

Walgett Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

*That the community utilise the opportunities that arise from
our environment, to improve their quality of life, while
embracing its ethnic and social diversity to the benefit of all.*



Walgett Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

*That the community utilise the opportunities that arise from
our environment, to improve their quality of life, while
embracing its ethnic and social diversity to the benefit of all.*



Walgett Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Walgett Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Walgett Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

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

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

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

Jasen Ramien
Mayor
27 August 2024

Colin Hundy
Deputy Mayor
27 August 2024

Megan Dixon
General Manager
27 August 2024

Ernest Mhande
Responsible Accounting Officer
27 August 2024

Walgett Shire Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
	Income from continuing operations			
10,702	Rates and annual charges	B2-1	10,594	10,021
8,894	User charges and fees	B2-2	5,789	5,085
947	Other revenues	B2-3	1,400	876
12,725	Grants and contributions provided for operating purposes	B2-4	24,179	27,355
15,696	Grants and contributions provided for capital purposes	B2-4	4,16	7,350
1,026	Interest and investment income	B2-5	1,62	1,212
178	Other income	B2-6	21	360
–	Net share of interests in joint ventures and associates using the equity method	D2	–	65
50,168	Total income from continuing operations		47,969	52,324
	Expenses from continuing operations			
8,847	Employee benefits and on-costs	B3-1	10,991	9,870
17,291	Materials and services	B3-2	23,002	18,535
38	Borrowing costs	B3-3	504	359
7,173	Depreciation, amortisation and impairment of non-financial assets	B3-4	4,455	7,066
1,324	Other expenses	B3-5	1,555	1,392
152	Net loss from the disposal of assets	B4-1	133	21
–	Net share of interests in joint ventures and associates using the equity method	D2	50	–
34,825	Total expenses from continuing operations		40,690	37,243
15,343	Operating result from continuing operations		7,279	15,081
15,343	Net operating result for the year attributable to Council		7,279	15,081
353	Net operating result for the year before grants and contributions provided for capital purposes		3,112	7,731

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

Walgett Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
Net operating result for the year – from Income Statement		7,279	15,081
Other comprehensive income:			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	37,483
Total items which will not be reclassified subsequently to the operating result		–	37,483
Total other comprehensive income for the year		–	37,483
Total comprehensive income for the year attributable to Council		7,279	52,564

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

Walgett Shire Council

Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	19,393	16,991
Investments	C1-2	17,000	12,000
Receivables	C1-4	14,257	13,818
Inventories	C1-5	1,071	811
Other	C1-7	35	55
Total current assets		51,760	43,675
Non-current assets			
Investments	C1-2	6,000	12,000
Receivables	C1-4	40	40
Infrastructure, property, plant and equipment (IPPE)	C1-6	420,267	403,465
Right of use assets	C2-1	149	202
Investments accounted for using the equity method	D2-1	1,158	729
Total non-current assets		427,614	416,436
Total assets		479,374	460,111
LIABILITIES			
Current liabilities			
Payables	C3-1	3,501	5,015
Contract liabilities	C3-2	5,595	5,065
Lease liabilities	C2-1	92	52
Borrowings	C3-3	97	309
Employee benefit provisions	C3-4	1,999	1,863
Total current liabilities		11,284	12,304
Non-current liabilities			
Lease liabilities	C2-1	62	154
Borrowings	C3-3	507	605
Employee benefit provisions	C3-4	102	66
Provisions	C3-5	3,738	3,864
Investments accounted for using the equity method	D2-1,D2-3	479	–
Total non-current liabilities		4,888	4,689
Total liabilities		16,172	16,993
Net assets		463,202	443,118
EQUITY			
Accumulated surplus		151,408	144,129
IPPE revaluation reserve	C4-1	298,989	298,989
Council equity interest		450,397	443,118
Total equity		450,397	443,118

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

Walgett Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		144,129	298,989	443,118	129,048	261,506	390,554
Net operating result for the year		7,279	–	7,279	15,081	–	15,081
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	–	–	–	37,483	37,483
Other comprehensive income		–	–	–	–	37,483	37,483
Total comprehensive income		7,279	–	7,279	15,081	37,483	52,564
Closing balance at 30 June		151,408	298,989	450,397	144,129	298,989	443,118

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

Walgett Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
Cash flows from operating activities				
<i>Receipts:</i>				
10,636	Rates and annual charges		10,236	9,736
8,725	User charges and fees		8,844	3,527
1,205	Interest received		1,607	972
28,839	Grants and contributions		25,691	31,194
–	Bonds, deposits and retentions received		368	–
1,181	Other		1,378	3,674
<i>Payments:</i>				
(8,784)	Payments to employees		(10,830)	(10,658)
(17,638)	Payments for materials and services		(23,485)	(19,504)
(25)	Borrowing costs		(35)	(51)
–	Bonds, deposits and retentions refunded		–	(23)
(1,367)	Other		(1,785)	(1,688)
22,772	Net cash flows from operating activities	G1-1	11,989	17,179
Cash flows from investing activities				
<i>Receipts:</i>				
7,000	Redemption of term deposits		–	19,000
481	Proceeds from sale of IPPE		231	–
–	Deferred debtors receipts		20	20
<i>Payments:</i>				
(750)	Acquisition of term deposits		1,000	(16,000)
(35,721)	Payments for IPPE		(23,280)	(11,842)
(28,990)	Net cash flows from investing activities		(22,029)	(8,822)
Cash flows from financing activities				
<i>Receipts:</i>				
2,680	Proceeds from borrowings		–	–
<i>Payments:</i>				
(309)	Repayment of borrowings		(310)	(422)
–	Principal component of lease payments		(53)	(60)
2,371	Net cash flows from financing activities		(363)	(482)
(3,847)	Net change in cash and cash equivalents		(10,403)	7,875
11,282	Cash and cash equivalents at beginning of year		16,991	9,116
7,435	Cash and cash equivalents at end of year	C1-1	6,588	16,991
12,750	plus: Investments on hand at end of year	C1-2	23,000	24,000
20,185	Total cash, cash equivalents and investments		29,588	40,991

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

Walgett Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* (Act) and *Local Government (General) Regulation 2022* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) estimated landfill and gravel pit 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
- (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.
- (iii) Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease - refer to Note C2-1.

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 held in the Council's Trust Fund.

A1-1 Basis of preparation (continued)

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

General purpose operations

Water Supply Fund

Walgett Water Supply Service

Lightning Ridge Water Supply Service

Collarenebri Water Supply Service

Villages Water Supply Service

Sewerage Fund

Walgett Sewerage Service

Lightning Ridge Sewerage Service

Collarenebri Sewerage Service

Domestic Waste Management Fund

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 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.

The following Trust monies and properties are held by Council and are included in these financial statements:

Lightning Ridge Bore Baths Committee

Namoi Village Bingo - V Boney

Lightning Ridge Cemetery (Bequest)

Mooribul Day

Walgett Meals on Wheels

Burren Junction Hall Committee

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

Volunteer services

Council's Lightning Ridge Visitor Information Centre utilises a number of volunteers to assist visitors to the area. Council remits a stipend to these volunteers in recognition of their service to Walgett Shire's tourism industry. Any shortfall between the payment of this stipend and staff wages is considered immaterial to Council's financial statements.

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.

A1-1 Basis of preparation (continued)

New accounting standards adopted during the year

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Functions or activities										
Community	-	1,005	-	5,380	-	(4,375)	-	466	-	-
Economic Development	-	688	-	4,742	-	(4,054)	-	276	-	-
Governance and Civic Leadership	-	14,486	-	5,952	-	8,534	-	7,561	-	72,257
Sustainable Living	-	5,987	-	15,127	-	(9,140)	-	204	-	61,409
Infrastructure	-	30,158	-	6,042	-	24,116	-	26,198	-	326,445
Other	-	-	-	-	-	-	28,346	-	479,374	-
Total functions and activities	-	52,324	-	37,243	-	15,081	28,346	34,705	479,374	460,111

B1-2 Components of functions or activities

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

Community

- Develop a connected, informed, resilient and inviting community
- A safe, active and healthy Shire

Economic Development

- An attractive environment for business, tourism and industry
- Employment opportunities that supports local industries
- An efficient network of arterial roads and supporting infrastructure; town streets and footpaths that are adequate and maintained
- Communities that are well serviced with essential infrastructure

Governance and Civic Leadership

- An accountable and representative Council
- Implement governance and financial management process that support the effective administration of Council
- Promote community involvement in Government decision making
- Deliver the goals and strategies of the Community Strategic Plan

Sustainable Living

- Operate an urban waste management system that meets the community needs and environmental standards
- Provide potable and raw water supply systems that ensures enhanced water security and meets health standards
- A sustainable environment that recognises our rivers, natural environment, ecological systems and biodiversity
- Maintain a healthy balance between development and the environment

Infrastructure

- Provide and maintain an effective road network that meets the community needs and expectations
- A Regional and State Road network that is appropriately supported and resourced by the Government
- Maintain and improve Council's property assets to an optimal level
- Provision of facilities and communication services

B2 Sources of income

B2-1 Rates and annual charges

	2024 \$ '000	2023 \$ '000
Ordinary rates		
Residential	1,547	1,444
Farmland	4,276	4,069
Business	376	371
Less: pensioner rebates (mandatory)	(95)	(93)
Rates levied to ratepayers	6,104	5,791
Pensioner rate subsidies received	52	52
Total ordinary rates	6,156	5,843
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,632	1,548
Water supply services	1,840	1,695
Sewerage services	1,005	972
Less: pensioner rebates (mandatory)	(86)	(83)
Annual charges levied	4,391	4,132
Pensioner annual charges subsidies received:		
– Water	11	11
– Sewerage	10	10
– Domestic waste management	26	25
Total annual charges	4,438	4,178
Total rates and annual charges	10,594	10,021

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

	Timing	2024 \$ '000	2023 \$ '000
Specific user charges (per s502 - specific 'actual use' charges)			
Water supply services	2	730	574
Sewerage services	2	6	10
Total specific user charges		736	584
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Inspection services	2	9	4
Planning and building regulation	2	54	63
Private works – section 67	2	100	25
Regulatory/ statutory fees	2	38	34
Section 603 certificates	2	15	14
Other	2	2	6
Total fees and charges – statutory/regulatory		218	146
(ii) Fees and charges – other (incl. general user charges (per s608))			
Aerodrome	2	10	12
Caravan park	2	21	8
Cemeteries	2	79	69
Lease rentals	2	23	71
Park rents	2	1	1
Transport for NSW works (state roads not controlled by Council)	2	3,925	3,743
Saleyards	2	2	3
Sundry sales	2	5	41
Swimming centres	2	26	3
Tourism	2	244	221
Waste disposal tipping fees	2	430	158
Water connection fees	2	10	8
Other	2	59	17
Total fees and charges – other		4,835	4,355
Total other user charges and fees		5,053	4,501
Total user charges and fees		5,789	5,085
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)		5,789	5,085
Total user charges and fees		5,789	5,085

Material accounting policy information

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

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

Council does not charge upfront fees such as membership fees for a leisure centre and so does not recognise the fee on a straightline basis over the expected life of the membership.

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

B2-3 Other revenues

	Timing	2024 \$ '000	2023 \$ '000
Fines	2	–	1
Commissions and agency fees	2	203	181
Diesel rebate	2	116	47
Insurance claims recoveries	2	248	86
Sales of gravel stores	2	295	48
Sales – general	2	73	78
Maintain water and sewer aboriginal communities	2	323	271
Other	2	142	164
Total other revenue		1,400	876

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	–	–
Other revenue recognised at a point in time (2)	1,400	876
Total other revenue	1,400	876

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

		Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
	Timing				
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	415	1,544	–	–
Financial assistance – local roads component	2	94	622	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	5,480	5,874	–	–
Financial assistance – local roads component	2	2,176	2,455	–	–
Amount recognised as income during current year		8,165	10,495	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Pensioners' rates subsidies:					
Bushfire and emergency services	2	–	90	–	–
Community care	2	121	135	–	–
Economic development	2	68	276	831	209
Employment and training programs	2	45	143	–	–
Heritage and cultural	2	–	14	–	–
Library	2	59	61	–	–
Library – special projects	2	24	20	–	–
LIRS subsidy	2	9	9	–	–
Recreation and culture	2	250	–	1,574	1,168
Storm/flood damage	2	3,836	7,478	47	5
Street lighting	2	33	33	–	–
Traffic route subsidy	2	65	63	–	–
Transport (roads to recovery)	2	2,180	291	–	–
Transport (other roads and bridges funding)	1	6,589	5,520	1,491	4,439
Water supplies	1	160	46	11	102
Youth services	2	40	82	–	–
Other specific grants	2	10	89	213	55
Previously contributions:					
Health and safety		–	32	–	–
Transport for NSW contributions (regional roads, block grant)	2	2,525	2,478	–	–
Total special purpose grants and non-developer contributions – cash		16,014	16,860	4,167	5,978
Non-cash contributions					
Community services		–	–	–	1,372
Total other contributions – non-cash		–	–	–	1,372
Total special purpose grants and non-developer contributions (tied)		16,014	16,860	4,167	7,350
Total grants and non-developer contributions		24,179	27,355	4,167	7,350

B2-4 Grants and contributions (continued)

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Timing				
Comprising:				
– Commonwealth funding	2,251	198	1,634	1,895
– State funding	21,678	25,641	2,461	4,065
– Other funding	250	1,516	72	1,390
	24,179	27,355	4,167	7,350

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Total grants and contributions	24,179	27,355	4,167	7,350

Timing of revenue recognition for grants and contributions

Grants and contributions recognised over time (1)	–	–	–	5,763
Grants and contributions recognised at a point in time (2)	24,179	27,355	4,167	1,587
Total grants and contributions	24,179	27,355	4,167	7,350

Unspent grants and contributions

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

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Unspent grants and contributions				
Unspent funds at 1 July	7,309	1,571	5,065	5,552
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	6,833	6,221	–	–
Add: Funds received and not recognised as revenue in the current year	–	–	2,809	3,170
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(5,456)	(483)	–	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(2,234)	(3,657)
Unspent funds at 30 June	8,686	7,309	5,640	5,065

Unexpended capital grants held relate to major projects in progress at the end of the financial year.

B2-4 Grants and contributions (continued)

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

Capital grants

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

	2024 \$ '000	2023 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	181	113
– Cash and investments	1,446	1,099
Total interest and investment income (losses)	1,627	1,212
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	67	44
General Council cash and investments	659	644
Restricted investments/funds – external:		
Water fund operations	394	219
Sewerage fund operations	351	204
Domestic waste management operations	156	101
Total interest and investment income	1,627	1,212

B2-6 Other income

	Notes	2024 \$ '000	2023 \$ '000
Reversal of impairment losses on receivables			
Rates and annual charges		–	195
Total reversal of impairment losses on receivables	C1-4	–	195
Rental income			
Other lease income			
Room/Facility Hire		82	79
Leaseback fees - council vehicles		43	38
Other		88	48
Total other lease income		213	165
Total rental income	C2-2	213	165
Total other income		213	360

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2024 \$ '000	2023 \$ '000
Salaries and wages	8,063	7,342
Travel expenses	5	2
Employee leave entitlements (ELE)	1,613	1,555
Superannuation	887	799
Workers' compensation insurance	448	283
Fringe benefit tax (FBT)	105	94
Training costs (other than salaries and wages)	2	2
Other	8	6
Total employee costs	11,131	10,083
Less: capitalised costs	(140)	(213)
Total employee costs expensed	10,991	9,870

Material accounting policy information

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

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

B3-2 Materials and services

	Notes	2024 \$ '000	2023 \$ '000
Consultancy costs		51	141
Raw materials and consumables		13,166	10,925
Contractor costs		15,855	16,873
Audit Fees	F2-1	118	112
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	170	186
Advertising		163	236
Bank charges		25	24
Electricity and heating		264	318
Insurance		1,016	862
Office expenses (including computer expenses)		79	81
Printing and stationery		64	72
Street lighting		203	151
Subscriptions and publications		44	37
Telephone and communications		113	128
Tourism expenses (excluding employee costs)		218	296
Valuation fees		43	75
Travel expenses		42	37
Swimming pools		376	294
Training costs (other than salaries and wages)		46	70
Legal expenses:			
– Legal expenses: planning and development		4	–
– Legal expenses: debt recovery		42	36
– Legal expenses: other		85	55
Expenses from short-term leases		37	37
Total materials and services		32,224	31,046
Less: capitalised costs		(9,222)	(12,511)
Total materials and services		23,002	18,535

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on loans		33	50
Total interest bearing liability costs		33	50
Total interest bearing liability costs expensed		33	50

(ii) Other borrowing costs

– Remediation liabilities	C3-5	471	309
Total other borrowing costs		471	309
Total borrowing costs expensed		504	359

Material accounting policy information

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.

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

	Notes	2024 \$ '000	2023 \$ '000
Depreciation and amortisation	C1-6		
Plant and equipment		899	873
Infrastructure:			
– Roads		3,489	3,282
– Other structures		–	962
– Water supply network		–	829
– Sewerage network		–	406
– Buildings – specialised		–	345
– Stormwater drainage		–	146
– Buildings – non-specialised		–	138
Right of use assets		54	65
Reinstatement, rehabilitation and restoration assets:			
– Tip assets		12	15
– Quarry assets		1	5
Total gross depreciation and amortisation costs		4,455	7,066
Total depreciation and amortisation costs		4,455	7,066
Total depreciation, amortisation and impairment for non-financial assets		4,455	7,066

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

	Notes	2024 \$ '000	2023 \$ '000
Impairment of receivables			
Rates and annual charges		208	88
User charges and fees		14	15
Other		–	8
Total impairment of receivables	C1-4	222	111
Other			
Contributions/levies to other levels of government			
Contributions/levies to other levels of government		–	16
– CMCC noxious weeds		118	114
– Emergency services levy (includes FRNSW, SES, and RFS levies)		449	428
– Regional library		155	153
– Other contributions/levies		10	12
– Community and tourism programs (Section 356)		365	333
Donations, contributions and assistance to other organisations (Section 356)		161	145
– Donations, contributions and assistance (Section 356)		40	42
– Far North West Joint Organisation (Section 356)		35	38
Total other		1,333	1,281
Total other expenses		1,555	1,392

B4 Gains or losses

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

	Notes	2024 \$ '000	2023 \$ '000
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		231	–
Less: carrying amount of plant and equipment assets sold/written off		(199)	–
Gain (or loss) on disposal		32	–
Gain (or loss) on disposal of term deposits	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		–	19,000
Less: carrying amount of term deposits sold/redeemed/matured		–	(19,000)
Gain (or loss) on disposal		–	–
Operational land	C1-6		
Proceeds from disposal – Operational land		–	–
Less: carrying amount of Operational land assets sold/written off		–	(2)
Gain (or loss) on disposal		–	(2)
Roads, bridges and footpath assets	C1-6		
Less: carrying amount of Roads, bridges and footpaths assets written off		(165)	(19)
Gain (or loss) on disposal		(165)	(19)
Net gain (or loss) from disposal of assets		(133)	(21)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 05 July 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	8,894	5,789	(3,105)	(35)% U
Income from Council's road contract (RMCC) with Transport for NSW was lower than budget expectations.				
Other revenues	947	1,400	453	48% F
Changes to accounting code moved some income into different income classifications. This change was not reflected in the budgeting process.				
Operating grants and contributions	12,725	24,179	11,454	90% F
Receipt of operational grants exceeded budget expectations due to increased funding for roads following storm and flood damage.				
Capital grants and contributions	15,696	4,167	(11,529)	(73)% U
Less capital work was completed compared to budget expectations as focus was more on repair works which are operational grants.				
Interest and investment revenue	1,026	1,627	601	59% F
Council gained greater returns on investments than was budgeted for due to higher interest rates and more available cash for investment during the year.				
Other income	178	213	35	20% F
Changes to accounting code moved some income into different income classifications. This change was not reflected in the budgeting process.				
Joint ventures and associates – net profits	-	-	-	∞ F

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Expenses				
Employee benefits and on-costs	8,847	10,991	(2,144)	(24)% U
Materials and services	17,291	23,002	(5,711)	(33)% U
Borrowing costs	38	504	(466)	(1,226)% U
Net losses from disposal of assets	152	133	19	13% F
Statement of cash flows				
Cash flows from operating activities	22,772	11,989	(10,783)	(47)% U
Cash flows from investing activities	(28,990)	(22,029)	6,961	(24)% F
Cash flows from financing activities	2,371	(363)	(2,734)	(115)% U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
Cash assets		
Cash on hand and at bank	11,673	8,034
Cash equivalent assets		
– Deposits at call	7,720	8,957
Total cash and cash equivalents	19,393	16,991

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	19,393	16,991
Balance as per the Statement of Cash Flows	19,393	16,991

C1-2 Financial investments

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Debt securities at amortised cost				
Long term deposits	17,000	6,000	12,000	12,000
Total	17,000	6,000	12,000	12,000
Total financial investments	17,000	6,000	12,000	12,000
Total cash assets, cash equivalents and investments	36,393	6,000	28,991	12,000

Material accounting policy information

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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.

C1-2 Financial investments (continued)

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

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are held at fair value with changes in value taken through profit or loss at each reporting period.

(b) Financial assets at amortised cost

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

Recognition and de-recognition

Council does not hold any financial assets as available for sale. All financial assets are recognised at cost on the date of investment and Council has the positive intention and ability to hold all financial assets/investments until maturity. Council recognises any such assets at face value at the maturity date.

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

	2024 \$ '000	2023 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	42,393	40,991
Less: Externally restricted cash, cash equivalents and investments	<u>(29,040)</u>	<u>(25,381)</u>
Cash, cash equivalents and investments not subject to external restrictions	13,353	15,610
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended loans – general	–	411
Specific purpose unexpended grants – general fund	<u>5,640</u>	<u>5,065</u>
External restrictions – included in liabilities	5,640	5,476
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants (recognised as revenue) – general fund	<u>8,615</u>	<u>7,305</u>
Specific purpose unexpended grants (recognised as revenue) – water fund	<u>71</u>	<u>4</u>
Water fund	<u>3,767</u>	<u>2,762</u>
Sewer fund	<u>8,062</u>	<u>7,275</u>
Domestic waste management	<u>2,885</u>	<u>2,559</u>
External restrictions – other	23,400	19,905
Total external restrictions	29,040	25,381

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.

	2024 \$ '000	2023 \$ '000
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	13,353	15,610
Less: Internally restricted cash, cash equivalents and investments	<u>(7,656)</u>	<u>(14,599)</u>
Unrestricted and unallocated cash, cash equivalents and investments	5,697	1,011

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

	2024	2023
	\$ '000	\$ '000
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	-	2,340
Infrastructure replacement	-	371
Employees leave entitlement	-	502
Carry over works	-	68
Rehabilitation	-	320
FAG advance	7,656	7,080
Shire Signage	-	105
Local Environmental Plan Update	-	88
Lightning Ridge Urban Expansion Plan	-	17
Regional Infrastructure Program	-	27
Council Elections	-	35
RMCC Contract Warranty	-	350
Tourism, Marketing & Promotion	-	329
Arts Projects	-	50
Economic Development	-	1,067
Postponed Major Projects	-	1,082
Council Administration Centre Facilities Upgrade	-	118
Walgett Animal Pound	-	300
Other	-	350
Total internal allocations	7,656	14,599

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

	2024	2023
	\$ '000	\$ '000
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	5,697	1,011

C1-4 Receivables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	1,956	–	1,863	–
Interest and extra charges	277	–	293	–
User charges and fees	706	–	3,797	–
Accrued revenues				
– Interest on investments	554	–	518	–
Deferred debtors	–	40	20	40
Government grants and subsidies	10,510	–	7,325	–
Net GST receivable	449	–	273	–
Other debtors	60	–	1	–
Total	14,512	40	14,090	40
Less: provision for impairment				
Rates and annual charges	(256)	–	(256)	–
User charges and fees	(3)	–	(16)	–
Total provision for impairment – receivables	(259)	–	(272)	–
Total net receivables	14,253	40	13,818	40
Externally restricted receivables				
Water supply				
– Rates and availability charges	–	–	518	–
– Other	1,378	–	590	–
Sewerage services				
– Rates and availability charges	–	–	239	–
– Other	251	–	7	–
Domestic waste management	–	–	324	–
Total external restrictions	1,629	–	1,678	–
Unrestricted receivables	12,624	40	12,140	40
Total net receivables	14,253	40	13,818	40

	2024 \$ '000	2023 \$ '000
Movement in provision for impairment of receivables		
Balance at the beginning of the year	272	457
+ new provisions recognised during the year	–	10
– amounts provided for but recovered during the year	–	(195)
Balance at the end of the year	272	272

C1-4 Receivables (continued)

Material accounting policy information

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

Impairment

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

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

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

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

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

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 2 years past due, whichever occurs first.

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

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

C1-5 Inventories

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
(i) Inventories at cost				
Stores and materials	1,079	-	811	-
Total inventories at cost	1,079	-	811	-
Total inventories	1,079	-	811	-

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.

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	Asset movements during the reporting period						
	At 1 July 2023			Depreciation expense	At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount		Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Capital work in progress	10,055	–	10,055	–	5,307	–	5,307
Plant and equipment	15,906	(9,477)	6,429	(899)	16,007	(9,531)	6,476
Office equipment	1,468	(1,468)	–	–	1,468	(1,468)	–
Land:							
– Crown land	5,907	–	5,907	–	6,010	–	6,010
– Operational land	3,514	–	3,514	–	3,712	–	3,712
– Community land	963	–	963	–	1,056	–	1,056
Infrastructure:							
– Buildings – non-specialised	10,349	(1,377)	8,972	–	10,349	(1,377)	8,972
– Buildings – specialised	38,661	(13,928)	24,733	–	39,132	(13,928)	25,204
– Other structures	58,792	(20,327)	38,465	–	61,165	(20,327)	40,838
– Roads inc Bulk earthworks	322,968	(94,625)	228,343	(3,489)	350,081	(102,937)	247,144
– Stormwater drainage	22,344	(4,750)	17,594	–	22,344	(4,750)	17,594
– Water supply network	56,585	(19,714)	36,871	–	56,659	(19,714)	36,945
– Sewerage network	33,960	(14,645)	19,315	–	33,960	(14,645)	19,315
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):							
– Quarry assets	89	(59)	30	(1)	(5)	(60)	(65)
– Tip assets	2,933	(659)	2,274	(12)	2,430	(671)	1,759
Total infrastructure, property, plant and equipment	584,494	(181,029)	403,465	(4,401)	609,675	(189,408)	420,267

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

	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 increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
By aggregated asset class	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	8,623	–	8,623	1,154	5,607	–	–	(5,329)	–	–	10,055	–	10,055
Plant and equipment	13,909	(8,631)	5,278	–	2,024	–	(873)	–	–	–	15,906	(9,477)	6,429
Office equipment	1,468	(1,468)	–	–	–	–	–	–	–	–	1,468	(1,468)	–
Land:													
– Operational land	2,487	–	2,487	–	106	–	–	–	–	921	3,514	–	3,514
– Community land	481	–	481	–	–	–	–	–	–	482	963	–	963
– Crown land	2,926	–	2,926	–	–	(2)	–	–	–	2,983	5,907	–	5,907
Infrastructure:													
– Buildings – non-specialised	6,571	(1,632)	4,939	–	–	–	(138)	–	224	3,947	10,349	(1,377)	8,972
– Buildings – specialised	43,706	(17,695)	26,011	–	1,281	–	(345)	1,835	(12,693)	8,644	38,661	(13,928)	24,733
– Other structures	35,143	(12,151)	22,992	450	711	–	(962)	321	12,469	2,484	58,792	(20,327)	38,465
– Roads inc Bulk Earthworks	300,662	(86,276)	214,386	1,461	789	(19)	(3,282)	2,267	–	12,741	322,968	(94,625)	228,343
– Stormwater drainage	20,617	(4,263)	16,354	128	–	–	(146)	–	–	1,258	22,344	(4,750)	17,594
– Water supply network	51,759	(17,474)	34,285	39	81	–	(829)	655	–	2,640	56,585	(19,714)	36,871
– Sewerage network	31,074	(13,191)	17,883	204	–	–	(406)	251	–	1,383	33,960	(14,645)	19,315
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	3,173	(644)	2,529	–	–	–	(15)	–	(240)	–	2,933	(659)	2,274
– Quarry assets	179	(54)	125	–	–	–	(5)	–	(90)	–	89	(59)	30
Total infrastructure, property, plant and equipment	522,778	(163,479)	359,299	3,436	10,599	(21)	(7,001)	–	(330)	37,483	584,494	(181,029)	403,465

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

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

Material accounting policy information

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

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

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

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

Useful lives of IPPE

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

	Useful lives
Equipment, furniture and fittings	3 to 20
Land	Infinite
Infrastructure:	
– Buildings and other structures	20 to 100
– Roads, bridges and footpaths	8 to 100
– Bulk earthworks	Infinite
– Stormwater drainage	80 to 100
– Water supply network	15 to 100
– Sewerage network	15 to 100
– Open space / recreational assets	20
– Other infrastructure	20
Other assets	2 to 15
Tip and quarry assets	20

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

Revaluation model

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

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

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

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.

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

Crown reserves

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

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

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

Walgett Shire Council has reviewed the information on Rural Fire Services "Red Fleet" assets for the year ending 30 June 2023 and has determined the carrying value of these assets to be immaterial and has therefore not disclosed these assets in the financial statements.

The Rural Fire Services land and buildings within the Walgett Local Government Area are accounted for in these statements under the signed agreement with Council's Zone RFS.

Externally restricted infrastructure, property, plant and equipment

	as at 30/06/24			as at 30/06/23		
	Gross carrying amount \$ '000	Accumulated depn. and impairment \$ '000	Net carrying amount \$ '000	Gross carrying amount \$ '000	Accumulated depn. and impairment \$ '000	Net carrying amount \$ '000
Water supply						
WIP	-	-	-	308	-	308
Infrastructure	-	-	-	56,585	19,714	36,871
Total water supply	-	-	-	56,893	19,714	37,179
Sewerage services						
- Operational land	-	-	-	7	-	7
Infrastructure	-	-	-	33,960	14,645	19,315
Total sewerage services	-	-	-	33,967	14,645	19,322
Domestic waste management						
Buildings	-	-	-	41	15	26
Other structures	-	-	-	907	312	595
Remediation Assets	-	-	-	2,347	527	1,820
Total domestic waste management	-	-	-	3,295	854	2,441
Total restricted infrastructure, property, plant and equipment	-	-	-	94,155	35,213	58,942

C1-7 Other

Other assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Prepayments	35	-	55	-
Total other assets	35	-	55	-

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over buildings and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Leases are on a short-term basis with the building lease and the lease over IT equipment (photocopiers) expiring in the 2023/24 and 2027/28 financial years respectively.

Buildings

Council has leased land and a buildings for their Lightning Ridge Centrelink Agency. The lease was not renewed during 2023/24.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The lease is for 5 years with no renewal option, the payments are fixed with an annual CPI increase. Usage costs are additional to the lease contract under a maintenance agreement.

(a) Right of use assets

	Plant & Equipment \$ '000	Ready to use \$ '000	Total \$ '000
2024			
Opening balance at 1 July	195	7	202
Depreciation charge	(46)	(7)	(53)
Balance at 30 June	149	–	149
2023			
Opening balance at 1 July	4	29	33
Additions to right-of-use assets	234	–	234
Depreciation charge	(43)	(22)	(65)
Balance at 30 June	195	7	202

(b) Lease liabilities

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Lease liabilities	92	62	52	154
Total lease liabilities	92	62	52	154

C2-1 Council as a lessee (continued)

(c) The maturity analysis

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

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per Statement of Financial Position \$ '000
2024					
Cash flows	51	110	–	161	154
2023					
Cash flows	58	161	–	219	206

(d) Income Statement

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

	2024 \$ '000	2023 \$ '000
Depreciation of right of use assets	54	65
Expenses relating to short-term leases	37	37
	91	102

(e) Statement of Cash Flows

Total cash outflow for leases	(88)	(96)
	(88)	(96)

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

All Council leases at market value which are for:

- Residential housing
- Commercial premises

C2-1 Council as a lessee (continued)

Material accounting policy information

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, these leases have been classified as operating leases for financial reporting purposes and the assets are included in IPP&E (refer in this note part (v) below) 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:

	2024	2023
	\$ '000	\$ '000
(ii) Assets held as property, plant and equipment		
Lease income (excluding variable lease payments not dependent on an index or rate)	213	165
Total income relating to operating leases for Council assets	213	165

C3 Liabilities of Council

C3-1 Payables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Goods and services – operating expenditure	1,648	–	1,863	–
Goods and services – capital expenditure	292	–	2,005	–
Accrued expenses:				
– Borrowings	1	–	3	–
– Salaries and wages	177	–	188	–
– Other expenditure accruals	347	–	198	–
Advances	48	–	57	–
Security bonds, deposits and retentions	525	–	157	–
Other	–	–	25	–
Government departments and agencies	1	–	–	–
Prepaid rates	462	–	519	–
Total payables	3,501	–	5,015	–

Payables relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Externally restricted assets				
Water	108	–	118	–
Domestic waste management	–	–	86	–
Payables relating to externally restricted assets	108	–	204	–
Total payables relating to restricted assets	108	–	204	–
Total payables relating to unrestricted assets	3,393	–	4,811	–
Total payables	3,501	–	5,015	–

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

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Grants and contributions received in advance:				
Unexpended capital grants (to construct Council controlled assets)	5,595	-	5,065	-
Total grants received in advance	5,595	-	5,065	-
Total contract liabilities	5,595	-	5,065	-

Notes

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

Contract liabilities relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Notes				
Externally restricted assets				
Unspent grants held as contract liabilities (excl. Water & Sewer)	5,640	-	5,065	-
Contract liabilities relating to externally restricted assets	5,640	-	5,065	-
Total contract liabilities relating to restricted assets	5,640	-	5,065	-
Total contract liabilities relating to unrestricted assets	(45)	-	-	-
Total contract liabilities	5,595	-	5,065	-

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

	2024 \$ '000	2023 \$ '000
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	3,074	5,552
Total revenue recognised that was included in the contract liability balance at the beginning of the period	3,074	5,552

C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – secured ¹	97	507	309	605
Total borrowings	97	507	309	605

(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

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	New loans \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	914	(310)	–	–	–	–	604
Lease liability (Note C2-1b)	206	(52)	–	–	–	–	154
Total liabilities from financing activities	1,120	(362)	–	–	–	–	758

	2022		Non-cash movements				2023
	Opening Balance \$ '000	Cash flows \$ '000	New loans \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	1,336	(422)	–	–	–	–	914
Lease liability (Note C2-1b)	32	(60)	234	–	–	–	206
Total liabilities from financing activities	1,368	(482)	234	–	–	–	1,120

(b) Financing arrangements

	2024 \$ '000	2023 \$ '000
Total facilities		
Credit cards/purchase cards	23	23
Total financing arrangements	23	23

C3-3 Borrowings (continued)

	2024 \$ '000	2023 \$ '000
Drawn facilities		
– Credit cards/purchase cards	8	11
Total drawn financing arrangements	8	11
Undrawn facilities		
– Credit cards/purchase cards	15	12
Total undrawn financing arrangements	15	12

Additional financing arrangements information

Breaches and defaults

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

Security over loans

Loans held by Walgett Shire Council with banks are secured by future cash flows.

Bank overdraft

Walgett Shire Council does not have a bank overdraft arrangement.

C3-4 Employee benefit provisions

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Annual leave	917	–	841	–
Sick leave	91	–	93	–
Long service leave	921	102	878	66
Other leave (time in lieu.)	70	–	51	–
Total employee benefit provisions	1,999	102	1,863	66

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

	2024 \$ '000	2023 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,730	931
	1,730	931

Description of and movements in provisions

	ELE provisions					Total \$ '000
	Annual leave \$ '000	Sick leave \$ '000	Long service leave \$ '000	Other (Time in Lieu) \$ '000	Other employee benefits \$ '000	
2024						
At beginning of year	841	93	944	51	–	1,929
Additional provisions	628	–	260	–	–	888
Amounts used (payments)	(560)	(3)	(173)	(20)	–	(756)
Remeasurement effects	8	1	(8)	1	–	2
Other	–	–	–	–	38	38
Total ELE provisions at end of year	917	91	1,023	32	38	2,101
2023						
At beginning of year	913	98	974	25	–	2,010
Additional provisions	667	–	238	24	–	929
Amounts used (payments)	(755)	(7)	(259)	–	–	(1,021)
Remeasurement effects	16	2	(9)	2	–	11
Total ELE provisions at end of year	841	93	944	51	–	1,929

C3-4 Employee benefit provisions (continued)

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

	2024 Current \$ '000	2024 Non-Current \$ '000	2023 Current \$ '000	2023 Non-Current \$ '000
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	3,738	–	3,864
Sub-total – asset remediation/restoration	–	3,738	–	3,864
Total provisions	–	3,738	–	3,864
Provisions relating to restricted assets				
Externally restricted assets				
Domestic waste management	–	2,832	–	2,927
Provisions relating to externally restricted assets	–	2,832	–	2,927
Total provisions relating to restricted assets	–	2,832	–	2,927
Total provisions relating to unrestricted assets	–	906	–	937
Total provisions	–	3,738	–	3,864

Description of and movements in provisions

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
2024		
At beginning of year	3,864	3,864
Unwinding of discount	471	471
Remeasurement effects	(597)	(597)
Total other provisions at end of year	3,738	3,738
2023		
At beginning of year	3,885	3,885
Unwinding of discount	309	309
Remeasurement effects	(330)	(330)
Total other provisions at end of year	3,864	3,864

Nature and purpose of provisions

Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the tip and quarry as a result of past operations.

C3-5 Provisions (continued)

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
Income from continuing operations			
Rates and annual charges	7,800	1,807	987
User charges and fees	4,719	1,063	7
Interest and investment revenue	882	394	351
Other revenues	1,392	8	–
Grants and contributions provided for operating purposes	23,998	171	10
Grants and contributions provided for capital purposes	4,156	11	–
Other income	213	–	–
Total income from continuing operations	43,160	3,454	1,355
Expenses from continuing operations			
Employee benefits and on-costs	10,111	672	208
Materials and services	21,544	1,122	336
Borrowing costs	504	–	–
Depreciation, amortisation and impairment of non-financial assets	4,455	–	–
Other expenses	1,336	202	17
Net losses from the disposal of assets	133	–	–
Share of interests in joint ventures and associates using the equity method	50	–	–
Total expenses from continuing operations	38,133	1,996	561
Operating result from continuing operations	5,027	1,458	794
Net operating result for the year	5,027	1,458	794
Net operating result attributable to each council fund	5,027	1,458	794
Net operating result for the year before grants and contributions provided for capital purposes	871	1,447	794

D1-2 Statement of Financial Position by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	7,493	3,838	8,062
Investments	17,000	–	–
Receivables	12,624	1,378	251
Inventories	1,079	–	–
Other	35	–	–
Total current assets	38,231	5,216	8,313
Non-current assets			
Investments	6,000	–	–
Receivables	40	–	–
Infrastructure, property, plant and equipment	363,659	37,286	19,322
Investments accounted for using the equity method	1,158	–	–
Right of use assets	149	–	–
Total non-current assets	371,006	37,286	19,322
Total assets	409,237	42,502	27,635
LIABILITIES			
Current liabilities			
Payables	3,393	108	–
Contract liabilities	5,595	–	–
Lease liabilities	92	–	–
Borrowings	97	–	–
Employee benefit provision	1,999	–	–
Total current liabilities	11,176	108	–
Non-current liabilities			
Lease liabilities	62	–	–
Borrowings	507	–	–
Employee benefit provision	102	–	–
Provisions	3,738	–	–
Investments accounted for using the equity method	479	–	–
Total non-current liabilities	4,888	–	–
Total liabilities	16,064	108	–
Net assets	393,173	42,394	27,635
EQUITY			
Accumulated surplus	124,595	13,710	13,103
Revaluation reserves	255,771	28,684	14,534
Council equity interest	380,366	42,394	27,637
Total equity	380,366	42,394	27,637

D2 Interests in other entities

	Council's share of net assets	
	2024 \$ '000	2023 \$ '000
Council's share of net income		
Net share of interests in joint ventures and associates using the equity method – income		
Joint ventures	–	65
Total net share of interests in joint ventures and associates using the equity method – income	–	65
Net share of interests in joint ventures and associates using the equity method – expenses		
Joint ventures	50	–
Total net share of interests in joint ventures and associates using the equity method – expenses	50	–
Total Council's share of net income	(50)	65
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Joint arrangements	1,158	729
Total net share of interests in joint ventures and associates using the equity method – assets	1,158	729
Net share of interests in joint ventures and associates using the equity method – liabilities		
Joint arrangements	479	–
Total net share of interests in joint ventures and associates using the equity method – liabilities	479	–
Total Council's share of net assets	679	729

D2-1 Interests in joint arrangements

Net carrying amounts – Council's share

	Place of business	Nature of relationship	Interest in ownership		2024	2023
			2024	2023	2024 \$ '000	2023 \$ '000
Far North Northwest Joint Organisation	Cobar Shire Council	Joint Organisation of 3 councils	33.3%	33.3%	678	729
Total carrying amounts – material joint ventures					678	729

D2-1 Interests in joint arrangements (continued)

Far North West Joint Organisation

Council is a member of the Far North West Joint Organisation (which is a body incorporated under the Local Government Act 1993) along with Cobar Shire Council and Bourke Shire Council.

	Far North Northwest Joint Organisation	
	2024	2023
	\$ '000	\$ '000
Summarised Statement of financial position		
Current assets		
Cash and cash equivalents	779	1,365
Investments	2,000	3,000
Other current assets	696	361
Current liabilities		
Current financial liabilities (excluding trade and other payables and provisions)	1,407	1,430
Other current liabilities	32	70
Non-current liabilities		
Non-current financial liabilities (excluding trade and other payables and provisions)	–	1,039
Net assets	2,036	2,187
Income		
Income	1,596	1,867
Interest income	139	118
Other expenses	(1,886)	(1,788)
Profit/(loss) from continuing operations	(151)	197
Profit/(loss) for the period	(151)	197
Total comprehensive income	(151)	197
Summarised Statement of cash flows		
Cash flows from operating activities	(1,587)	(1,664)
Cash flows from investing activities	1,000	1,000
Net increase (decrease) in cash and cash equivalents	(587)	(664)
Reconciliation of the carrying amount		
Opening net assets (1 July)	729	664
Walgett Shire Council's share 33.33% of Net Assets for 2022/2023	(50)	65
Dividends paid	–	–
Dividends received	–	–
Other adjustments to equity	–	–
Carrying amount	679	729
Council's share of net assets (%)	33.3%	33.3%
Council's share of net assets (\$)	679	729

County Councils

Council is a member of the following county councils (which are bodies incorporated under the Local Government Act 1993):

- Castlereagh Macquarie County Council

Council is of the opinion that it does not control the above county council/s and accordingly these entities have not been consolidated or otherwise included within these financial statements.

D2-1 Interests in joint arrangements (continued)

Material accounting policy information

Council has determined that it has both joint operations and joint ventures.

Joint operations

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

Joint ventures

Interests in joint ventures are accounted for using the equity method where the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, Council discontinues recognising its share of further losses.

Council's share in the joint venture's gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

	Carrying value 2024 \$ '000	Carrying value 2023 \$ '000	Fair value 2024 \$ '000	Fair value 2023 \$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	19,393	16,991	19,393	16,991
Receivables	14,293	13,858	14,016	13,858
Investments				
– Debt securities at amortised cost	23,000	24,000	23,000	24,000
Total financial assets	56,686	54,849	56,409	54,849
Financial liabilities				
Payables	3,501	5,015	3,501	5,015
Loans/advances	604	914	604	914
Total financial liabilities	4,105	5,929	4,105	5,929

Fair value is determined as follows:

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

The risks associated with the financial instruments held are:

- 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.

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

(a) Market risk – interest rate and price risk

	2024	2023
	\$ '000	\$ '000
<p>The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	407	383

(b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

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

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

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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.

	overdue rates and annual charges			Total \$ '000
	Not yet overdue \$ '000	< 5 years \$ '000	≥ 5 years \$ '000	
2024				
Gross carrying amount	–	384	1,572	1,956
2023				
Gross carrying amount	–	365	1,498	1,863

Receivables - non-rates and annual charges and contract assets

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

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

	Not yet overdue \$ '000	Overdue debts				Total \$ '000
		0 - 30 days \$ '000	31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
2024						
Gross carrying amount	9,429	1,829	446	–	892	12,596
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.33%	0.02%
ECL provision	–	–	–	–	3	3
2023						
Gross carrying amount	8,803	6	7	18	3,433	12,267
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.47%	0.13%
ECL provision	–	–	–	–	16	16

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

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2024							
Payables	0.00%	525	2,976	–	–	3,501	3,501
Borrowings	4.03%	–	120	299	298	717	604
Lease liabilities	3.68%	–	51	110	–	161	154
Total financial liabilities		525	3,147	409	298	4,379	4,259
2023							
Payables	0.00%	157	4,858	–	–	5,015	5,015
Borrowings	4.43%	–	343	360	357	1,060	914
Lease liabilities	3.68%	–	58	161	–	219	206
Total financial liabilities		157	5,259	521	357	6,294	6,135

Loan agreement breaches

There have been no breaches to loan agreements which have occurred during the reporting year.

E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

\$ '000	Notes	Fair value measurement hierarchy							
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements									
Infrastructure, property, plant and equipment C1-6									
Plant and equipment		30/06/24	30/06/22	–	6,429	–	–	–	6,429
Operational and community land		30/06/23	30/06/23	–	10,384	–	–	–	10,384
Buildings – non-specialised		30/06/23	30/06/23	–	8,972	–	–	–	8,972
Buildings specialised		30/06/23	30/06/23	–	–	–	24,733	–	24,733
Other structures		30/06/22	30/06/22	–	–	–	38,465	–	38,465
Roads bridges and footpaths inc Bulk Earthworks		30/06/20	30/06/20	–	–	–	228,343	–	228,343
Stormwater drainage		30/06/20	30/06/20	–	–	–	17,594	–	17,594
Water supply network		30/06/22	30/06/22	–	–	–	36,871	–	36,871
Sewerage network		30/06/22	30/06/22	–	–	–	19,315	–	19,315
Quarry Assets		30/06/24	30/06/23	–	–	–	30	–	30
Tip Assets		30/06/24	30/06/23	–	–	–	2,274	–	2,274
Total infrastructure, property, plant and equipment				–	25,785	–	367,625	–	393,410

Non-recurring fair value measurements

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant and equipment

Plant and equipment are valued at cost but are disclosed at fair value in the notes excepting major items of plant which were revalued based on observable market values as at 30 June 2018 by Australis Asset Advisory Group. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

Examples of assets within these classes are as follows: Graders, trucks, rollers, tractors and motor vehicles. These types of assets have been indexed in 2022 using movement in inflation from 2018 to 2022.

Operational, crown and community land

Operational and Community Land are were revalued as at 30 June 2023 to observable market values by APV Valuers and Asset Management. Crown land is based on the Valuer-General's land value as these are representative of actual market values within the Walgett LGA or an average unit rate based on the Land Value for Crown Land.

As these rates are considered to be observable market evidence they have been classified as a Level 2.

These assets have been indexed in 2024 using the current inflation rate.

Buildings – specialised

Specialised buildings were valued by APV Valuers and Asset Management as at 30th June 2023, at Fair or Market Value.

This approach estimated the fair value for each building by either componentising the building into significant parts where there was not a comparable building within the Walgett LGA or by using observable market prices for comparable properties within the Walgett LGA.

All buildings were physically inspected and elements such as useful life reassessed.

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

These assets have been indexed in 2024 using the NSW non-residential building construction index.

Buildings - non-specialised

Non Specialised buildings were valued by APV Valuers and Asset Management as at 30th June 2023, at Fair Value.

This approach estimated the fair value for each building by componentising the building into significant parts.

All buildings were physically inspected and elements such as useful life reassessed.

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

These assets have been indexed in 2024 using the NSW non-residential building construction index.

E2-1 Fair value measurement (continued)

Other structures

Other Structures were valued by APV Valuers & Asset Management as at 30th June 2022, at Fair Value.

These assets have been classified as Level 3 valuation inputs.

Examples of assets within these classes are as follows:

Waste Depot, Structures other than Buildings and Sale Yards

These assets have been indexed in 2024 using the NSW non-residential building construction index.

Roads

Roads comprise of road carriageway, roadside shoulders, islands, kerb and guttering. They include sections that are sealed and unsealed. Road assets were independently valued as at 30th June 2020 by AssetVal, at Current Replacement Cost. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. While some elements of value may be supported from market evidence (Level 2 inputs) other inputs such as, estimates of pattern of consumption, traffic load and frequency, residual value, asset condition and useful life, will impact significantly on the final determination of fair value.

These assets have been indexed in 2024 using the NSW Road and bridge construction index.

These assets have been classified as Level 3 valuation inputs.

Bridges

Bridge assets were independently valued as at 30th June 2020, at Current Replacement Cost. This category consists of all bridges and causeways greater than 6 metres. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. While some elements of value may be supported from market based evidence (Level 2 inputs) other inputs such as, pattern of consumption, traffic load and frequency, residual value, asset condition and useful life will impact significantly on the final determination of the fair value.

These assets have been indexed in 2024 using the NSW Road and bridge construction index.

These assets have been classified as Level 3 valuation inputs.

Footpaths

Footpath assets were independently valued as at 30th June 2020, at Current Replacement Cost.

The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. While some elements of value may be supported from market evidence (Level 2 inputs) other inputs such as, estimates of pattern of consumption, traffic load and frequency, residual value, asset condition and useful life, will impact significantly on the final determination of fair value.

These assets have been indexed in 2024 using the NSW Road and bridge construction index.

These assets have been classified as at Level 3 valuation inputs. Footpaths are inspected annually and condition assessed.

Drainage infrastructure

Stormwater Drainage assets were independently valued as at 30th June 2020, at Current Replacement Cost. Assets within this class comprise pit, traps, pipes and channels. The Cost Approach is utilised with each asset being componentised into significant parts, with different useful lives and taking into account a range of factors in determination of fair value.

While unit rates based on elements, such as linear metres and pipe diameter, may be supported by market evidence (Level 2) other inputs such as estimates of consumption, residual value, asset condition and useful life, require extensive professional judgement and impact significantly on the final determination of fair value.

These assets have been indexed in 2024 using the NSW Reference Rates manual as published by the Office of Water.

These assets have been classified as Level 3 valuation inputs.

E2-1 Fair value measurement (continued)

Water supply network

Water Supply assets were valued by APV Valuers and Asset Management as at 30th June 2022 at Current Replacement Cost and utilising Fair Value measurement. Assets within this class comprise reservoirs, pumping stations, treatment plant and pipelines.

The Cost Approach is utilised with each asset being componentised into significant parts, with different useful lives and taking into account a range of factors.

While unit rates based on elements, such as linear metres and pipe diameter, may be supported by market evidence (Level 2) other inputs such as estimates of consumption, residual value, asset condition and useful life, require extensive professional judgement and impact significantly on the final determination of fair value.

These assets have been classified as Level 3 valuation inputs.

In non comprehensive valuation years, these assets are indexed each year in line with the NSW Reference Rates manual as published by the Office of Water.

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

Sewerage network

Sewerage Network assets were valued by APV Valuers and Asset Management as at 30th June 2022 at Current Replacement Cost and utilising Fair Value measurement. Assets within this class comprise pumping stations, treatment plant and pipelines. The Cost Approach is utilised with each asset being componentised into significant parts, with different useful lives and taking into account a range of factors.

While unit rates based on elements, such as linear metres and pipe diameter, may be supported by market evidence (Level 2) other inputs such as estimates of consumption, residual value, asset condition and useful life, require extensive professional judgement and impact significantly on the final determination of fair value.

These assets have been classified as Level 3 valuation inputs.

In non comprehensive valuation years, these assets are indexed each year in line with the NSW Reference Rates manual as published by the Office of Water.

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

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Buildings specialised	Cost approach	Unit price
Other structures	Cost approach	Unit price
Roads, bridges and footpaths	Cost approach	Unit price
Stormwater drainage	Cost approach	Asset condition, remaining lives
Water supply network	Cost approach	Asset condition, remaining lives
Sewer network	Cost approach	Asset condition, remaining lives
Tip assets	Cost approach	Unit price
Quarry assets	Cost approach	Unit price

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:

	Buildings specialised		Other structures		Roads, bridges and footpaths		Stormwater drainage	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Opening balance	24,733	26,011	38,465	22,992	228,343	214,386	17,594	16,354
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	-	(10,858)	-	13,684	-	2,267	-	-
Purchases (GBV)	-	1,281	-	1,161	-	2,250	-	128
Disposals (WDV)	-	-	-	-	-	(19)	-	-
Depreciation and impairment	-	(345)	-	(962)	-	(3,282)	-	(146)
Revaluation increment to equity (ARR)	-	8,644	-	1,590	-	12,741	-	1,258
Closing balance	24,733	24,733	38,465	38,465	228,343	228,343	17,594	17,594

	Water supply network		Sewer network		Tip assets		Quarry assets	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Opening balance	36,871	34,285	19,315	17,883	2,274	2,529	30	125
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	-	655	-	251	-	-	-	-
Purchases (GBV)	-	120	-	204	-	(240)	-	(90)
Depreciation and impairment	-	(829)	-	(406)	-	(15)	-	(5)
Revaluation increment to equity (ARR)	-	2,640	-	1,383	-	-	-	-
Closing balance	36,871	36,871	19,315	19,315	2,274	2,274	30	30

E2-1 Fair value measurement (continued)

	Total	
	2024	2023
	\$ '000	\$ '000
Opening balance	367,625	334,565
Transfers from/(to) another asset class	-	5,999
Purchases (GBV)	-	4,814
Disposals (WDV)	-	(19)
Depreciation and impairment	-	(5,990)
Revaluation increment to equity (ARR)	-	28,256
Closing balance	367,625	367,625

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

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme (Active Super) (the Fund), 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 the purposes of AASB119 Employee Benefits for the following reasons:

- 1) Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- 2) 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.
- 3) Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer; and
- 4) The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors set out 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). Given this information it is not believed that there is sufficient reliable information to allow Council to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group.

As a result Council accounts for the subgroup under paragraph 34 of the Standard and in particular the additional disclosure requirements set out in paragraph 148 set out below.

(a) a description of the funding arrangements, including the method used to determine the entity's rate of contributions and any minimum funding requirements.

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

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

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

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

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 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.

b) a description of the extent to which Council can be liable to the plan for other entities' 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 past service contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

E3-1 Contingencies (continued)

c) a description of any agreed allocation of a deficit or surplus on:

(i) wind up of the plan

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

(ii) the Council's withdrawal from the plan

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

d) Given Walgett Shire Council accounts for the plan as if it were a defined contribution plan in accordance with paragraph 34, the following information applies:

(i) the fact that the plan is a defined benefit plan is confirmed by Mercer Australia.

(ii) the reason why sufficient information is not available to enable the entity to enable Walgett Shire Council to account for the plan as a defined benefit plan is set out earlier in this statement.

(iii) Council's expected contribution to the plan for the next annual reporting period is \$9,800.24.

(iv) the amount of Council employer contributions to the defined section of the Local Government Superannuation Scheme (Active Super) and recognised as an expense for the year ending 30 June 2024 was \$13,400.09. Based on a Past Service Liabilities methodology the share of any funding surplus or deficit that can be attributed to Walgett Shire Council is 0.05%. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 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 other accumulation accounts and reserves in both assets and liabilities.

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

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

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 will be completed by December 2024.

(v) an indication of the level of participation of Walgett Shire Council in the plan compared with other participating entities.

It is estimated that there are \$4,687.28 past service contributions remaining for Walgett Shire Council. An employer's past service contribution per annum as a percentage of the total past service contributions for all Pooled Employers (\$20 million for each year from 1 January 2022 to 31 December 2024) provides an indication of the level of participation of that employer compared with other employers in the Pooled Employers sub-group.

(ii) Statewide Limited

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

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

The future realisation and finalisation of claims incurred but not reported to 30 June 2023 may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

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

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

E3-1 Contingencies (continued)

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.

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

	2024	2023
	\$ '000	\$ '000
Compensation:		
Short-term benefits	-	983
Post-employment benefits	-	85
Termination benefits	-	455
Total	-	1,523

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

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	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
2024						
Water cart hire	1	–	–	Annual contracted rate for adhoc work Negotiated lease for 2 years with 2 x 3 year options	–	–
Property Lease	2	–	–	– year options	–	–
Plant and equipment hire	3	–	–	Annual contracted rate for adhoc work NSW Local Government State Award 2017	–	–
Employee expenses relating to close family members of KMP	4	–	–	– 2017	–	–
2023						
Water cart hire	1	325	–	Annual contracted rate for adhoc work Negotiated lease for 2 years with 2 x 3 year options	–	–
Property Lease	2	25	–	– year options	–	–
Plant and equipment hire	3	1,025	158	Annual contracted rate for adhoc work NSW Local Government State Award 2017	–	–
Employee expenses relating to close family members of KMP	4	166	–	– 2017	–	–

1 Council hires plant for water cartage from a Council KMP. The plant hire by Council is subject to an annual plant hire tender process;

2 Council leases a building in Lightning Ridge for the Council/Services Australia agency. The lessee business has 2 KMP as partners in the business;

3 Council enters into a tender contract for plant and equipment hire with multiple companies. Two of the contracted businesses have directors who are KMPs for Council;

4 Close family members (2) of a Council KMP are employed by the Council under the Local Government Award, on an arms length basis.

F1-2 Councillor and Mayoral fees and associated expenses

	2024 \$ '000	2023 \$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	21	21
Councillors' fees	124	121
Other Councillors' expenses (including Mayor)	25	44
Total	170	186

F2 Other relationships

F2-1 Audit fees

	2024 \$ '000	2023 \$ '000
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	113	104
Remuneration for audit and other assurance services	113	104
Total Auditor-General remuneration	113	104
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Audit and review of financial statements	5	8
Remuneration for audit and other assurance services	5	8
Total remuneration of non NSW Auditor-General audit firms	5	8
Total audit fees	118	112

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
Net operating result from Income Statement	7,279	15,081
Add / (less) non-cash items:		
Depreciation and amortisation	4,455	7,066
(Gain) / loss on disposal of assets	133	21
Non-cash capital grants and contributions	–	(1,372)
Unwinding of discount rates on reinstatement provisions	471	309
Share of net (profits)/losses of associates/joint ventures using the equity method	50	(65)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(442)	(3,950)
Increase / (decrease) in provision for impairment of receivables	(13)	(185)
(Increase) / decrease of inventories	(268)	24
(Increase) / decrease of other current assets	20	(12)
Increase / (decrease) in payables	(215)	1,061
Increase / (decrease) in accrued interest payable	(2)	(1)
Increase / (decrease) in other accrued expenses payable	138	93
Increase / (decrease) in other liabilities	278	7
Increase / (decrease) in contract liabilities	530	(487)
Increase / (decrease) in employee benefit provision	172	(81)
Increase / (decrease) in other provisions	(597)	(330)
Net cash flows from operating activities	11,989	17,179

G2-1 Commitments

Capital commitments (exclusive of GST)

	2024 \$ '000	2023 \$ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Sewerage and water infrastructure	-	63
Buildings	-	796
Plant and equipment	-	758
Other	-	332
Road infrastructure	-	13,140
Total commitments	-	15,089
These expenditures are payable as follows:		
Within the next year	-	10,089
Later than one year and not later than 5 years	-	5,000
Total payable	-	15,089
Sources for funding of capital commitments:		
Unrestricted general funds	-	180
Future grants and contributions	-	13,947
Unexpended grants	-	28
Internally restricted reserves	-	758
Unexpended loans	-	176
Total sources of funding	-	15,089

Details of capital commitments

Reconstruction and sealing of Shire Road 103 Bugilbone Road, and Goangra Bridge funded by grants.

G3-1 Events occurring after the reporting date

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

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	3,517	8.03%	16.76%	(6.81)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	43,802				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	19,623	40.91%	33.34%	39.22%	> 60.00%
Total continuing operating revenue ¹	47,969				
3. Unrestricted current ratio					
Current assets less all external restrictions	27,091	7.12x	4.69x	5.48x	> 1.50x
Current liabilities less specific purpose liabilities	3,806				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	8,476	9.78x	17.74x	5.83x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	867				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	1,977	15.60%	16.25%	14.19%	< 10.00%
Rates and annual charges collectable	12,675				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	42,393	13.94	15.18	14.64	> 3.00
Monthly payments from cash flow of operating and financing activities	3,041	months	months	months	months

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

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

G4-2 Statement of performance measures by fund

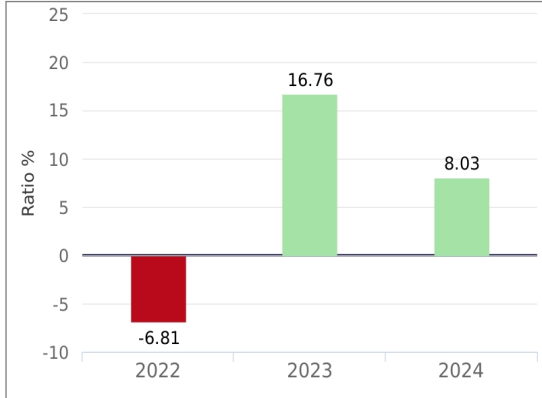
\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	3.27%	18.31%	42.03%	1.61%	58.60%	8.47%	> 0.00%
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	34.77%	28.03%	94.73%	94.52%	99.26%	99.15%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	7.12x	4.69x	48.30x	32.83x	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	7.19x	16.23x	∞	∞	∞	∞	> 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	20.01%	14.00%	0.00%	23.03%	0.00%	20.02%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	10.03 months	12.46 months	∞	17.26 months	∞	129.33 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

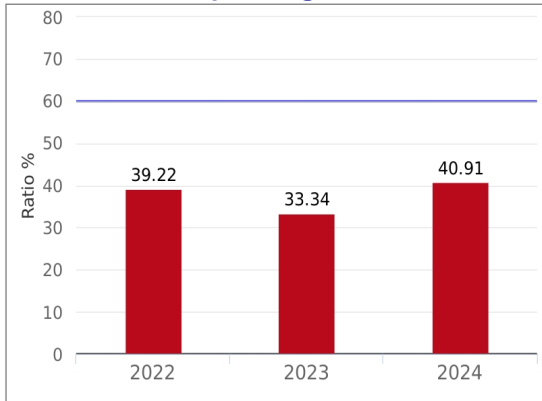
Commentary on 2023/24 result	
2023/24 ratio	8.03%

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

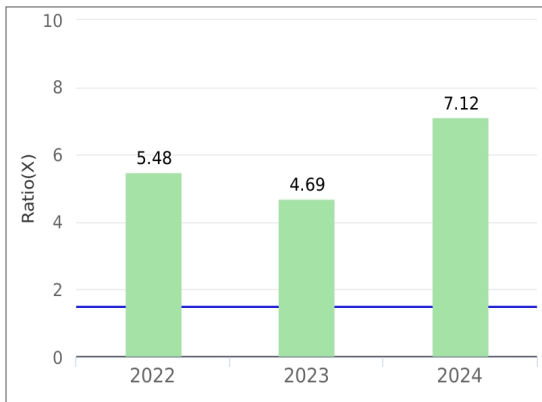
Commentary on 2023/24 result	
2023/24 ratio	40.91%

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2023/24 result	
2023/24 ratio	7.12x

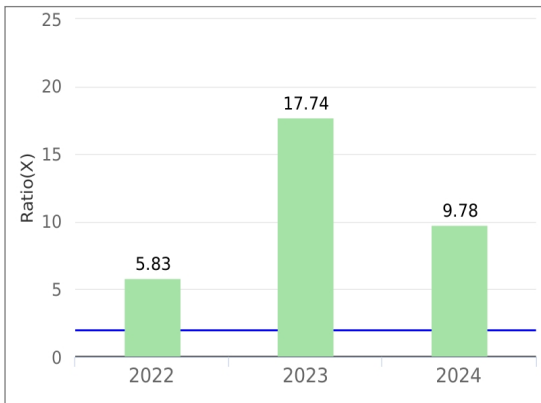
Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
Ratio is outside benchmark

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result	
2023/24 ratio	9.78x

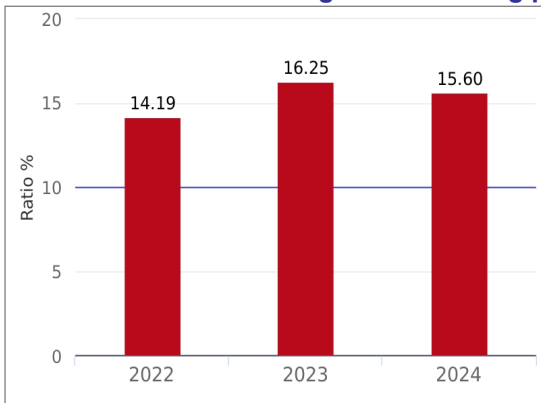
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2023/24 result	
2023/24 ratio	15.60%

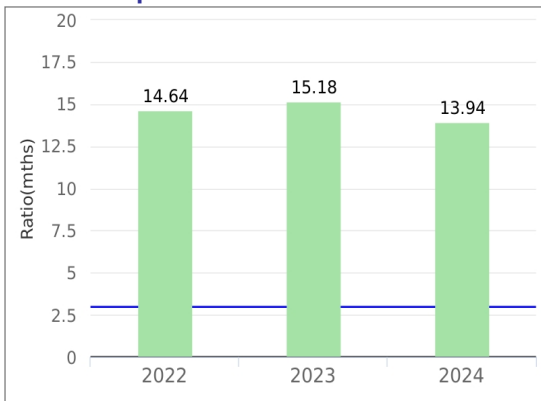
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result	
2023/24 ratio	13.94 months

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business:

77 Fox Street
Walgett NSW 2832

Contact details

Mailing Address:

PO Box 31
Walgett NSW 2832

Telephone: 02 6828 6100

Facsimile: 02 6828 1608

Opening hours:

8:30am - 4:30pm
Monday to Friday

Internet: www.walgett.nsw.gov.au

Email: admin@walgett.nsw.gov.au

Officers

GENERAL MANAGER

Megan Dixon

RESPONSIBLE ACCOUNTING OFFICER

Hafiz Malik

Public Officer

Megan Dixon

Auditors

Auditor General
New South Wales

Elected members

Mayor

Cr Jasen Ramien

Councillors

Cr Colin Hundy (Deputy Mayor)

Cr Michael Cooke

Cr Sue Currey

Cr Jane Keir

Cr Greg Rummery

Cr Alf Seaton

Cr Daniel Walford

Cr Ian Woodcock

Other information

ABN: 88 769 076 385

Walgett Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

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

Walgett Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

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

Walgett Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

*That the community utilise the opportunities that arise from
our environment, to improve their quality of life, while
embracing its ethnic and social diversity to the benefit of all.*



Walgett Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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Walgett Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of 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.

Jasen Ramien

Mayor

27 August 2024

Colin Hundy

Deputy Mayor

27 August 2024

Megan Dixon

General Manager

27 August 2024

Ernest Mhande

Responsible Accounting Officer

27 August 2024

Walgett Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
Access charges	1,807	1,672
User charges	727	569
Fees	336	280
Interest and investment income	394	219
Grants and contributions provided for operating purposes	171	57
Other income	8	–
Total income from continuing operations	3,443	2,797
Expenses from continuing operations		
Employee benefits and on-costs	672	621
Materials and services	1,122	1,116
Depreciation, amortisation and impairment	–	829
Other expenses	202	186
Total expenses from continuing operations	1,996	2,752
Surplus (deficit) from continuing operations before capital amounts	1,447	45
Grants and contributions provided for capital purposes	11	102
Surplus (deficit) from continuing operations after capital amounts	1,458	147
Surplus (deficit) from all operations before tax	1,458	147
Less: corporate taxation equivalent (25%) [based on result before capital]	(362)	(11)
Surplus (deficit) after tax	1,096	136
Plus accumulated surplus	12,251	12,104
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	362	11
Closing accumulated surplus	13,709	12,251
Return on capital %	3.9%	0.1%
Subsidy from Council	156	1,450
Calculation of dividend payable:		
Surplus (deficit) after tax	1,096	136
Less: capital grants and contributions (excluding developer contributions)	(11)	(102)
Surplus for dividend calculation purposes	1,085	34
Potential dividend calculated from surplus	543	17

Walgett Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
Access charges	987	954
User charges	1	11
Liquid trade waste charges	6	–
Interest and investment income	351	204
Grants and contributions provided for operating purposes	10	10
Other income	–	2
Total income from continuing operations	1,355	1,181
Expenses from continuing operations		
Employee benefits and on-costs	208	130
Materials and services	336	528
Depreciation, amortisation and impairment	–	406
Other expenses	17	17
Total expenses from continuing operations	561	1,081
Surplus (deficit) from continuing operations before capital amounts	794	100
Surplus (deficit) from continuing operations after capital amounts	794	100
Surplus (deficit) from all operations before tax	794	100
Less: corporate taxation equivalent (25%) [based on result before capital]	(199)	(25)
Surplus (deficit) after tax	595	75
Plus accumulated surplus	12,309	12,209
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	199	25
Closing accumulated surplus	13,103	12,309
Return on capital %	4.1%	0.5%
Subsidy from Council	37	677
Calculation of dividend payable:		
Surplus (deficit) after tax	596	74
Surplus for dividend calculation purposes	596	74
Potential dividend calculated from surplus	298	39

Walgett Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
ASSETS		
Current assets		
Cash and cash equivalents	3,838	2,766
Receivables	1,378	1,108
Total current assets	5,216	3,874
Non-current assets		
Infrastructure, property, plant and equipment	37,286	37,179
Total non-current assets	37,286	37,179
Total assets	42,502	41,053
LIABILITIES		
Current liabilities		
Payables	108	118
Total current liabilities	108	118
Total liabilities	108	118
Net assets	42,394	40,935
EQUITY		
Accumulated surplus	13,710	12,251
Revaluation reserves	28,684	28,684
Total equity	42,394	40,935

Walgett Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
ASSETS		
Current assets		
Cash and cash equivalents	8,062	7,275
Receivables	251	246
Total current assets	8,313	7,521
Non-current assets		
Infrastructure, property, plant and equipment	19,322	19,322
Total non-current assets	19,322	19,322
Total assets	27,635	26,843
Net assets	27,635	26,843
EQUITY		
Accumulated surplus	13,103	12,309
Revaluation reserves	14,534	14,534
Total equity	27,637	26,843

Note – Material accounting policy information

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the *Local Government Act 1993 (NSW)*, the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Walgett Shire Council Combined Water Supply Services

Council's water supply activities servicing the towns of Walgett, Lightning Ridge and villages.

Category 2

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

a. Walgett Shire Council Combined Sewerage Services

Council's sewerage reticulation & treatment activity servicing the towns of Walgett, Lightning Ridge and Collarenebri.

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

Notional rate applied (%)

Corporate income tax rate – **25%** (2021/22 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.

Note – Material accounting policy information (continued)

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

In accordance with the Department of Planning, Industry & Environment (DPIE) – Best Practice Water Supply and Sewer Guidelines, 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 DPIE – Best Practice Water & Sewer Guidelines as a ‘dividend for taxation equivalent’, may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DPIE – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Walgett Shire Council did not pay a dividend in this financial year.

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25% (in 2021/22 the rate was 26%).

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 Council as the ‘owner’ of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

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

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land 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.

Council has no borrowings on its Category 1 businesses this financial year.

(i) Subsidies

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

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

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

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

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

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

The rate of return is calculated as follows:

Note – Material accounting policy information (continued)

Operating result before capital income + interest expense

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

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

(iii) Dividends

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

Walgett Shire Council did not pay a dividend in this financial year. All dividends stated within these accounts are notional.

Walgett Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Walgett Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024

*That the community utilise the opportunities that arise from
our environment, to improve their quality of life, while
embracing its ethnic and social diversity to the benefit of all.*



Walgett Shire Council

Special Schedules

for the year ended 30 June 2024

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Walgett Shire Council

Permissible income for general rates

	Notes	Calculation 2023/24 \$ '000	Calculation 2024/25 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	6,029	6,280
Plus or minus adjustments ²	b	23	—
Notional general income	c = a + b	6,052	6,280
Permissible income calculation			
Percentage increase	d	3.70%	0.00%
Plus percentage increase amount ³	f = d x (c + e)	224	—
Sub-total	g = (c + e + f)	6,276	6,280
Plus (or minus) last year's carry forward total	h	28	24
Sub-total	j = (h + i)	28	24
Total permissible income	k = g + j	6,304	6,304
Less notional general income yield	l	6,280	—
Catch-up or (excess) result	m = k - l	24	6,304
Carry forward to next year ⁶	p = m + n + o	24	6,304

Notes

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

Permissible income for general rates

Permissible income for general rates: PLUS PDF inserted here

Council needs to uplift custom PDF here - please uplift via "PLUS PDF" choice in the Home/TOC screen

Walgett 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	Buildings – non-specialised	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Buildings – specialised	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	–	–	34,176	–	0.0%	0.0%	0.0%	0.0%	0.0%
Other structures	Other structures	–	–	–	–	40,838	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	–	–	40,838	–	0.0%	0.0%	0.0%	0.0%	0.0%
Water supply network	Water supply network	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	–	–	36,945	–	0.0%	0.0%	0.0%	0.0%	0.0%
Sewerage network	Sewerage network	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	–	–	19,315	–	0.0%	0.0%	0.0%	0.0%	0.0%
Stormwater drainage	Stormwater drainage	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	–	–	17,594	–	0.0%	0.0%	0.0%	0.0%	0.0%
Total – all assets		–	–	–	–	396,012	–	0.0%	0.0%	0.0%	0.0%	0.0%

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

Infrastructure asset condition assessment 'key'

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

Walgett 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	—	0.00%	56.25%	28.88%	> 100.00%
Depreciation, amortisation and impairment	3,489				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	—	0.00%	5.42%	5.06%	< 2.00%
Net carrying amount of infrastructure assets	401,319				
Asset maintenance ratio					
Actual asset maintenance	—	∞	159.30%	147.80%	> 100.00%
Required asset maintenance	—				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	—	∞	3.38%	2.96%	
Gross replacement cost	—				

(*) 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.

Walgett Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	0.00%	65.52%	∞	4.70%	∞	50.25%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.00%	4.19%	0.00%	16.54%	0.00%	5.18%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	∞	211.71%	∞	79.04%	∞	105.23%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	∞	2.48%	∞	10.78%	∞	2.94%	

(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.