusing on renewals of road infrastructure, gravel resheeting, culvert and bridge replacements.

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

Asset maintenance ratio



Asset maintenance ratio

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

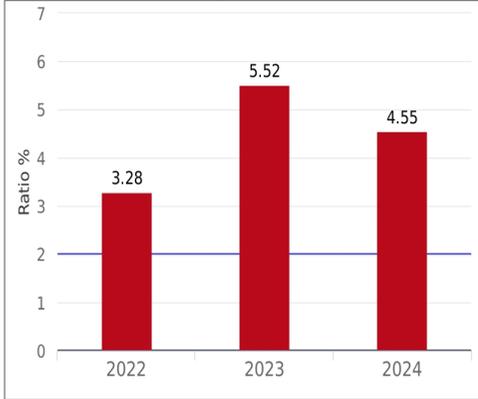
Commentary on result

23/24 ratio 101.86%

Council's performance on this ratio has slightly declined in the 2023/24 financial year however it has consistently remained above the benchmark. This ratio indicates that the current funds Council are investing should be enough to prevent infrastructure backlog from increasing.

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

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result

23/24 ratio 4.55%

Council's infrastructure backlog ratio remains outside the desired level. The ratio indicates significant backlog of Infrastructure to bring assets to condition 3 or better. Council has allocated expenditure for the capital renewal of buildings and urban stormwater, which will improve asset condition and in turn, improve this ratio.

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

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result

23/24 ratio 0.95%

This ratio refers to the cost for Council to bring assets to condition 3 or better, against the value of all infrastructure assets. This ratio has decreased to 0.95% from 1.20% in 22/23 however is still substantially below the 2.14% in 2019. This reflects a decrease in Council's backlog of assets in condition 4 & 5 which could be attributed to a large amount of capital renewal works brought to book this financial year.