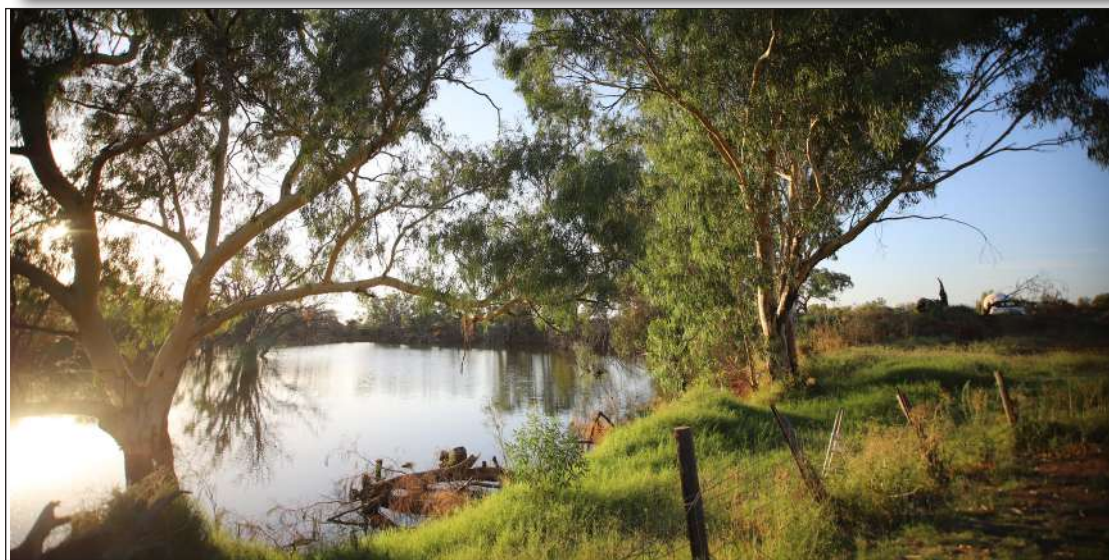




# Central Darling Shire Council

Annual Report 2022-2023





# About Central Darling Shire

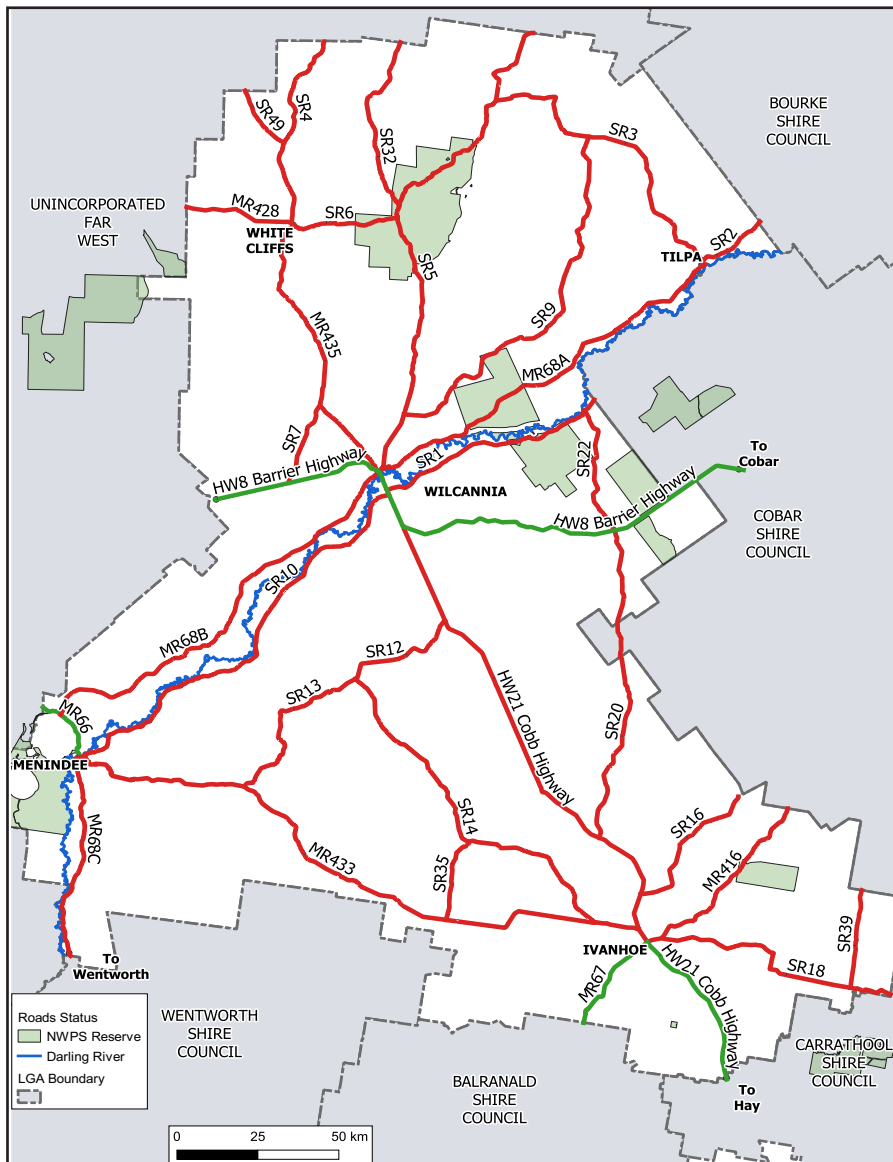
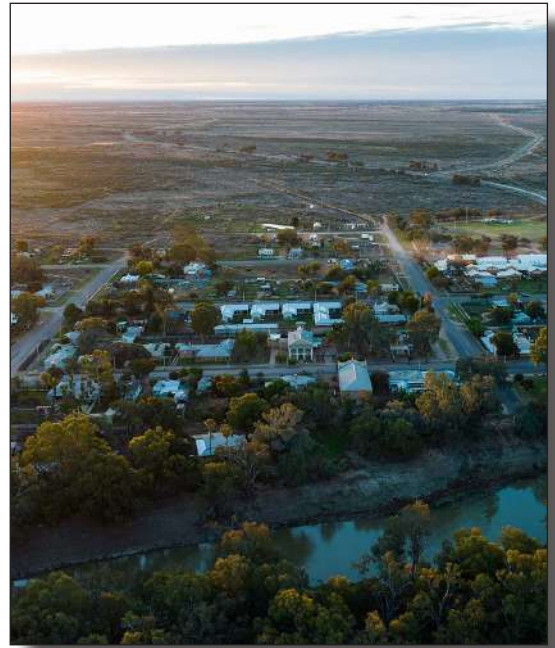
Central Darling Shire is the largest Local Government Area (LGA) in New South Wales.

Geographically the Central Darling Shire stretches more than 53,000 square kilometres. It covers an area about the size of Tasmania. However, population figures for the Shire are 1,837 residents. With people living in the towns of Ivanhoe, Menindee, Wilcannia and White Cliffs, the localities of Darnick, Mossiel, Sunset Strip, Tilpa and surrounding pastoral areas.

The main economic activities within the Shire include agriculture, mining and tourism.

Rural grazing properties represent the largest land use within the Shire, accounting for about 97 per cent of the entire area.

Central Darling Shire is bounded by the Shires of Bourke, Cobar, Carrathool, Balranald and Wentworth and the Unincorporated Area. The closest major service centre for residents is Broken Hill which is some 200 kilometres away.



# Message from Council Administrator



This year has certainly had its challenges and has tested us all. However, in the true Aussie spirit we have got on with the tasks at hand and have come out of it to face the future.

The extended period of flooding and Menindee fish kill certainly caused widespread impacts. Council is continuing to address the impacts to our road network, and the additional State funding has greatly assisted.

In respect to the Menindee fish kill Council advocated early for a coordinated state led response and once this was put in place under the Emergency Management Arrangements on the ground actions were undertaken. Council welcomed the inquiry by the Chief Scientist and put a written and verbal presentation forward.

For Council we have continued to operate and provide services to our community whilst planning for the future. Council has been in extended administration since 2013 and despite many reports on how best to provide future governance and service delivery the underlying issue has not been examined until now and that is that additional funding is required to deliver services and infrastructure.

The General Manager and I met with the new Minister for Local Government the Hon Ron Hoenig MP and we were encouraged with his understanding of the issues facing the Council particularly the funding gap.

Whilst indicating his desire to return an elected Council he was pragmatic in his view that a future elected Council had to be sustainable and he would work towards a roadmap.

My view is that:

- CDSC will never generate sufficient own source income to deliver services to its community.
- Current service levels do not meet community expectations.
- Many Council assets are in less than satisfactory condition and a considerable funding injection is required to bring them up to reasonable condition.
- Current financial and service delivery arrangements are unsustainable and are becoming more so over time.
- The business model of attracting grants does not facilitate long term planning or a consistent approach to service delivery.

***“The underlying issue has not been examined until now and that is that additional funding is required to deliver services and infrastructure.”***

Without guaranteed recurrent funding from Government CDSC will continue to go backwards and the community will not receive sustainable services and the asset portfolio will maintain its decline from an already substandard condition.

Any future elected Council must bring a high level of strategic governance and financial



*Central Darling Shire Council  
Administrator Bob Stewart.*

management to the table if it is to be successful.

This year also saw several major projects commenced such as the Baaka Centre, Water Treatment Plants, Maari Ma Wellness Centre and Road Construction at White Cliffs.

It is disappointing as we face a predicted dry period that no significant progress has been made on the construction of The Wilcannia Weir by the state. Council continues with its advocacy for this important project.

In conclusion I wish to acknowledge all staff that have worked tirelessly to bring about significant organisational improvement in governance and service delivery.

To our wonderful volunteers thank you for your service it is appreciated by all.

Regards  
Bob Stewart



# About our Council



*Meet the team at Central Darling Shire.*

## Servicing the Far West

Central Darling Shire Council was constituted in 1953 under the Local Government Act.

Located 950 kilometres west of Sydney the Shire is home to 1725 people. It covers more than 53,000 square kilometres, an area about the size of Tasmania.

The Administration Centre for Central Darling Shire is Wilcannia, with offices located in Ivanhoe and Menindee. White Cliffs, 98 kilometres north of Wilcannia, is serviced

by the Wilcannia office. Since 2013 Council has been under Administration. The Administrator, Robert (Bob) Stewart was a Ministerial Appointment and took up the role in January 2019.

The Council General Manager is Greg Hill. The Shire Services Director is Reece Wilson and Customer Service Manager is Jane McEwan.

The Council is preparing for the local government elections to be held in 2024.



*The administration centre for the Shire is in Wilcannia. Pictured is a Council meeting.*

# Message from the General Manager



It has been a challenging year for our Council with devastating flooding and the Menindee fish kill event causing great anxiety and stress for residents.

Both disasters were beyond Council's ability to manage on its own. During the flooding emergency Council was grateful for the help and support of numerous government and other agencies under the Local Emergency Management Committee. Likewise, the establishment of the Emergency Operations Centre (EOC) in March to assist with the fish kill incident made a massive difference in the ability to manage this event and provide assistance to residents.

The floods caused extensive and widespread damage to the road network. All emergency road works, and immediate restoration works which related to the flood damage in 2022/23 were completed to get the roads open and safe. However, there is still much more work to be done in 2023/2024.

Despite the challenges the year also saw a great number of highlights. In September we welcomed the endorsement of two Regionally Significant Developments for the Shire which have a combined value of more than \$12 million dollars.

- Construction on a new Community Health and Wellbeing Facility, at a cost of more than \$7 million, for Maari Ma Health Aboriginal Corporation, to serve Wilcannia.

Development of the \$9.5 million Baaka Cultural Centre at Wilcannia. Each development met criteria to be independently assessed and approved by the Western Regional Planning Panel before going to Council for endorsement.

We also held a Community Tourism launch for the Baaka Centre and Central Darling Heritage Trail Tourism App. The app contains historic photos, heritage stories and interviews with locals. It can be downloaded free from Apple and Google Play App stores. In just a few short months, by the end of June about 800 users had signed up for the app. Visitors to the region are taking the tour via the app and we are hearing good reports about this project.

***"We welcomed the endorsement of two Regionally Significant Developments for the Shire which have a combined value of more than \$12 million dollars."***

Work started on building a new amenities block at the Victory Park Caravan Park at Wilcannia. The \$489,665 Australian Government funded project will help boost tourism in the region as improved park facilities will encourage visitors to stay longer and spend more time in the area.

The streetscape in Wilcannia has been revitalized with old buildings given a face-lift and pavement works outside the post office.



*Central Darling Shire Council  
General Manager, Greg Hill.*

A Flood Mapping report was completed for Tilpa, Wilcannia and Menindee. An important first step toward flood preparedness works. Further grant money is being sought.

A considerable amount of work and community consultation went into the Urban and Rural Addressing project. This is an ongoing but important project.

Flagship road work projects at Smiths and Turley Hill's at White Cliffs, and the Pooncarie Road are ongoing and will benefit both residents and visitors to the Shire.

Council also continued to put considerable effort into further works in the Corporate Governance space. A range of documents and policies – both new and updated – are now in place to assist with the management and accountability of the Council. An important part of work being done in preparation for an eventual return to an elected Council.

Special thanks to all the team. I am pleased to commend the 2022-2023 Annual Report to you.  
Kind Regards  
*Greg Hill.*



# Our towns

## Ivanhoe



Ivanhoe is situated on the Cobb Highway 180 kilometres south east of Wilcannia.

The township of Ivanhoe is home to approximately 196 people and also people on remote properties within the surrounding district.

Visitors to Ivanhoe can enjoy a break to their journey in an

outback pastoral community. Friendly people, clean amenities, landscaped recreational areas and a self-guided Heritage Trail, enable visitors to enjoy a short break and gain an insight into the towns' interesting heritage. You can retrace the exploits of bush-rangers, the journeys of

Cobb & Co and the advent of the railways as you follow the Ivanhoe Heritage Trail.

Through tough times and good, flood and devastating drought, towns like Ivanhoe are resilient and inspiring.

Ivanhoe has earned its place in Australian history.

## Tilpa



It is in the vicinity of Tilpa that the Darling River floods up to 70 kilometres wide in major floods. In fact the origin of the name Tilpa can be found in the Barkindji word 'Thulpa' which means floodwaters.

The village of Tilpa came into existence in 1876 when Arthur

Cotton opened a store. James Buckley built the WeeWattah Hotel where the Tilpa Trading Post is now located in the same year.

By 1894, Cotton's store was owned by David Jones & Co. who sold it to Edmond Perrott who turned it into a hotel named the

Royal. This is the existing Tilpa Hotel. In 1880 a postal receiving office was opened in the store. Tilpa had a school from 1896 until it closed in 1945.

A punt served as the only means of crossing the Darling River at Tilpa until the bridge was completed in December 1963.



## Our towns

### Sunset Strip



Sunset Strip was gazetted in 1965 as a village within the Central Darling Shire, 20 kilometres north of Menindee, situated on the northern shore of Lake Menindee. A unique outback take on a

holiday by the sea, Sunset Strip is a home away from home for many Broken Hill residents needing a weekend escape. Sunset Strip has its own Post Office and community hall with

boating, fishing, golf and tennis being some of the activities available. Sunset Strip Progress Association is an organisation focussing on economic and social development in the town.

### Wilcannia



Wilcannia has a rich and vibrant history. Once known as the 'Queen City of West', it was the third largest shipping port in Australia. In the boom years of the 1880s,

sandstone was quarried locally for the beautiful buildings that stand today as a reminder of those historic days. A short drive or walk around the town will reveal the great

sandstone buildings, historic centre Loft Bridge and old wharf that handled all that cargo many years ago. Wilcannia is home to a large Aboriginal community.



# Our towns

## Menindee



Menindee is an oasis in the outback. A beautiful spot to soak up the outback atmosphere with the convenience of modern services at your fingertips. Dubbed the first town on the Darling river, Menindee has a rich Indigenous and European history.

Menindee is located close to Kinchega National Park where visitors can enjoy spectacular views of the Menindee Lakes and the Darling River, as well as close encounters with local wildlife. Menindee is associated with bold explorers of the outback, Burke

and Wills, Mitchell and Sturt and the pastoral tradition of wool production and labouring paddle steamers transporting bales to market. Many travellers today are surprised to find the Lakes that Major Mitchell originally named 'Laidley's Ponds.'

## White Cliffs



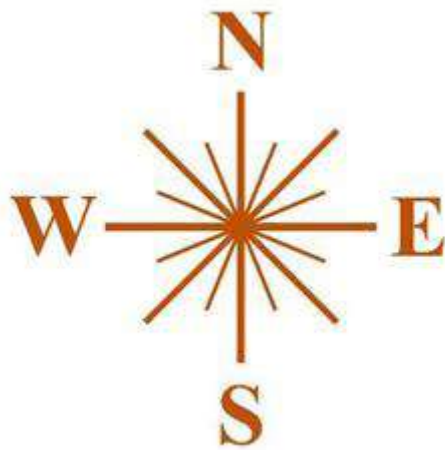
White Cliffs is unique. Precious seam opal was discovered in White Cliffs in the 1890s and opal from this field was the first to be marketed overseas giving White Cliffs the distinction of being known as Australia's first commercial opal field.

To escape the high summer temperatures, early miners soon began to live in their working mines enjoying the constant underground temperature in the mid-twenties all year round. These were known as 'dugouts' and became home for many

miners. Today modern dugout homes provide a unique housing style for many White Cliffs residents. They provide the conveniences of any modern home being environmentally friendly with little heating or cooling being required.



2022 - 2023  
Year in Review





# Floods devastate the Shire



*Ivanhoe district - October 2022*



*North of Wilcannia - October 2022*



*October flooding impacted farmers.*



*At one stage flooding resulted in the closure of Wilcannia's Victory Park Caravan Park.*



*Ivanhoe to Balrandald road (wool track) November 2022*



*Irrigation Road and Little Menindee Creek Road*



*Tilpa - November 2022*



*Menindee Flooding 2023.*



# Floods devastate the Shire



*Cobb Highway - south of Ivanhoe 2023.*



*Ivanhoe January 2023.*



*Menindee 2023.*



*Massive damage to road infrastructure at Menindee 2023.*



*Emergency Services organisations were a big help during the flooding emergency.*



*A number of back roads were closed.*



*Flood Water from Wilandra Creek on the Ivanhoe Balranald Road, north and south of the Kilfera homestead, January 2023.*



*Menindee 2023.*



*Menindee Flooding clean-up 2023.*



# Menindee Fish Deaths



March 18, 2023

## Fish Deaths Menindee

The Central Darling Shire Council General Manager and Administrator are monitoring the situation.

Council has contacted Essential Water, Broken Hill, seeking information relating to ongoing security of the town water supply and assurances regards water quality. Council has been advised that at this stage there is no risk to water quality.

Also, on Friday, March 17, the Administrator has had discussions with WaterNSW.

Council is looking to the relevant government agencies to respond in a coordinated way to this situation as a high priority.

The contact for media inquiries relating to town water supply:  
[media@essentialenergy.com.au](mailto:media@essentialenergy.com.au)

## Ends

Media Contact: Gabrielle Johnston 0472 787 022

Administration Centre – 21 Reid Street Wilcannia  
Mailing Address – P.O. Box 165 Wilcannia 2836  
Email [council@centraldarwin.nsw.gov.au](mailto:council@centraldarwin.nsw.gov.au)  
Phone 08 8053 6900

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NSW Police Force

## MEDIA ADVISORY

### Experts join community leaders for town hall at Menindee following fish kill

Issued at 10.30am, Tuesday 21 March 2023

Police, experts and community leaders will address the media following a town hall to outline multi-agency operations in response to fish kills in the lower Darling-Baaka River.

An Emergency Operations Centre (EOC) was activated at Menindee in the state's far west at the weekend to ensure fresh and clean water supply is maintained to the township and surrounding properties, as well as to coordinate the removal and disposal of as many of the dead fish as possible.

The EOC is coordinating agencies in support the emergency response by the NSW Department of Planning and Environment, NSW Department of Primary Industries, WaterNSW and Central Darling Shire Council.

A town hall will be hosted for community members at 11am today (Tuesday 21 March 2023) at the Civic Hall Menindee, where they will be provided the most up-to-date information and the opportunity to speak with experts about the current situation.

As the purpose of the town hall is to speak with the community and address their concerns, experts will address the media afterward.

There is no need for community concern as the initial assessment has determined multiple viable solutions to maintain water supply to the Menindee township and surrounds. The frequency of water quality testing has been increased to ensure it continues to meet the Australian Drinking Water Guidelines.

Essential Water can confirm the quality of drinking water for customers had not been impacted by event.

WHEN: Following the conclusion of the town hall, TODAY (Tuesday 21 March 2023)

WHERE: Outside the Civic Hall Menindee  
Yartla Street, MENINDEE

WHO: Superintendent David Cooper  
Barrier Police District Commander

Inspector Andrew Menstorth  
Menindee EOC

Mr Bob Stewart  
Central Darling Shire Council Administrator

Mr Graham Attenborough  
Chief Operating Officer, Water Group, NSW Department of Planning and Environment

Mr Ben Coffey  
WaterNSW, General Manager Regional Operations South

Mr Cameron Lay  
NSW Department of Primary Industries, Director Freshwater Environment

[www.police.nsw.gov.au](http://www.police.nsw.gov.au) ☎ (02) 8263 6100 ✉ [media@police.nsw.gov.au](mailto:media@police.nsw.gov.au)



Mass fish deaths. Fire & Rescue photo.



Public Meeting March 2023. Police Media photo.



Clean-up. Fire & Rescue photo.



Media conference. Police Media photo.



Extent of the fish deaths.



# Making News



*Outstanding Community Service Award Winners: Pictured above, at Ivanhoe, with the Council General Manager are the Bunyan family, pictured left, Special Recognition. Mark Huntly, Citizen on the Year, is pictured with his family.*



*Outstanding Community Service Award Winners: Pictured above with Council General Manager, Administrator and State Member at Wilcannia: Chris Elliott, Citizen of the Year, John Pineo, Service to the Community (absent), Wilcannia/Menindee Pharmacy team, Special Recognition, Frances Dutton, Young Citizen of the Year.*



*Australian Citizenship: Elham Nariyan, of Wilcannia, received her Australian Citizenship at a ceremony in Wilcannia.*



*Outstanding Community Service Award Winners: Pictured right at Menindee: Gary Rolton, Service to the Community, Joy Hopkins, Citizen of the Year, Margot Muscat, Special Recognition.*



*The Menindee megafauna model was delivered to the Menindee Tourist Information Centre. Council applied for and received a \$10,000 grant to build the interactive display case and to relocate both the display case and the diorama to Menindee. Funding came from the Australian Government's Regional Arts Fund.*



*A pathway project outside White Cliffs Public School was completed making travelling to and from school more pedestrian friendly. Work was funded under the Federal Road Safety (NSW) School Zone Infrastructure Program and Local Community Infrastructure streetscape grant.*



# Making News



In August the town's **Multi Service Outlet (MSO)** was officially opened by the Federal Member for Parkes Mark Coulton. The project was funded under Round Four of the Australian Government, Building Better Regions Fund (\$450,000) and by Central Darling Shire Council (\$150,000). The township of Ivanhoe is home to approximately 196 people. The MSO provides a one-stop shop for government services, meeting spaces, disability access and supports new technology.



Progress continued on a three-year road sealing project - known as the Pooncarie Road project - between Menindee and the southern edge of the Shire towards Pooncarie. The project passed the half-way mark during the year. It is a \$39.6 million project with the Federal government contributing \$27.1 million and the State government \$12.5 million for the works.



In April work started on a new amenities block at Victory Park Caravan Park at Wilcannia. New and improved caravan park facilities will encourage visitors to stay longer and spend more time in the area. The work is funded by an Australian Government grant of \$489,665.



A streetscape makeover at Wilcannia included the White Cliffs Post Office with pavement works out the front of the building. The work was funded by the NSW Government.



Wilcannia Town Clean-up project. Council received a Regional Recovery Program grant of \$330,000 for the Wilcannia town clean-up project. The project involved the removal of rubbish and car bodies. Pictured are cars taken to the local tip as part of the project. There is no mechanic in town to fix cars, which can result in cars being abandoned around town.



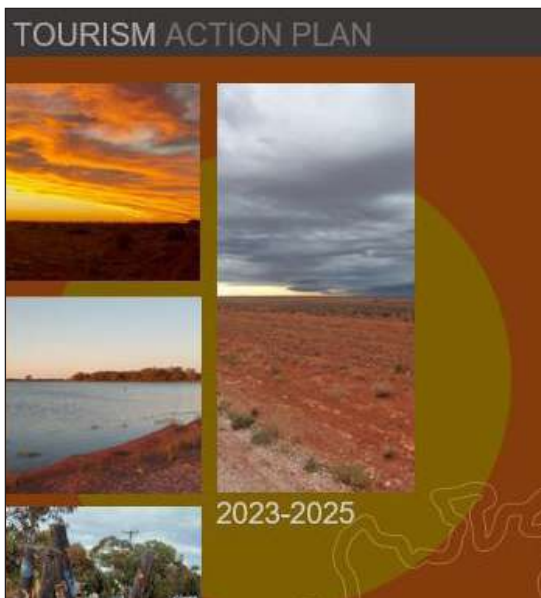
# Making News



The Central Darling Shire Heritage Trail Tourism App was officially launched in April. It contains historic photos, heritage stories and interviews with locals. It can be downloaded free from Apple and Google Play App stores.



The development of the \$9.5 million Baaka Cultural Centre at Wilcannia is a regionally significant project. In a major step forward during the year it met criteria to be independently assessed and approved by the Western Regional Planning Panel and was endorsed by Council.



Council adopted a Tourism Action Plan for the Shire. The plan has four themes: Enablers for success, Game changer projects, Priority projects and Marketing.



Construction on a new Community Health and Wellbeing Facility, at a cost of more than \$7 million, for Maari Ma Health Aboriginal Corporation met criteria to be independently assessed and approved by the Western Regional Planning Panel before going to Council for endorsement in September 2022. The health a wellbeing centre will deliver primary health care services from a purpose-built and community-controlled facility.



In March information sessions were held about the Storm water Mitigation project for Sunset Strip.



Work continued on the Urban and Rural Address project to provide consistent street and house numbering. Emergency services and postal services will be among those to benefit. The project is funded by a State Government grant.



2022 - 2023  
Statutory Reporting





# Statutory Reporting

## ITEM

Statement of the total remuneration package of the general manager including:

- total value of the salary component of the package
- total amount of any bonus, performance or other payments that do not form part of the salary component
- total amount payable by way of the employer's contribution or salary sacrifice to any superannuation scheme to which the general manager may be a contributor
- total value of any non-cash

benefits for which the general manager may elect under the package

- total amount payable by way of fringe benefits tax for any such non-cash benefits.

## RESPONSE

**Statement of the total remuneration package of the general manager including:**

- **total value of the salary component of the package**  
**Total TRP - \$222,071**  
**Total Salary Component - \$174,610**
- **total amount of any bonus,**

**performance or other payments that do not form part of the salary component - \$0**

- **total amount payable by way of the employer's contribution or salary sacrifice to any superannuation scheme to which the general manager may be a contributor - \$17,461**
- **total value of any non-cash benefits for which the general manager may elect under the package - \$0**
- **total amount payable by way of fringe benefits tax for any such non-cash benefit – \$30,000**

## ITEM

Statement of the total remuneration packages of all senior staff members (other than GM), expressed as the total (not of the individual members) including:

- total value of salary components of their packages
- total amount of any bonus,

performance or other payments that do not form part of salary components of their packages

- total amount payable by the council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which any of them may be a contributor
- total value of any non-cash

benefits for which any of them may elect under the package

- total amount payable by way of fringe benefits tax for any such non-cash benefits.

## RESPONSE

**Central Darling Shire Council does not have any senior staff members as defined under the Local Government Act.**

## ITEM

Statement of activities undertaken to implement its EEO management plan.

## RESPONSE

**Central Darling Shire Council is currently preparing a EEO management plan in accordance with the Local Government Act requirements.**





# Statutory Reporting

## ITEM

Statement of total number of persons who performed paid work on Wednesday 23 November 2022, including, in separate statements, total number of:

- Persons employed by the council on a permanent full-time, permanent part-time or casual basis or under a fixed-term contract
- Persons employed by the council as senior staff members,
- Persons engaged by the council, under a contract or other arrangement with the person's employer, wholly or principally for

the labour of the person

- Persons supplied to the council, under a contract or other arrangement with the person's employer, as an apprentice or trainee.

## RESPONSE

The total number of persons who performed paid work on Wednesday 23 November 2022 including, separate statement, is 70:

- Permanent full-time 66
- Permanent part-time 4
- Casual basis 15

- Fixed-term contract 5

- TOTAL = 70

- Number of persons employed by Council who are "senior staff" for the purposes of the Local Government Act 1993 is 1
- Number of persons engaged by Council, under contract or other arrangement with the person's employer, that is wholly or principally for the labour of the person, is 2
- Number of persons supplied to Council, under a contract or other arrangement with the person's employer, as an apprentice or trainee is Nil.

## ITEM

Information on the implementation of council's Disability Inclusion Action Plan and give a copy to the Minister for Disability Services

## RESPONSE

Central Darling Shire Council has a current Disability Inclusion Action Plan 2022 in place.

There has been several initiatives put in place around increasing access to meaningful employment,

with achievements to date including ensuring Council's recruitment and employment practices meeting the required EEO standards and the wider promotion of vacancies across the community. Work continues around increasing diversity and inclusivity within our employees.

- Wilcannia Post Office footpath replaced with new pavers and ramped at entrances to enhance disability access.
- Pedestrian Access

Management Plan reviewed and updated June 2023.

- New Active Transport Plan placed on public exhibition for community feedback and adopted by Council.

- Toilets and amenities, Baker park, Wilcannia upgraded and enhanced for disability access.

- The new amenities block at Victory Caravan Park, Wilcannia, was designed in accordance with disability access requirements.



*The new amenities block, for Victory Caravan Park, Wilcannia, was designed in accordance with disability access requirements. Picture of works- May 2023.*



# Statutory Reporting

## ITEM

Information about induction training and ongoing professional development:

a. The names of any mayor or councillors who completed any induction training course, induction refresher course or supplementary induction course

during the year,

b. The names of any mayor or councillors who participated in any ongoing professional development program during the year,

c. The number of seminars, circulars and other activities delivered as part of the ongoing

professional development program during the year.

## RESPONSE

**The Administrator attended the annual NSW Local Government Conference as part of ongoing professional development.**

## ITEM

Information about induction training and ongoing professional development:

a. The names of any mayor or councillors who completed any induction training course, induction refresher course or supplementary induction course

during the year,

b. The names of any mayor or councillors who participated in any ongoing professional development program during the year,

c. The number of seminars, circulars and other activities delivered as part of the ongoing

professional development program during the year.

## RESPONSE

**The Administrator attended the annual NSW Local Government Conference as part of ongoing professional development.**

## ITEM

Details, (including purpose) of overseas visits by councillors, council staff or other persons representing council (including visits sponsored by other organisations).

## RESPONSE

**There were no overseas visits by the Administrator, Council Officials or other persons representing Council.**



## ITEM

Must contain a statement detailing the action taken by the council in relation to any issue raised by the Anti-slavery Commissioner during the year concerning the operations of the council and identified by the Commissioner as being a significant issue.

## RESPONSE

**The Anti-slavery Commissioner did not raise any issues with the Council's operations during the year.**

## ITEM

Must contain a statement of steps taken to ensure that goods and services procured by and for the council during the year were not the product of modern slavery with the meaning of the Modern Slavery Act 2018

## RESPONSE

**All major contracts entered into under arrangements with Local Government Procurement were identified as low risk under the provisions of the Modern Slavery Act 2018.**



# Statutory Reporting

## ITEM

Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which council held a controlling interest.

## RESPONSE

Council did not hold a controlling interest in any corporation, partnership, trust, joint venture, syndicate, or similar other body during the year.

■ ■ ■ ■ ■ ■ ■



## ITEM

Information included on government information public access activity.

## RESPONSE

Council received one application by a member of the public (via their legal representative) for

determination under the Government Information (Public Interest) Act 2009 during the year. As this was for a debtor statement, the application was withdrawn and access was granted in full via the Customer Request process.

■ ■ ■ ■ ■ ■ ■



## ITEM

Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies (whether or no incorporated) in which the Council participated during the year.

## RESPONSE

During the year, Council participated in the Western Alliance of Councils and the South-West Joint Organisation of Councils.

■ ■ ■ ■ ■ ■ ■

## ITEM

Summary of the amounts incurred by the council in relation to legal proceedings including:  
a..Amounts incurred by council in relation to proceedings taken by or against council (including out of court settlements)  
b. summary of the state of the progress of each legal proceeding and (if finalised) the result.

## RESPONSE

Council did not incur any costs requiring to be declared relating to legal proceedings.



## ITEM

Statement of all external bodies that exercised functions delegated by council.

## RESPONSE

The only external bodies that exercised functions delegated by Council were those designated as Committees under Section 355 of the Local Government Act 1993.



# Statutory Reporting

## ITEM

The annual report of the year in which an ordinary election of councillors is held, must contain council's achievements in implementing the community strategic plan over the previous four years.

## RESPONSE

Not applicable. This is not an election year.

■ ■ ■ ■ ■ ■ ■ ■

## ITEM

A statement detailing the storm water management services provided (if levied).

## RESPONSE

Nil (not levied).



*Meet Council's Engineering team.*

■ ■ ■ ■ ■ ■ ■ ■

## ITEM

Include particulars of any environmental upgrade agreement entered into by the council.

## RESPONSE

Nil



## ITEM

The annual report must be prepared in accordance with Integrated Planning and Reporting Guidelines (IP&R) including councils progress on the delivery of the service reviews council has committed to undertake, the results of those reviews and any changes made to levels of service.

## RESPONSE

The Annual Report is prepared in accordance with the guidelines.

■ ■ ■ ■ ■ ■ ■ ■

## ITEM

Include resolutions made concerning work carried out on private land, including:

- a. details or a summary of any resolutions made under section; and
- b. details or summary of any work carried out, where the charge is less than the approved fee, the proposed fee to be charged and the total amount subsidised by council.

## RESPONSE

Nil.

■ ■ ■ ■ ■ ■ ■ ■

## ITEM

Details of inspections of private swimming pools. Include the number of inspections that:

- a. were of tourist and visitor accommodation.

**RESPONSE - Nil**

- b. were of premises with more than 2 dwellings.

**RESPONSE - 1**

- c. resulted in issuance a certificate of compliance under s22D of the SP Act.

**RESPONSE - 1**

- d. resulted in issuance a certificate of non-compliance under cl 21 SP Reg.

**RESPONSE - 0**



# Statutory Reporting

## PUBLIC INTEREST DISCLOSURES (PIDS)

Information included on public interest disclosure activity.

## RESPONSE

### Requirements of the Act

No. of Public Officials who've made a Public Interest Disclosure	1
No. of Public Interest Disclosures	1
No. of Public officials who've made a Public Interest Disclosure	1
No. of Public Interest Disclosures received	1
No. of disclosures on corrupt conduct	1
No. of Public Interest Disclosures in the reporting period	1
No. of disclosures of maladministration	0
No. of disclosures of serious and substantial waste of public money or Local government money (as appropriate)	0
No. of disclosures on government information contraventions	0
No. of disclosures of local government pecuniary interest contraventions	0
No. Public Interest Disclosures finalised in the reporting period	0
Is a Public Interest disclosure policy in place	yes
What actions have been taken to ensure staff awareness responsibilities under section 6E(1) (b) of the Act have been met	NSW Ombudsman's Training on PIDs for all managers.

## ITEM

Particulars of compliance with and effect of planning agreements in force during the year.

## RESPONSE

Not applicable.

## ITEM

Recovery and threat abatement plans - Councils identified in a plan as responsible for implementation of measures included in the plan, must report on actions taken to implement those measures as to the state of the environment in its area.

## RESPONSE

Not applicable.

# Statutory Reporting

## ITEM

Details of each contract awarded (other than employment contracts less than \$150,000) including: a. name of contractor b. nature of goods or services supplied c. total amount payable.

## RESPONSE

Details of each contract awarded by the Council during that year (whether as a result of tender or otherwise) other than:

- (i) Employment contracts (that is, contracts of service but not contracts for services), and
- (ii) Contracts for less than \$150,000 or such other amount as may be prescribed by the regulations, including the name of the contractor, the nature of the goods or services supplied by the contractor and the total amount payable to the contractor under the contract.

## Awarded Contracts

Name of Contractor	Goods/Services	Amount
Fulton Hogan	Spray Sealing Services	\$6,151,878
Wardle Builders	Building Services	\$1,019,195
Stabilised Pavements Australia	Road Stabilisation Services	\$2,268,158
Rocla	Supply and Delivery of precast drainage products	\$209,178
Crushrite	Gravel Crushing Services	\$1,664,254
Ausroad Manufacturing	Supply and Deliver new Jetpatching truck (payment 1)	\$343,673
Consolidated Mining and Civil	Civil Works Plant Hire	\$584,883
Membrane Systems Australia	Design and Construct 3 new Water Treatment plants	\$298,756
Dansons	Civil Works Plant Hire	\$1,468,930
GTE	Civil Works Plant Hire	\$1,005,056
Kallara Partners	Civil Works Plant Hire	\$1,649,233
Mawsons Concrete and Quarries	Civil Material Supply	\$211,499
J & E Sammon	Civil Works Plant Hire	\$822,722
Tolbra Earthmoving & Haulage	Civil Works Plant Hire	\$8,533,656
Vertex	Pumps and Electrical	\$245,565
Kentan Machinery	Supply 3 new tractors and slashers	\$518,280

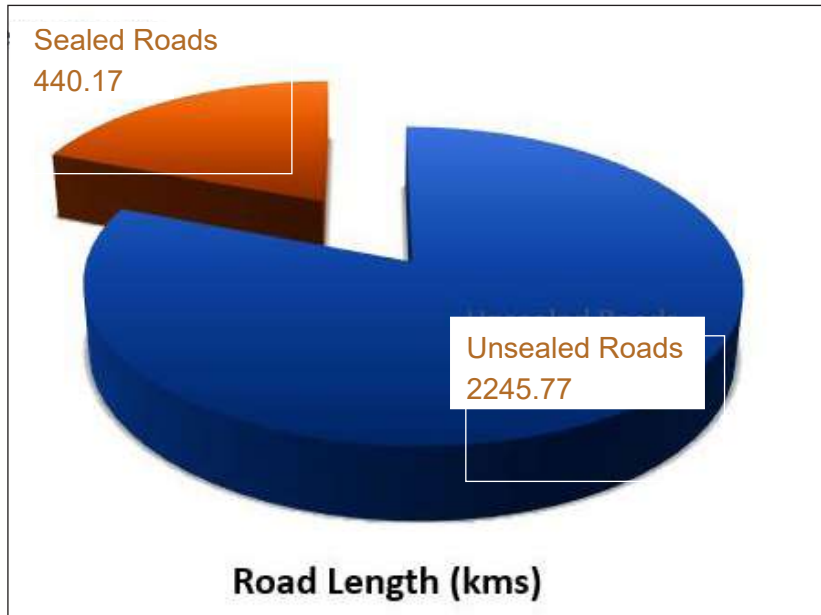


# Statutory Reporting

## ITEM

Report on all capital works projects is considered best practice Capital Works.

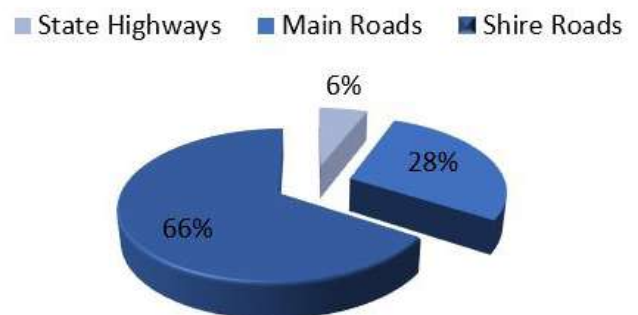
### Pubic Roads Network



### Sealed Road Network



### Unsealed Road Network



### State Highways

Under Council's Routine Maintenance Council Contract (RMCC), Council is responsible for 387km of State Highway which includes both sealed and unsealed sections.

The majority of funding was expended on construction, reseals, heavy patching, and maintenance.

Report on RMCC Work 2022/23

- Total paid to Council for RMCC ordered work: \$7,231,315
- Total paid to Council for RMCC routine work: \$1,139,289



*Culvert installation, Initial Seal Project, Cobb Highway.*

# Statutory Reporting

## Regional Roads

Council maintains 790km of Regional (or Main) Roads within the Shire.

- Funding received included \$2,863,000 from Regional Road Block Grant.
  - \$12,000,000 from Federal and State Governments for Pooncarie Rd Initial Seal Project.
  - \$400,000 from Regional Roads Repair Program.
- Expenditure of the Block Grant included maintenance grading works, gravel re-sheeting and resealing works.

The Pooncarie Rd received program funding to complete initial sealing works on the 61km of unsealed section. 35km of unsealed road was reconstructed and sealed in the reporting period.

3km of initial seal works were completed on the Ivanhoe-Menindee Rd, 35km west of Ivanhoe.

Reseals were carried out in this financial year on MR435 Opal Miners Way, 10km.

- \$1,167,791 was expended on Storm and Flood Damage



*New seal section, Ivanhoe Menindee Road.*

emergency and restoration works following Natural Disaster events.



*New Seal Section Pooncarie Road.*

## Local Roads

Council maintains 1600km of Local Roads within the Shire.

- Funding expended from Federal Assistance Grant (Roads Component) totalled \$849,516.
- Roads to Recovery \$138,822.
- Fixing Local Roads \$1,169,980.

The majority of the local road expenditure included maintenance grading works, construction works and floodway works.

Roads to Recovery allocation

was utilised on the Menindee-Wilcannia East Rd and Mandalay Rd Floodways.

- \$2,795,240 was expended on Storm and Flood Damage emergency and restoration works following Natural Disaster events.
- Town Street routine maintenance works are ongoing and include kerb and gutter cleaning on a weekly basis, tree and ground vegetation maintenance, street sweeping and sign maintenance.

## Bridges

Routine maintenance carried out on Council owned bridges included visual inspections, vegetation control and minor repairs. Recent bridge replacements have seen 50% of Council owned bridges replaced within the Shire, as per Councils Asset Management Plan, all dilapidated timber bridges have now been replaced.

## Works on private land

Contract earthworks were undertaken for APA, gas pipeline maintenance works Monolon Rd and Norma Downs Rd to the value of \$130,000.





# Statutory Reporting

## Water, Sewer and Storm water

### Major Activities

Wilcannia Water Supply and Sewerage Services continue to benefit from the Aboriginal Communities Water Supply and Sewerage Program and the Water Securities, Restart Program funded by the Commonwealth Government and Safe and Secure Program funded by the State Government.

The federally funded Aboriginal Communities Water Supply and Sewerage Program continues to provide funding for ongoing operational support for the Mallee and Warrali Aboriginal Estates in the amount of \$116,706 for routine maintenance and repairs. These funds are implemented in accordance with the Service



*Works commenced at the new White Cliffs Water Treatment Plant Site but are now on hold.*

Agreement between Council and the DPI Water.

Capital funding for the White Cliffs

Water Supply Augmentation had been previously secured from the now redundant Country Towns Water Supply and Sewerage Program (Backlog Works) up to \$5.5M. The funding will be utilized for new Water Treatment Plant and Reticulation network.

Capital funding from the State Governments Safe and Secure Program for new water treatment plants at Wilcannia and Ivanhoe has also been successful for \$3.5M and \$2.5M respectively.

The contract that was awarded to Membrane Systems Australia was terminated June 2023. Further options are being explored with funding providers to deliver this critical infrastructure to our communities.

### Water

Local Roads Water Potable (treated) and raw (untreated) water supplies continued to be provided to Wilcannia and Ivanhoe in accordance with NSW Office of Water and Department of Health regulations and guidelines in conjunction with a testing regime undertaken by Council operators in consultation with these government agencies.

Wilcannia and Ivanhoe Water supply is sourced from a combination of river and bore supplies. In the past year, Wilcannia was serviced predominately from Darling River flows. Ivanhoe has been serviced from Morrisons Lake Reservoir fed from



*Ivanhoe Team seen here working hard to fix a leak.*

Willandra Creek.

White Cliffs is serviced by a reticulated non-potable filtered water supply and is sourced from surface runoff collected in large off-line ground tanks.

Typical operational issues are reticulation leakage from agricultural

grade poly pipe network and low pressure issues. Main leakages are repaired as they arise. Water pressure issues are predominantly the responsibility of householders at White Cliffs where a header tank is to be provided by each dwelling/dugout.

Early rainfall in 2022 filled the White Cliffs Wakefield Tank providing 12 months supply and Willandra Creek flow in early 2022 captured at Willandra Creek Weir filled Morrisons Tank providing up to two years supply for Ivanhoe.

Environmental flow within the Darling River during early 2022 filled the Darling River Weir Pool at Wilcannia and was the primary source for Wilcannia's water supply during 2022. Menindee water supply is managed by Essential Water pursuant *Water Management (General) Regulation 2011* and related to the establishment of the now redundant Broken Hill Water Board.

# Statutory Reporting

## Aerodromes

Council maintains six airstrips within the Shire being Wilcannia, White Cliffs, Tilpa, Emmdale, Menindee and Ivanhoe.

\$144,244 was expended on Pavement M&R, Buildings, toilets, fences, lighting, grounds M&R and energy costs.

The Remote Aerodrome Upgrade Program (RAUP) provided funding to improve Emmdale emergency strip landing area including Emmdale Roadhouse bore ownership transfer. \$100,000 was expended with Council funding 50% of project costs.



*Grading and levelling works, Emmdale Airstrip.*

## Sewer

Wilcannia sewerage services is comprised of a Common Effluent Collection System which collects domestic sewage from connected properties and discharges to the Wilcannia Sewerage Treatment Plant (Oxidation Ponds). The recent Civil Works upgrades included the sewer systems in the Aboriginal precincts of Mallee and Warralli being converted to full gravity sewer systems. The two existing pump stations at Warralli were replaced with one single pump station and two new lift wells were installed in the Mallee. Ivanhoe, Menindee and White Cliffs residents manage generated sewerage with on-site facilities.



*Grading and levelling works, Emmdale Airstrip.*



## Boat Ramps

Council maintains two boat ramps completed in Menindee 2012/13 and Tilpa 2014/15. *Pictured above is the Menindee Boat Ramp under construction in October 2013.*

## Storm water

Storm water infrastructure throughout the townships of Wilcannia, Ivanhoe, Menindee and White Cliffs were maintained including cleaning of the gross pollutant traps in Wilcannia and Menindee.

Council is investigating funding opportunities to replace the storm water outlets into the Darling River at Wilcannia (which have structurally failed). *Pictured is Menindee Storm water being installed in 2009.*





# Statutory Reporting

## Footpaths, Kerbs, and Guttering

### Footpaths

The townships of Wilcannia, Ivanhoe and Menindee have extensive footpath networks. The footpath network in the urban areas are predominantly concrete but also is comprised of gravel and in-situ earth sections. \$22,042 was spent on footpath repairs in townships and villages. The extent of the concrete footpath network in each township is summarised below:

- Wilcannia 4,895m
- Ivanhoe 2,189m
- Menindee 1,312m



### Kerb and Gutter

*Wilcannia, Ivanhoe and Menindee's extensive kerb and gutter infrastructure was maintained. The heritage Kerbing around the Post Office (pictured above) in Wilcannia was removed and relaid to improve drainage in the area.*



*Pictured left, pavement work conducted during the year outside the White Cliffs Public School.*

### Plant and Equipment

Capital plant replacements included

- Four new Tractors and slashers \$518,280.
- Part Payment for new Jet-patcher \$312,430.
- Bobcat planer and broom attachments \$47,728.
- Two Godwin Hushpac Pump units and trailers \$136,105.



*New Kubota Tractors and Agpride slashers.*

# Statutory Reporting

## ITEM

Detailed statement, prepared in accordance with such guidelines as may be issued by the Director-General from time to time, of the council's activities during the year in relation to enforcing, and ensuring compliance with, the provisions of the Companion Animals Act 1988 (CA Act) and the Companion Animal Regulation 2018, including:

a. lodgement of pound data

collection returns with OLG.

b. lodgement of data about dog attacks with OLG, if no known attacks in the year a nil return is required in annual statement.

c. amount of funding spent on companion animal management and activities.

d. community education programs carried out and strategies the council has in place to promote and assist the desexing of dogs and cats.

e. strategies in place for complying with the requirement under s 64 of the CAAct to seek alternatives to euthanasia for unclaimed animals.

f. off leash areas provided in the council area.

g. detailed information on how fund money was used for managing and controlling companion animals in their area.



## Animal control Statistics 2022 - 2023

Month	Seized and Impounded	Rehomed	Returned to Owner	Euthanised	Registrations	Microchipped	Penalty Notices	In Pound at End of Month
July 2022	5 Dogs	0	4 dogs	0	0	0	0	1
Aug 2022	2 dogs	0	0	0	0	0	0	3
Sept 2022	6 dogs 1 Cat	4 dogs	3 dogs 1 cat	2 dogs	0	0	0	0
Oct 2022	18 Dogs	6 dogs	5 dogs	1 dog	0	0	0	6
Nov 2022	16 DOGS	9 DOGS	1 DOG	0	0	0	0	6
Dec 2022	0	6 dogs	0	0	0	0	0	0
Jan 2023	27 DOGS	17 DOGS	1 DOG	2 DOGS	1DOG	0	0	7
Feb 2023	7 Dogs	0	4 Dogs	0	0	0	0	10
Mar 2023	15 DOGS	1 DOGS	4 DOGS	0	0	0	0	20
April 2023	8 Dogs	17 Dogs	1 Dog	0	0	0	0	10
May 2023	5 DOGS	2 DOGS	0	0	0	0	0	13
June 2023	5 Dogs	8 Dogs	0	0	0	0	0	10
Total	154 DOGS 1 cat	70 DOGS	22 DOGS	5 DOGS	1 DOG	0	0	108 dogs



# Statutory Reporting

## ITEM

Total amount contributed or otherwise granted to financially assist others.

## RESPONSE

CWA Ivanhoe: \$1000

CWA White Cliffs: \$1000

Sunset Strip Progress Assoc: \$1500

Local Rugby Team \$640



## ITEM

Total cost during the year of the payment of expenses of, and the provision of facilities to councillors in relation to their civic functions (this amount must equal the reported amount in the financial statements).

Identify separate details on the total cost of:

- a. provision of dedicated office equipment allocated to councillors
- b. telephone calls made by councillors
- c. attendance of councillors at conferences and seminars
- d. the provision of induction training and professional development for mayor and other councillors

- e. training of councillors and provision of skill development
- f. interstate visits by councillors, including transport, accommodation and other out-of-pocket travelling expenses
- g. overseas visits by councillors, including transport, accommodation and other out-of-pocket travelling expenses
- h. expenses of any spouse, partner or other person who accompanied a councillor in the performance of his or her civic functions, being expenses payable in accordance with the Guidelines for the payment of expenses and the provision of facilities for the mayor and councillors
- i. expenses involved in the

provision of care for a child of, or an immediate family member of a councillor.

## RESPONSE

**Details relating to the cost during the year of the payment of expenses for the Administrator Bob Stewart. Allowance to the Administrator: \$135,241.**

**Travel, accommodation, conference expenses: \$16,052. Computer equipment NIL because Council does not depreciate. The cost would have been incurred in year of issue. Telephone, covered under Council's overall plan for mobile phones (unlimited local calls, cannot attribute cost).**



## ITEM

Report on activities funded via a special rate variation of general income including:

- a. reporting requirements set out in the Instrument of Approval
- b. projects or activities funded from the variation
- c. outcomes achieved as a result of the project or activities.

## RESPONSE

**Not applicable.**

# Statutory Reporting

## ITEM

Disclosure of how development contributions and development levies have been used or expended under each contributions plan

## RESPONSE

Nil. Council does not yet have a contributions plan.



## ITEM

Details for projects for which contributions or levies have been used must contain:

- a. project identification number and description
- b. the kind of public amenity or public service the project relates
- c. amount of monetary contributions or levies used or expended on project
- d. percentage of project cost funded by contributions or levies
- e. amounts expended that

have been temporarily borrowed from money to be expended for another purpose under the same or another contributions plan

- f. value of the land and material public benefit other than money or land
- g. whether the project is complete

## RESPONSE

Nil. Council does not yet have a plan.



## ITEM

(a) Total value of all contributions and levies received during the year.

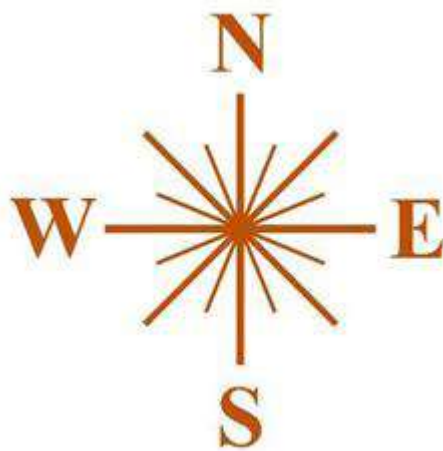
## RESPONSE

Nil.





2022 - 2023  
Finance Documents



# Central Darling Shire Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2023

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# Central Darling Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2023

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# Central Darling Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2023

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### Overview

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

21 Reid Street  
Wilcannia NSW 2836

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

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

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

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



# Central Darling Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2023

## Understanding Council's Financial Statements

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### 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 2023.

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.

## Central Darling Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2023

### Statement by Councillors and Management

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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 25 September 2023.**



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Robert Stewart  
Administrator  
15 November 2023



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Gregory Hill  
General Manager  
15 November 2023



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Kevin Smith  
Acting Responsible Accounting Officer  
15 November 2023



## Central Darling Shire Council

### Income Statement

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
	<b>Income from continuing operations</b>			
2,483	Rates and annual charges	B2-1	<b>2,439</b>	2,321
9,716	User charges and fees	B2-2	<b>9,995</b>	12,223
405	Other revenues	B2-3	<b>695</b>	734
8,744	Grants and contributions provided for operating purposes	B2-4	<b>24,307</b>	12,507
24,394	Grants and contributions provided for capital purposes	B2-4	<b>19,683</b>	18,530
54	Interest and investment income	B2-5	<b>110</b>	56
—	Other income	B2-6	<b>125</b>	145
—	Net gain from the disposal of assets	B4-1	<b>—</b>	114
<b>45,796</b>	<b>Total income from continuing operations</b>		<b>57,354</b>	46,630
	<b>Expenses from continuing operations</b>			
6,968	Employee benefits and on-costs	B3-1	<b>5,914</b>	5,706
7,696	Materials and services	B3-2	<b>19,497</b>	15,443
39	Borrowing costs	B3-3	<b>6</b>	10
4,324	Depreciation, amortisation and impairment of non-financial assets	B3-4	<b>5,951</b>	4,524
2,257	Other expenses	B3-5	<b>658</b>	448
<b>21,284</b>	<b>Total expenses from continuing operations</b>		<b>32,026</b>	26,131
<b>24,512</b>	<b>Operating result from continuing operations</b>		<b>25,328</b>	20,499
<b>24,512</b>	<b>Net operating result for the year attributable to Council</b>		<b>25,328</b>	20,499
<b>118</b>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>5,645</b>	1,969

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

## Central Darling Shire Council

### Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
<b>Net operating result for the year – from Income Statement</b>		<b>25,328</b>	20,499
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<b>11,232</b>	2,765
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>11,232</b>	2,765
<b>Total other comprehensive income for the year</b>		<b>11,232</b>	2,765
<b>Total comprehensive income for the year attributable to Council</b>		<b>36,560</b>	23,264

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



## Central Darling Shire Council

## Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	12,154	13,610
Receivables	C1-3	15,357	3,382
Inventories	C1-4	654	395
<b>Total current assets</b>		<b>28,165</b>	<b>17,387</b>
<b>Non-current assets</b>			
Receivables	C1-3	188	131
Infrastructure, property, plant and equipment (IPPE)	C1-5	223,740	196,158
Right of use assets	C2-1	109	340
Investments accounted for using the equity method	D2-1	867	932
<b>Total non-current assets</b>		<b>224,904</b>	<b>197,561</b>
<b>Total assets</b>		<b>253,069</b>	<b>214,948</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	5,064	3,701
Income received in advance	C3-1	168	131
Contract liabilities	C3-2	2,094	1,002
Lease liabilities	C2-1	118	253
Employee benefit provisions	C3-3	1,222	1,084
<b>Total current liabilities</b>		<b>8,666</b>	<b>6,171</b>
<b>Non-current liabilities</b>			
Lease liabilities	C2-1	12	106
Employee benefit provisions	C3-3	29	25
Provisions	C3-4	524	1,369
<b>Total non-current liabilities</b>		<b>565</b>	<b>1,500</b>
<b>Total liabilities</b>		<b>9,231</b>	<b>7,671</b>
<b>Net assets</b>		<b>243,838</b>	<b>207,277</b>
<b>EQUITY</b>			
Accumulated surplus	C4-1	172,835	147,507
IPPE revaluation reserve	C4-1	71,003	59,771
<b>Council equity interest</b>		<b>243,838</b>	<b>207,278</b>
<b>Total equity</b>		<b>243,838</b>	<b>207,278</b>

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

## Central Darling Shire Council

### Statement of Changes in Equity for the year ended 30 June 2023

\$ '000	Notes	2023			2022		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		147,507	59,771	207,278	127,008	57,006	184,014
Net operating result for the year		25,328	-	25,328	20,499	-	20,499
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	-	11,232	11,232	-	2,765	2,765
<b>Other comprehensive income</b>		-	11,232	11,232	-	2,765	2,765
<b>Total comprehensive income</b>		<b>25,328</b>	<b>11,232</b>	<b>36,560</b>	<b>20,499</b>	<b>2,765</b>	<b>23,264</b>
<b>Closing balance at 30 June</b>		<b>172,835</b>	<b>71,003</b>	<b>243,838</b>	<b>147,507</b>	<b>59,771</b>	<b>207,278</b>

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



## Central Darling Shire Council

## Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
2,639	Rates and annual charges		2,275	2,316
8,097	User charges and fees		10,222	15,305
54	Interest received		108	120
33,138	Grants and contributions		38,687	28,620
—	Other		—	1,259
<i>Payments:</i>				
(7,150)	Payments to employees		(5,848)	(5,511)
(10,519)	Payments for materials and services		(22,314)	(15,496)
(14)	Borrowing costs		(6)	(10)
—	Other		(1,388)	(29)
26,245	<b>Net cash flows from operating activities</b>	G1-1	<b>21,736</b>	<b>26,574</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
—	Proceeds from sale of IPPE		—	161
<i>Payments:</i>				
(29,673)	Payments for IPPE		(22,931)	(21,344)
(29,673)	<b>Net cash flows from investing activities</b>		<b>(22,931)</b>	<b>(21,183)</b>
<b>Cash flows from financing activities</b>				
<i>Payments:</i>				
—	Repayment of borrowings		—	(150)
(466)	Principal component of lease payments		(262)	(358)
(466)	<b>Net cash flows from financing activities</b>		<b>(262)</b>	<b>(508)</b>
(3,894)	<b>Net change in cash and cash equivalents</b>		<b>(1,457)</b>	<b>4,883</b>
8,727	Cash and cash equivalents at beginning of year		13,610	8,727
4,833	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>12,153</b>	<b>13,610</b>

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

## Central Darling Shire Council

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## Central Darling Shire Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 25 September 2023. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

#### **Historical cost convention**

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

#### **Significant accounting estimates and judgements**

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

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

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-5.
- (ii) estimated tip remediation provisions – refer Note C3-4.
- (iii) employee benefit provisions – refer Note C3-3.

#### **Significant judgements in applying the Council's accounting policies**

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note C1-3.

### **Monies and other assets received by Council**

#### **The Consolidated Fund**

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

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

- General purpose operations
- Water service
- Sewerage service

## A1-1 Basis of preparation (continued)

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### The Trust Fund

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

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

### Goods and Services Tax (GST)

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

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

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

### Volunteer services

Volunteer Services are considered to be not material.

### 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 2023 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2022.

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.

### Going concern

Council has been under administration since 23 December 2013 due to its poor financial position.

Since that time Council has operated on an altered business model by reducing staff and contractors and tightly controlling expenditure.

Central Darling Shire received Ministerial approval under section 410 of the *Local Government Act 1993*, to allow Council to continue utilising restricted cash reserves to cover operational shortfalls until 30 June 2022, at which time any such outstanding funds must be restored.

The financial statements for the 2023 financial year have been prepared on a going concern basis and demonstrate that Council now has a much improved financial position and no longer requires the use of restricted cash to cover operational expenditure.

### New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2023.



**B Financial Performance****B1 Functions or activities****B1-1 Functions or activities – income, expenses and assets**

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Functions or activities</b>										
Governance	–	3	348	286	(348)	(283)	–	–	–	–
Administration	360	515	3,015	612	(2,655)	(97)	30	90	17,038	6,587
Public order and safety	166	313	833	578	(667)	(265)	148	150	14,085	13,689
Health	1	–	224	–	(223)	–	–	–	24	–
Environment	1,958	646	1,052	532	906	114	308	–	751	1,554
Community services and education	159	87	85	283	74	(196)	169	56	2,601	1,876
Housing and community amenities	2,542	1,519	1,076	1,173	1,466	346	–	1,000	8,266	7,569
Water supplies	2,346	1,786	1,508	1,515	838	271	1,299	697	22,992	19,858
Sewerage services	349	403	348	208	1	195	–	–	7,165	6,742
Recreation and culture	904	884	1,088	1,197	(184)	(313)	2,081	1,381	5,755	3,887
Transport and communications	36,847	28,265	19,954	16,509	16,893	11,756	29,558	18,644	173,042	152,643
Economic affairs	1,278	2,771	2,495	3,238	(1,217)	(467)	897	451	1,350	543
General purpose income	10,444	9,438	–	–	10,444	9,438	9,500	8,568	–	–
<b>Total functions and activities</b>	<b>57,354</b>	<b>46,630</b>	<b>32,026</b>	<b>26,131</b>	<b>25,328</b>	<b>20,499</b>	<b>43,990</b>	<b>31,037</b>	<b>253,069</b>	<b>214,948</b>

## B1-2 Components of functions or activities

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

### Governance

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

### Administration

Includes corporate support, executive services, shire services and any other Council policy compliance.

### Public order and safety

Includes Council's fire and emergency services levy, fire protection, emergency services, enforcement of regulations and animal control.

### Health

Includes immunisations, food control and health clinics.

### Environment

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

### Community services and education

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration, youth services; aged and disabled services and children's services.

### Housing and community amenities

Includes public cemeteries; public conveniences; street lighting; town planning; and other community amenities

### Water supplies

Supply of water services to W ilcannia, Menindee, White Cliffs and Ivanhoe.

### Sewerage services

Supply of sewerage services to W ilcannia.

### Recreation and culture

Includes community centres and halls, sporting grounds, venues, swimming pools, parks and gardens, and other sporting, recreational and cultural services.

### Transport and communications

Includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

### Economic affairs

Includes camping areas and caravan parks, tourism and area promotion, and other business undertakings.

### General purpose income

Includes grant funding not directly attributable to the above categories.

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2023	2022
<b>Ordinary rates</b>		
Residential	352	340
Farmland	474	474
Business	47	48
Less: pensioner rebates (mandatory)	(14)	(15)
<b>Rates levied to ratepayers</b>	<b>859</b>	<b>847</b>
Pensioner rate subsidies received	7	8
<b>Total ordinary rates</b>	<b>866</b>	<b>855</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	530	491
Water supply services	673	624
Sewerage services	278	256
Waste management services (non-domestic)	101	104
Less: pensioner rebates (mandatory)	(19)	(20)
<b>Annual charges levied</b>	<b>1,563</b>	<b>1,455</b>
Pensioner annual charges subsidies received:		
– Water	2	2
– Sewerage	1	1
– Domestic waste management	7	8
<b>Total annual charges</b>	<b>1,573</b>	<b>1,466</b>
<b>Total rates and annual charges</b>	<b>2,439</b>	<b>2,321</b>

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

#### Accounting policy

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

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

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



## B2-2 User charges and fees

\$ '000	Timing	2023	2022
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>			
Water supply services	2	303	438
<b>Total specific user charges</b>		<b>303</b>	<b>438</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Building regulation	2	4	17
Private works – section 67	2	660	2,438
Regulatory/ statutory fees	2	1	1
Regulatory fees	2	1	–
Section 10.7 certificates (EP&A Act)	2	11	13
Section 603 certificates	2	7	8
Town planning	2	30	37
Other		1	–
<b>Total fees and charges – statutory/regulatory</b>		<b>715</b>	<b>2,514</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>			
Caravan park	2	38	54
Cemeteries	2	8	11
Community centres	2	6	8
Multipurpose centre	2	9	15
Transport for NSW works (state roads not controlled by Council)	2	8,900	9,120
Swimming centres	2	2	4
Waste disposal tipping fees	2	10	57
Water connection fees	2	4	2
<b>Total fees and charges – other</b>		<b>8,977</b>	<b>9,271</b>
<b>Total other user charges and fees</b>		<b>9,692</b>	<b>11,785</b>
<b>Total user charges and fees</b>		<b>9,995</b>	<b>12,223</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		9,995	12,223
<b>Total user charges and fees</b>		<b>9,995</b>	<b>12,223</b>

### Accounting policy

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

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

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

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

**B2-3 Other revenues**

<b>\$ '000</b>	<b>Timing</b>	<b>2023</b>	<b>2022</b>
Fines – other	2	3	1
Legal fees recovery – rates and charges (extra charges)	2	81	16
Legal fees recovery – other	2	–	5
Commissions and agency fees	2	71	136
Diesel rebate	2	20	10
Insurance claims recoveries	2	46	11
Sales of inventories	2	122	98
Sales – general	2	37	35
Aboriginal communities water & sewer scheme	2	117	142
Other	2	198	280
<b>Total other revenue</b>		<b>695</b>	<b>734</b>

**Timing of revenue recognition for other revenue**

Other revenue recognised over time (1)	–	444
Other revenue recognised at a point in time (2)	695	290
<b>Total other revenue</b>	<b>695</b>	<b>734</b>

**Accounting policy for other revenue**

Where the revenue relates to a contract with customer, the revenue is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Where the revenue relates to a contract which is not enforceable or does not contain sufficiently specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, which is earlier.

Other revenues are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

## B2-4 Grants and contributions

\$ '000	Timing	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	2	1,399	2,494	–	–
Financial assistance – local roads component	2	509	883	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	2	5,590	3,829	–	–
Financial assistance – local roads component	2	2,002	1,362	–	–
<b>Amount recognised as income during current year</b>		<b>9,500</b>	<b>8,568</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
<b>Previously specific grants:</b>					
Water supplies	1	–	–	1,199	1,397
Bushfire and emergency services	2	148	150	–	–
Community care	2	100	46	–	–
Economic development	2	733	–	49	441
Employment and training programs		62	90	–	–
Environmental programs	2	247	–	–	–
Floodplain management	1	–	–	77	–
Heritage and cultural	2	30	18	–	–
Recreation and culture	1	15	27	2,440	–
Storm/flood damage	1	4,935	90	–	793
Airport	1	–	–	100	150
Youth	2	111	10	–	–
Street lighting	2	8	8	–	–
Crown Land Administration	2	–	212	–	–
Transport (roads to recovery)	2	139	390	–	–
Transport (other roads and bridges funding)	2	5,291	–	15,593	14,413
Other specific grants	1	–	80	225	–
<b>Previously contributions:</b>					
Recreation and culture	1	–	–	–	1,336
Transport for NSW contributions (regional roads, block grant)	2	2,863	2,808	–	–
Tourism	2	125	10	–	–
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>14,807</b>	<b>3,939</b>	<b>19,683</b>	<b>18,530</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>14,807</b>	<b>3,939</b>	<b>19,683</b>	<b>18,530</b>
<b>Total grants and non-developer contributions</b>		<b>24,307</b>	<b>12,507</b>	<b>19,683</b>	<b>18,530</b>
<b>Comprising:</b>					
– Commonwealth funding		9,639	9,048	2,440	2,638
– State funding		14,668	3,459	17,018	15,892
– Other funding		–	–	225	–
		<b>24,307</b>	<b>12,507</b>	<b>19,683</b>	<b>18,530</b>



**B2-4 Grants and contributions (continued)****Developer contributions**

<b>\$ '000</b>	<b>Operating 2023</b>	<b>Operating 2022</b>	<b>Capital 2023</b>	<b>Capital 2022</b>
<b>Total grants and contributions</b>	<b>24,307</b>	<b>12,507</b>	<b>19,683</b>	<b>18,530</b>
<b>Timing of revenue recognition for grants and contributions</b>				
Grants and contributions recognised over time (1)	15	45	4,041	18,530
Grants and contributions recognised at a point in time (2)	24,292	12,462	15,642	—
<b>Total grants and contributions</b>	<b>24,307</b>	<b>12,507</b>	<b>19,683</b>	<b>18,530</b>

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

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

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	435	—	2,715	4,327
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	—	—	561	—
Add: Funds received for the provision of goods and services				
<b>Add:</b> Funds received and not recognised as revenue in the current year	6,213	3,939	2,094	19,533
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(114)	(3,504)	(1,745)	(16,818)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	—	—	(1,002)	(4,327)
<b>Unspent funds at 30 June</b>	<b>6,534</b>	<b>435</b>	<b>2,623</b>	<b>2,715</b>

### Accounting policy

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include the provision of goods or services or the achievement of milestone deliverables. 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**

<b>\$ '000</b>	<b>2023</b>	<b>2022</b>
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	<b>52</b>	55
– Cash and investments	<b>58</b>	1
<b>Total interest and investment income (losses)</b>	<b>110</b>	<b>56</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	<b>21</b>	22
General Council cash and investments	<b>57</b>	1
<b>Restricted investments/funds – external:</b>		
Water fund operations	<b>26</b>	29
Sewerage fund operations	<b>6</b>	4
<b>Total interest and investment income</b>	<b>110</b>	<b>56</b>

**Accounting policy**

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

**B2-6 Other income**

<b>\$ '000</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Reversal of impairment losses on receivables</b>			
Rates and annual charges		<b>92</b>	108
<b>Total reversal of impairment losses on receivables</b>	<b>C1-3</b>	<b>92</b>	<b>108</b>
<b>Rental income</b>			
<b>Other lease income</b>			
Leaseback fees - council vehicles		<b>2</b>	3
Other		<b>31</b>	34
<b>Total rental income</b>	<b>C2-2</b>	<b>33</b>	<b>37</b>
<b>Total other income</b>		<b>125</b>	<b>145</b>



## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

\$ '000	2023	2022
Salaries and wages	4,700	4,727
Employee leave entitlements (ELE)	768	547
Superannuation	489	427
Workers' compensation insurance	197	249
Fringe benefit tax (FBT)	46	(1)
Training costs (other than salaries and wages)	4	–
Protective clothing	3	–
Other	90	116
<b>Total employee costs</b>	<b>6,297</b>	<b>6,065</b>
Less: capitalised costs	(383)	(359)
<b>Total employee costs expensed</b>	<b>5,914</b>	<b>5,706</b>
Number of 'full-time equivalent' employees (FTE) at year end	42	44

#### Accounting policy

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

#### *Retirement benefit obligations*

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

#### *Superannuation plans*

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

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

**B3-2 Materials and services**

<b>\$ '000</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
Raw materials and consumables		<b>16,268</b>	12,820
Contractor costs		<b>720</b>	394
Administrator fees and associated expenses	F1-2	<b>165</b>	160
Advertising		<b>22</b>	22
Audit Fees	F2-1	<b>53</b>	75
Bank charges		<b>7</b>	14
Cleaning		<b>73</b>	15
Computer software charges		<b>340</b>	220
Cost of sales		<b>61</b>	71
Electricity and heating		<b>244</b>	254
Fire control expenses		<b>136</b>	103
Insurance		<b>713</b>	580
Office expenses (including computer expenses)		<b>246</b>	297
Postage		<b>5</b>	2
Printing and stationery		<b>54</b>	37
Street lighting		<b>12</b>	11
Subscriptions and publications		<b>80</b>	63
Tourism expenses (excluding employee costs)		<b>2</b>	–
Telephone and communications		<b>140</b>	105
Travel expenses		<b>45</b>	56
Valuation fees		<b>18</b>	17
Training costs (other than salaries and wages)		<b>85</b>	79
Other expenses		<b>7</b>	4
<b>Legal expenses:</b>			
– Legal expenses: debt recovery		<b>1</b>	37
Expenses from short-term leases		<b>–</b>	7
<b>Total materials and services</b>		<b>19,497</b>	<b>15,443</b>

**Accounting policy**

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

**B3-3 Borrowing costs**

<b>\$ '000</b>	<b>2023</b>	<b>2022</b>
<b>(i) Interest bearing liability costs</b>		
Interest on leases	<b>6</b>	8
Interest on loans	<b>—</b>	2
<b>Total interest bearing liability costs expensed</b>	<b>6</b>	<b>10</b>
<b>Total borrowing costs expensed</b>	<b>6</b>	<b>10</b>

**Accounting policy**

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

\$ '000	Notes	2023	2022
<b>Depreciation and amortisation</b>			
Plant and equipment		260	246
Furniture and fittings		1	1
<b>Infrastructure:</b>	C1-5		
– Buildings – non-specialised		973	850
– Other structures		322	307
– Roads		3,368	1,915
– Stormwater drainage		26	24
– Water supply network		591	689
– Sewerage network		138	98
Right of use assets	C2-1	264	369
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C1-5	8	25
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>5,951</b>	<b>4,524</b>

#### Accounting policy

##### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-5 for IPPE.

##### 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**

<b>\$ '000</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Impairment of receivables</b>			
Rates and annual charges		<b>152</b>	–
Other		<b>17</b>	–
<b>Total impairment of receivables</b>	C1-3	<b>169</b>	–
<b>Net share of interests in joint ventures and associates using the equity method</b>			
Joint arrangements		<b>65</b>	208
<b>Total net share of interests in joint ventures and associates using the equity method</b>	D2-1	<b>65</b>	<b>208</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		<b>284</b>	211
– Other contributions/levies		<b>19</b>	18
Donations, contributions and assistance to other organisations (Section 356)		<b>121</b>	11
<b>Total other</b>		<b>424</b>	<b>240</b>
<b>Total other expenses</b>		<b>658</b>	<b>448</b>

**Accounting policy**

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

Impairment expenses are recognised when identified.

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

<b>\$ '000</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Proceeds from disposal – property		–	11
Less: carrying amount of property assets sold/written off		–	(7)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>4</b>
<b>Gain (or loss) on disposal of plant and equipment</b>			
	C1-5		
Proceeds from disposal – plant and equipment		–	150
Less: carrying amount of plant and equipment assets sold/written off		–	(40)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>110</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>–</b>	<b>114</b>

**Accounting policy**

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



## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 29 June 2022 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	2023 Budget	2023 Actual	2023 ----- Variance -----	
<b>Revenues</b>				
<b>Rates and annual charges</b>	2,483	2,439	(44)	(2)% <b>U</b>
<b>User charges and fees</b>	9,716	9,995	279	3% <b>F</b>
<b>Other revenues</b>	405	695	290	72% <b>F</b>
Additional revenues not anticipated in original budget.				
<b>Operating grants and contributions</b>	8,744	24,307	15,563	178% <b>F</b>
Additional unbudgeted grants recieved for flood damage. Prepayment of federal assistance funding, not budgeted for.				
<b>Capital grants and contributions</b>	24,394	19,683	(4,711)	(19)% <b>U</b>
Take-up of funding from capital grants was reduced due to focus on major maintenance and repair works resulting from periods of flood and storm damage to infrastructure.				
<b>Interest and investment revenue</b>	54	110	56	104% <b>F</b>
Council has benefited from an increase in interest rates during the year and also from unspent grants funds over the period.				
<b>Net gains from disposal of assets</b>	–	–	–	∞ <b>F</b>
<b>Other income</b>	–	125	125	∞ <b>F</b>
Actually income budgeted in other revenues.				

**B5-1 Material budget variations (continued)**

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----	
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	<b>6,968</b>	<b>5,914</b>	<b>1,054</b>	<b>15% F</b>
Savings were made on Salaries and Wages due to a number of positions becoming vacant. This was partially offset by increases in additional consulting costs reflected in increased Materials and Services.				
<b>Materials and services</b>	<b>7,696</b>	<b>19,497</b>	<b>(11,801)</b>	<b>(153)% U</b>
Increase in expenditure due to additional unbudgeted private works, together with works associated with additional grant funding.				
<b>Borrowing costs</b>	<b>39</b>	<b>6</b>	<b>33</b>	<b>85% F</b>
Interest expense budget includes landfill remediation interest expense not charged.				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	<b>4,324</b>	<b>5,951</b>	<b>(1,627)</b>	<b>(38)% U</b>
Depreciation charges increased for the year due to an increase in asset values through indexation at 30 June 2022.				
<b>Other expenses</b>	<b>2,257</b>	<b>658</b>	<b>1,599</b>	<b>71% F</b>
Variance due to some actual expenditure originally budgeted for as other expenditure now treated as Materials and Services.				
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	<b>26,245</b>	<b>21,736</b>	<b>(4,509)</b>	<b>(17)% U</b>
Variance due to expenditure incurred for grant funded projects not claimed as yet.				
<b>Cash flows from investing activities</b>	<b>(29,673)</b>	<b>(22,931)</b>	<b>6,742</b>	<b>(23)% F</b>
Variance due to underspend of budget due to lack of resources.				
<b>Cash flows from financing activities</b>	<b>(466)</b>	<b>(262)</b>	<b>204</b>	<b>(44)% F</b>
Variance due to excessive estimate of budgeted leasing payments.				

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2023	2022
<b>Cash assets</b>		
Cash on hand and at bank	10,654	12,510
Cash equivalent assets		
– Short-term deposits	1,500	1,100
<b>Total cash and cash equivalents</b>	<b>12,154</b>	<b>13,610</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	12,154	13,610
<b>Balance as per the Statement of Cash Flows</b>	<b>12,154</b>	<b>13,610</b>

#### Accounting policy

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

**C1-2 Restricted and allocated cash, cash equivalents and investments**

\$ '000	2023 Current	2023 Non-current	2023	2022 Current	2022 Non-current	2022
<b>(a) Externally restricted cash, cash equivalents and investments</b>						
<b>Total cash, cash equivalents and investments</b>	<b>12,154</b>	<b>–</b>	<b>12,154</b>	<b>13,610</b>	<b>–</b>	<b>13,610</b>
Less: Externally restricted cash, cash equivalents and investments	(10,991)	–	(10,991)	(4,888)	–	(4,888)
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>1,163</b>	<b>–</b>	<b>1,163</b>	<b>8,722</b>	<b>–</b>	<b>8,722</b>

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

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

Specific purpose unexpended grants – general fund	2,094	1,002
<b>External restrictions – included in liabilities</b>	<b>2,094</b>	<b>1,002</b>

**External restrictions – other**

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

Specific purpose unexpended grants (recognised as revenue) – general fund	7,063	2,148
Sewer fund	1,447	1,286
Domestic waste management	387	452
<b>External restrictions – other</b>	<b>8,897</b>	<b>3,886</b>
<b>Total external restrictions</b>	<b>10,991</b>	<b>4,888</b>

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.

\$ '000	2023 Current	2023 Non-current	2023	2022 Current	2022 Non-current	2022
<b>(b) Internal allocations</b>						
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>1,163</b>	<b>–</b>	<b>1,163</b>	<b>8,722</b>	<b>–</b>	<b>8,722</b>
Less: Internally restricted cash, cash equivalents and investments	–	–	–	–	–	–
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>1,163</b>	<b>–</b>	<b>1,163</b>	<b>8,722</b>	<b>–</b>	<b>8,722</b>



**C1-2 Restricted and allocated cash, cash equivalents and investments (continued)**

<b>\$ '000</b>	<b>2023 Current</b>	<b>2023 Non-current</b>	<b>2023</b>	<b>2022 Current</b>	<b>2022 Non-current</b>	<b>2022</b>
(c) Unrestricted and unallocated						
Unrestricted and unallocated cash, cash equivalents and investments	1,163	–	1,163	8,722	–	8,722

### C1-3 Receivables

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Rates and annual charges	558	321	390	292
Interest and extra charges	74	91	59	94
User charges and fees	610	124	369	78
– Other income accruals	4,484	–	–	–
Government grants and subsidies	7,701	–	1,306	–
Net GST/PAYG receivable	2,394	–	1,678	–
Other debtors	30	–	16	–
<b>Total</b>	<b>15,851</b>	<b>536</b>	<b>3,818</b>	<b>464</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(360)	(205)	(270)	(202)
Interest and extra charges	(62)	(77)	(50)	(79)
User charges and fees	(72)	(66)	(116)	(52)
<b>Total provision for impairment – receivables</b>	<b>(494)</b>	<b>(348)</b>	<b>(436)</b>	<b>(333)</b>
<b>Total net receivables</b>	<b>15,357</b>	<b>188</b>	<b>3,382</b>	<b>131</b>
<b>Externally restricted receivables</b>				
<b>Water supply</b>				
– Specific purpose grants	799	–	–	–
– Rates and availability charges	114	–	128	–
– Other	159	–	42	–
<b>Sewerage services</b>				
– Rates and availability charges	46	–	14	–
– Other	6	–	–	–
<b>Total external restrictions</b>	<b>1,124</b>	<b>–</b>	<b>184</b>	<b>–</b>
<b>Unrestricted receivables</b>	<b>14,233</b>	<b>188</b>	<b>3,198</b>	<b>131</b>
<b>Total net receivables</b>	<b>15,357</b>	<b>188</b>	<b>3,382</b>	<b>131</b>

\$ '000	2023	2022
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 139)	769	883
Movement in provisions recognised during the year	73	(114)
<b>Balance at the end of the year</b>	<b>842</b>	<b>769</b>

#### Accounting policy

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

#### Impairment

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

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

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

### C1-3 Receivables (continued)

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 5 years past due, whichever occurs first.

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

Rates and annual charges outstanding are secured against the property.

## C1-4 Inventories

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
<b>Inventories at cost</b>				
Stores and materials	654	–	395	–
<b>Total inventories</b>	<b>654</b>	<b>–</b>	<b>395</b>	<b>–</b>

### Accounting policy

#### Raw materials and stores, work in progress and finished goods

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



## C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	7,322	–	7,322	–	4,259	–	–	(952)	–	–	10,589	–	10,589
Plant and equipment	4,654	(2,355)	2,299	–	877	(260)	–	–	–	–	5,530	(2,615)	2,915
Furniture and fittings	17	(2)	15	9	10	(1)	24	–	–	–	61	(3)	58
Land:													
– Operational land	129	–	129	–	–	–	–	–	(79)	–	50	–	50
– Community land	1,600	–	1,600	–	–	–	–	–	–	797	2,397	–	2,397
Infrastructure:													
– Buildings – non-specialised	40,706	(26,840)	13,866	297	277	(973)	404	–	–	2,038	41,196	(25,288)	15,908
– Other structures	10,073	(6,109)	3,964	121	869	(322)	459	–	–	260	12,242	(6,891)	5,351
– Roads, bridges, footpaths	183,736	(39,717)	144,019	8,197	7,542	(3,368)	–	–	–	6,571	208,467	(45,504)	162,963
– Stormwater drainage	1,486	(791)	695	–	–	(26)	–	–	–	52	1,599	(879)	720
– Water supply network	43,426	(26,871)	16,555	–	399	(591)	105	–	–	1,231	47,278	(29,579)	17,699
– Sewerage network	6,786	(1,952)	4,834	–	–	(138)	–	–	–	362	7,310	(2,251)	5,059
Reinstatement, rehabilitation and restoration assets - refer Note C3-5:													
– Tip assets	1,324	(464)	860	–	–	(8)	–	(821)	–	–	503	(472)	31
Total infrastructure, property, plant and equipment	301,259	(105,101)	196,158	8,624	14,233	(5,687)	–	(821)	(79)	11,311	337,222	(113,482)	223,740

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

continued on next page ...

## C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2021				Asset movements during the reporting period					At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>(1)</sup>	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>												
Capital work in progress	6,911	–	6,911	3,733	–	–	(3,667)	–	–	7,322	–	7,322
Plant and equipment	4,568	(2,550)	2,018	–	(40)	(246)	–	–	–	4,654	(2,355)	2,299
Furniture and fittings	17	(1)	16	–	–	(1)	–	–	–	17	(2)	15
<b>Land:</b>												
– Operational land	130	–	130	–	(7)	–	–	–	–	129	–	129
– Community land	1,600	–	1,600	–	–	–	–	–	–	1,600	–	1,600
<b>Infrastructure:</b>												
– Buildings – non-specialised	34,673	(22,408)	12,265	–	–	(850)	243	–	1,849	40,706	(26,840)	13,866
– Other structures	9,279	(5,615)	3,664	–	–	(307)	510	–	97	10,073	(6,109)	3,964
– Roads	152,545	(34,358)	118,187	7,253	–	(1,915)	2,914	–	7,805	183,736	(39,717)	144,019
– Stormwater drainage	1,379	(710)	669	–	–	(24)	–	–	49	1,486	(791)	695
– Water supply network	46,455	(21,095)	25,360	–	–	(689)	–	(8,116)	–	43,426	(26,871)	16,555
– Sewerage network	6,240	(2,388)	3,852	–	–	(98)	–	–	1,081	6,786	(1,952)	4,834
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>												
– Tip assets	487	(439)	48	838	–	(25)	–	–	–	1,324	(464)	860
<b>Total infrastructure, property, plant and equipment</b>	<b>264,284</b>	<b>(89,564)</b>	<b>174,720</b>	<b>11,824</b>	<b>(47)</b>	<b>(4,155)</b>	<b>–</b>	<b>(8,116)</b>	<b>10,881</b>	<b>301,259</b>	<b>(105,101)</b>	<b>196,158</b>

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

continued on next page ...

## C1-5 Infrastructure, property, plant and equipment (continued)

### Accounting policy

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

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

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

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

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

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:

<b>Plant and equipment</b>	<b>Years</b>	<b>Other equipment</b>	<b>Years</b>
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	80 to 100	Drains	80 to 100
Bores	20 to 40	Culverts	50 to 80
Reticulation pipes: PVC	70 to 80	Flood control structures	80 to 100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	20	Swimming pools	50
Sealed roads: structure	50	Unealed roads	20
Unsealed roads	20	Other open space/recreational assets	20
Bridge: concrete	100	Other infrastructure	20
Bridge: other	50		
Road pavements	60		
Kerb, gutter and footpaths	40		

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

### Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

### Crown reserves

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

## C1-5 Infrastructure, property, plant and equipment (continued)

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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".

Council has assessed the value of the rural fire service plant and equipment "Red Fleet" and determined the value of these assets are not material and have not recognised them in the financial statements.



## Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/23			as at 30/06/22		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
<b>Water supply</b>						
WIP	4,250	–	4,250	3,052	–	3,052
Land						
– Operational land	28	–	28	81	–	81
Buildings	656	656	–	656	656	–
Infrastructure	47,306	29,579	17,727	43,426	26,871	16,555
<b>Total water supply</b>	<b>52,240</b>	<b>30,235</b>	<b>22,005</b>	<b>47,215</b>	<b>27,527</b>	<b>19,688</b>
<b>Sewerage services</b>						
WIP	608	–	608	608	–	608
Infrastructure	7,310	2,251	5,059	6,786	1,952	4,834
<b>Total sewerage services</b>	<b>7,918</b>	<b>2,251</b>	<b>5,667</b>	<b>7,394</b>	<b>1,952</b>	<b>5,442</b>
<b>Domestic waste management</b>						
Plant and equipment	874	639	235	874	601	273
<b>Total domestic waste management</b>	<b>874</b>	<b>639</b>	<b>235</b>	<b>874</b>	<b>601</b>	<b>273</b>
<b>Total restricted infrastructure, property, plant and equipment</b>	<b>61,032</b>	<b>33,125</b>	<b>27,907</b>	<b>55,483</b>	<b>30,080</b>	<b>25,403</b>

## C2 Leasing activities

### C2-1 Council as a lessee

#### Plant & Equipment

Council has leases over plant and equipment for works and services provided by Council. The total annual cost of leases for 2023 FY is \$270,000.

#### IT Equipment

Leases for IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 1 and 3 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage. Total Annual Lease payments is approximately \$26,000.

#### (a) Right of use assets

\$ '000	Plant & Equipment	Ready to use	Total
<b>2023</b>			
Opening balance at 1 July	340	–	340
Additions to right-of-use assets	33	–	33
Depreciation charge	(264)	–	(264)
<b>Balance at 30 June</b>	<b>109</b>	<b>–</b>	<b>109</b>
<b>2022</b>			
Opening balance at 1 July	433	–	433
Additions to right-of-use assets	276	–	276
Depreciation charge	(369)	–	(369)
<b>Balance at 30 June</b>	<b>340</b>	<b>–</b>	<b>340</b>

#### (b) Lease liabilities

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Lease liabilities	118	12	253	106
<b>Total lease liabilities</b>	<b>118</b>	<b>12</b>	<b>253</b>	<b>106</b>

#### (c) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
<b>2023</b>					
Cash flows	120	12	–	132	130
<b>2022</b>					
Cash flows	253	106	–	359	359

## C2-1 Council as a lessee (continued)

### (d) Income Statement

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

\$ '000	2023	2022
Interest on lease liabilities	6	8
Depreciation of right of use assets	264	369
Expenses relating to short-term leases	–	7
	<b>270</b>	<b>384</b>

### (e) Statement of Cash Flows

Total cash outflow for leases	<b>268</b>	358
	<b>268</b>	<b>358</b>

### Accounting policy

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

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

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

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.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

#### 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 1 vehicle only at a weekly amount of \$35 and also receives rental for staff accommodation.

\$ '000	2023	2022
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#### (i) Assets held as investment property

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

#### (ii) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	33	37
<b>Total income relating to operating leases for Council assets</b>	<b>33</b>	<b>37</b>

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

### Accounting policy

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

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

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

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.



### C3 Liabilities of Council

#### C3-1 Payables

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>Payables</b>				
Goods and services – operating expenditure	3,243	–	1,758	–
Goods and services – capital expenditure	1,555	–	1,628	–
Accrued expenses:				
– Salaries and wages	266	–	315	–
<b>Total payables</b>	<b>5,064</b>	<b>–</b>	<b>3,701</b>	<b>–</b>
<b>Income received in advance</b>				
Payments received in advance	168	–	131	–
<b>Total income received in advance</b>	<b>168</b>	<b>–</b>	<b>131</b>	<b>–</b>
<b>Total payables</b>	<b>5,232</b>	<b>–</b>	<b>3,832</b>	<b>–</b>

#### Payables relating to restricted assets

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>Externally restricted assets</b>				
Water	113	–	359	–
Sewer	339	–	279	–
Payables relating to externally restricted assets	452	–	638	–
<b>Total payables relating to restricted assets</b>	<b>452</b>	<b>–</b>	<b>638</b>	<b>–</b>
<b>Total payables relating to unrestricted assets</b>	<b>4,780</b>	<b>–</b>	<b>3,194</b>	<b>–</b>
<b>Total payables</b>	<b>5,232</b>	<b>–</b>	<b>3,832</b>	<b>–</b>

#### Accounting policy

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

#### Payables

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

### C3-2 Contract Liabilities

\$ '000	Notes	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	2,094	–	1,002	–
<b>Total grants received in advance</b>		<b>2,094</b>	<b>–</b>	<b>1,002</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>2,094</b>	<b>–</b>	<b>1,002</b>	<b>–</b>

#### Notes

(i) Council has received funding for the Local Roads & Community Infrastructure program which has not been fully expended at 30 June. The funds received are under an enforceable contract which requires Council to undertake approved works in accordance with the grant approval and the assets are under Council's control and recognised as part of Council's IPPE. The revenue is recognised over time as the works are completed, and the contract liability reflects the funds 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

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>Externally restricted assets</b>				
Water	1,449	–	–	–
Unspent grants held as contract liabilities (excl. Water & Sewer)	645	–	1,002	–
<b>Contract liabilities relating to externally restricted assets</b>	<b>2,094</b>	<b>–</b>	<b>1,002</b>	<b>–</b>
<b>Total contract liabilities relating to restricted assets</b>	<b>2,094</b>	<b>–</b>	<b>1,002</b>	<b>–</b>
<b>Total contract liabilities</b>	<b>2,094</b>	<b>–</b>	<b>1,002</b>	<b>–</b>

#### Significant changes in contract liabilities

The reduction in contract liabilities is primarily due to completion of major capital road project works during the year, with a reduction in carryover works funded by capital grants.

#### Accounting policy

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

### C3-3 Employee benefit provisions

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Annual leave	587	–	618	–
Long service leave	570	29	466	25
ELE on-costs	65	–	–	–
<b>Total employee benefit provisions</b>	<b>1,222</b>	<b>29</b>	<b>1,084</b>	<b>25</b>

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

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	659	584
	<b>659</b>	<b>584</b>

#### Description of and movements in provisions

\$ '000	ELE provisions			Total
	Annual leave	Long service leave	ELE on-costs	
<b>2023</b>				
At beginning of year	618	491	–	1,109
Additional provisions	303	123	52	478
Amounts used (payments)	(334)	(15)	–	(349)
Other	–	–	13	13
<b>Total ELE provisions at end of year</b>	<b>587</b>	<b>599</b>	<b>65</b>	<b>1,251</b>
<b>2022</b>				
At beginning of year	545	546	–	1,091
Additional provisions	319	–	–	319
Amounts used (payments)	(246)	(55)	–	(301)
<b>Total ELE provisions at end of year</b>	<b>618</b>	<b>491</b>	<b>–</b>	<b>1,109</b>

#### Accounting policy

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

#### Short-term obligations

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

#### Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### C3-3 Employee benefit provisions (continued)

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**On-costs**

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.



### C3-4 Provisions

\$ '000	2023 Current	2023 Non-Current	2022 Current	2022 Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	524	–	1,369
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>524</b>	<b>–</b>	<b>1,369</b>
<b>Total provisions</b>	<b>–</b>	<b>524</b>	<b>–</b>	<b>1,369</b>
<b>Total provisions relating to unrestricted assets</b>	<b>–</b>	<b>524</b>	<b>–</b>	<b>1,369</b>
<b>Total provisions</b>	<b>–</b>	<b>524</b>	<b>–</b>	<b>1,369</b>

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

The following provisions, even though classified as current, are not expected to be settled in the next 12 months: Nil.

#### Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
<b>2023</b>		
At beginning of year	1,369	1,369
<b>Changes to provision:</b>		
– Revised discount rate	(845)	(845)
Total other provisions at end of year	524	524
<b>2022</b>		
At beginning of year	717	717
<b>Changes to provision:</b>		
– Revised discount rate	652	652
Total other provisions at end of year	1,369	1,369

#### Nature and purpose of provisions

##### Asset remediation

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

##### Accounting policy

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.

### C3-4 Provisions (continued)

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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

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#### **IPPE Revaluation reserve**

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

## D Council structure

### D1 Results by fund

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

#### D1-1 Income Statement by fund

\$ '000	General 2023	Water 2023	Sewer 2023
<b>Income from continuing operations</b>			
Rates and annual charges	1,491	670	278
User charges and fees	9,596	392	7
Interest and investment revenue	78	26	6
Other revenues	578	59	58
Grants and contributions provided for operating purposes	24,307	—	—
Grants and contributions provided for capital purposes	18,484	1,199	—
Other income	125	—	—
<b>Total income from continuing operations</b>	<b>54,659</b>	<b>2,346</b>	<b>349</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	5,896	18	—
Materials and services	18,596	777	124
Borrowing costs	6	—	—
Depreciation, amortisation and impairment of non-financial assets	5,222	591	138
Other expenses	450	122	86
<b>Total expenses from continuing operations</b>	<b>30,170</b>	<b>1,508</b>	<b>348</b>
<b>Operating result from continuing operations</b>	<b>24,489</b>	<b>838</b>	<b>1</b>
<b>Net operating result for the year</b>	<b>24,489</b>	<b>838</b>	<b>1</b>
<b>Net operating result attributable to each council fund</b>	<b>24,489</b>	<b>838</b>	<b>1</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>6,005</b>	<b>(361)</b>	<b>1</b>



**D1-2 Statement of Financial Position by fund**

<b>\$ '000</b>	<b>General 2023</b>	<b>Water 2023</b>	<b>Sewer 2023</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10,792	–	1,447
Receivables	14,233	1,072	52
Inventories	653	–	–
<b>Total current assets</b>	<b>25,678</b>	<b>1,072</b>	<b>1,499</b>
<b>Non-current assets</b>			
Receivables	188	–	–
Infrastructure, property, plant and equipment	196,068	22,005	5,667
Investments accounted for using the equity method	867	–	–
Right of use assets	109	–	–
<b>Total non-current assets</b>	<b>197,232</b>	<b>22,005</b>	<b>5,667</b>
<b>Total assets</b>	<b>222,910</b>	<b>23,077</b>	<b>7,166</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	4,697	28	339
Income received in advance	168	–	–
Contract liabilities	645	1,449	–
Lease liabilities	118	–	–
Employee benefit provision	1,222	–	–
Bank overdraft	–	85	–
<b>Total current liabilities</b>	<b>6,850</b>	<b>1,562</b>	<b>339</b>
<b>Non-current liabilities</b>			
Lease liabilities	12	–	–
Employee benefit provision	29	–	–
Provisions	524	–	–
<b>Total non-current liabilities</b>	<b>565</b>	<b>–</b>	<b>–</b>
<b>Total liabilities</b>	<b>7,415</b>	<b>1,562</b>	<b>339</b>
<b>Net assets</b>	<b>215,495</b>	<b>21,515</b>	<b>6,827</b>
<b>EQUITY</b>			
Accumulated surplus	159,031	11,360	2,444
Revaluation reserves	56,465	10,155	4,383
<b>Council equity interest</b>	<b>215,496</b>	<b>21,515</b>	<b>6,827</b>
<b>Total equity</b>	<b>215,496</b>	<b>21,515</b>	<b>6,827</b>

## D2 Interests in other entities

\$ '000	Council's share of net assets	
	2023	2022
<b>Council's share of net assets</b>		
<b>Net share of interests in joint ventures and associates using the equity method – assets</b>		
Joint Arrangement	867	932
<b>Total net share of interests in joint ventures and associates using the equity method – assets</b>	<b>867</b>	<b>932</b>
<b>Total Council's share of net assets</b>	<b>867</b>	<b>932</b>

### D2-1 Interests in joint arrangements

#### Net carrying amounts – Council's share

\$ '000	Place of business	Nature of relationship	Interest in ownership			
			2023	2022	2023	2022
Far South West Joint Organisation			25.0%	25.0%	867	932
<b>Total carrying amounts – material joint ventures</b>					<b>867</b>	<b>932</b>

#### Material joint ventures

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

#### Summarised financial information for joint ventures

\$ '000	Far South West Joint Organisation	
	2023	2022
<b>Statement of financial position</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,465	3,652
Other current assets	11	93
<b>Current liabilities</b>		
Other current liabilities	10	19
<b>Net assets</b>	<b>3,466</b>	<b>3,726</b>
<b>Statement of comprehensive income</b>		
Income	(260)	(801)
<b>Profit/(loss) from continuing operations</b>	<b>(260)</b>	<b>(801)</b>
<b>Profit/(loss) for the period</b>	<b>(260)</b>	<b>(801)</b>
<b>Total comprehensive income</b>	<b>(260)</b>	<b>(801)</b>
<b>Share of income – Council (%)</b>	<b>25.0%</b>	<b>25.0%</b>
<b>Profit/(loss) – Council (\$)</b>	<b>(65)</b>	<b>(208)</b>
<b>Total comprehensive income – Council (\$)</b>	<b>(65)</b>	<b>(208)</b>
<b>Summarised Statement of cash flows</b>		
Cash flows from operating activities	(186)	(860)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(186)</b>	<b>(860)</b>

continued on next page ...

**D2-1 Interests in joint arrangements (continued)**

\$ '000	Far South West Joint Organisation	
	2023	2022
<b>Reconciliation of the carrying amount</b>		
Opening net assets (1 July)	3,726	4,527
Profit/(loss) for the period	(260)	(801)
<b>Closing net assets</b>	<b>3,466</b>	<b>3,726</b>
<b>Council's share of net assets (%)</b>	<b>25.0%</b>	25.0%
<b>Council's share of net assets (\$)</b>	<b>867</b>	932

**Accounting policy**

The council has determined that it has only joint ventures.

**Joint ventures:**

Interests in joint ventures are accounted for using the equity method in accordance with *AASB128 Investments in Associates and Joint Ventures*.

Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

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

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

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

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

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

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

\$ '000	Carrying value 2023	Carrying value 2022	Fair value 2023	Fair value 2022
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	12,154	13,610	12,154	13,610
Receivables	15,545	3,513	15,545	3,513
<b>Total financial assets</b>	<b>27,699</b>	<b>17,123</b>	<b>27,699</b>	<b>17,123</b>
<b>Financial liabilities</b>				
Payables	5,064	3,701	5,064	3,700
<b>Total financial liabilities</b>	<b>5,064</b>	<b>3,701</b>	<b>5,064</b>	<b>3,700</b>

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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

The risks associated with the instruments held are:

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

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

**E1-1 Risks relating to financial instruments held (continued)****(a) Market risk – interest rate and price risk**

<b>\$ '000</b>	<b>2023</b>	<b>2022</b>
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The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

Impact of a 1% movement in interest rates

– Equity / Income Statement	<b>122</b>	<b>134</b>
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Impact of a 10% movement in price of investments

**(b) Credit risk**

Pre-ambles

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees. Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors. There are no material receivables that have been subjected to a re-negotiation of repayment terms.

**Credit risk profile****Receivables – rates and annual charges**

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

<b>\$ '000</b>	<b>Not yet overdue</b>	<b>overdue rates and annual charges</b>				<b>Total</b>
		<b>&lt; 5 years</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>	<b>≥ 5 years</b>	
<b>2023</b>						
Gross carrying amount	–	179	356	229	115	879
<b>2022</b>						
Gross carrying amount	–	254	221	137	70	682



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

### Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2023						
Gross carrying amount	–	4,114	3,234	1,565	6,595	15,508
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	4.20%	1.79%
ECL provision	–	–	–	–	277	277
2022						
Gross carrying amount	–	65	9	1	3,525	3,600
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	8.40%	8.23%
ECL provision	–	–	–	–	296	296

### (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	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
\$ '000							
2023							
Payables	0.00%	—	5,064	—	—	5,064	5,064
Total financial liabilities		—	5,064	—	—	5,064	5,064
2022							
Payables	0.00%	—	3,700	—	—	3,700	3,701
Total financial liabilities		—	3,700	—	—	3,700	3,701

## 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
- Investment property
- Financial assets and liabilities

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

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

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

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

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

		Fair value measurement hierarchy							
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
Recurring fair value measurements									
Infrastructure, property, plant and equipment	C1-5								
Plant and equipment				2,915	2,299	—	—	2,915	2,299
Furniture and fittings				58	15	—	—	58	15
Operational land	30/06/2023 01/07/2019			50	1,206	—	—	50	1,206
Community and crown land	30/06/2023 01/07/2019			—	—	2,397	523	2,397	523
Buildings	30/06/2023 30/06/2018			15,908	13,866	—	—	15,908	13,866
Other structures	30/06/2019 30/06/2019			—	—	5,351	3,964	5,351	3,964
Roads, bridges and footpaths	30/06/2020 30/06/2020			—	—	162,963	144,019	162,963	144,019
Stormwater drainage	30/06/2019 30/06/2019			—	—	720	695	720	695
Water supply network	30/06/2022 30/06/2022			—	—	17,699	16,555	17,699	16,555
Sewerage network	30/06/2022 30/06/2022			—	—	5,059	4,834	5,059	4,834
Total infrastructure, property, plant and equipment				18,931	17,386	194,189	170,590	213,120	187,976

## 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)

##### Stormwater drainage

The Stormwater Drainage asset class consists of Council's pits and Culverts. AssetVal Pty Ltd completed the valuation of these assets in 2019. The valuation methodology adopted was based on current replacement cost of the asset.

Replacement costs (unit rates) and useful lives for Stormwater Drainage assets were determined through professional judgement on behalf of AssetVal Pty Ltd, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on asset location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, and pattern of consumption.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Valuation of Stormwater Drainage has been indexed at 30 June 2023, to account for increases in cost indices since the last comprehensive revaluation.

##### Other structures

Council's other structure assets comprise of fences, flagpoles, monuments and the like. AssetVal Pty Ltd completed the valuation of these assets in 2019.

Replacement costs (unit rate) and useful lives of Council's other structure assets were determined through professional judgement on behalf of AssetVal Pty Ltd, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on the assets location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life and pattern of consumption.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Valuation of Other Structures has been indexed at 30 June 2023, to account for increases in cost indices since the last comprehensive revaluation.

##### Buildings

Council engaged AssetVal Pty Ltd to value all buildings and shelters in 2023. The valuation methodology adopted was based on current replacement cost of the asset.

The valuation aspects are generally, but not limited to the location, size, condition, style and utility of the asset. Replacement cost, asset condition, remaining useful life and building components are some of the inputs used in fair value determination. Since most of these inputs are observable, the asset class has been classified as Level 2. Valuation techniques remained the same for this reporting period.

##### Roads, bridges, footpaths and bulk earthworks

Council's roads & Bridges are componentised into the pavement, surface and formation and further separated into segments for inspection and valuation.

The valuation of assets was completed by APV Valuers in June 2020.

The current replacement cost approach was adopted to value Council's assets. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of APV.

## E2-1 Fair value measurement (continued)

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Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, and components.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Valuation of all Roads Infrastructure has been indexed at 30 June 2023, to account for increases in cost indices since the last comprehensive revaluation.

### Water supply network

This asset category includes Dams & Weirs, Mains, Reservoirs and treatment plants.

The valuation of assets was completed by APV Valuers P/L effective 30 June 2022.

The current replacement cost approach was adopted to value Council's assets. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of APV.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, and components. Valuation techniques remained the same for this reporting period.

Valuation of Water Infrastructure has been indexed at 30 June 2023, to account for increases in cost indices since the last comprehensive revaluation.

### Sewerage network

This asset category includes Mains, Pumping stations and sewerage ponds.

The valuation of assets was completed by APV Valuers P/L effective 30 June 2022.

The current replacement cost approach was adopted to value Council's assets. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of APV.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, and components. Valuation techniques remained the same for this reporting period.

Valuation of Sewer Infrastructure has been indexed at 30 June 2023, to account for increases in cost indices since the last comprehensive revaluation.

### Community land

Assets within the "Community Land" class are Council owned land, and Care Control Management land [Crown] of which Council derives current and future economic benefits arising from the use of the land asset.

Council's community land is valued on the Land Value (LV), provided by the Valuer General with base date 01/07/2022.

Currently all Council assets in this asset class are based on LV, however, should Council have an asset in future for which a LV is not provided, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

### Operational land

Council's operational land includes all of Council's land classified as operational land under Local Government Act 1993. Council's community land is valued on the Land Value (LV), provided by the Valuer General with base date 01/07/2022.

Currently all Council assets in this asset class are based on a modelled market based valuation process, however, should Council have an asset in future for which this valuation process is not available, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this 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
<b>Infrastructure, property, plant and equipment</b>		
Other structures	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Roads, bridges, footpaths and bulk earthworks	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Stormwater drainage	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Water supply network	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Sewerage network	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Community Land	Current replacement cost	Replacement cost Asset condition rating



## E2-1 Fair value measurement (continued)

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

\$ '000	Crown / Community land		Other structures		Roads, bridges, footpaths		Stormwater drainage	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Opening balance</b>	<b>523</b>	523	<b>3,964</b>	3,664	<b>144,019</b>	118,187	<b>695</b>	669
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Transfers from/(to) another asset class	1,077	–	–	–	–	–	–	–
Purchases (GBV)	–	–	1,449	510	15,739	19,942	–	–
Depreciation and impairment	–	–	(322)	(307)	(3,368)	(1,915)	(26)	(24)
Asset Revaluation	797	–	260	97	6,571	7,805	52	49
Rounding	–	–	–	–	2	–	(1)	1
<b>Closing balance</b>	<b>2,397</b>	523	<b>5,351</b>	3,964	<b>162,963</b>	144,019	<b>720</b>	695

\$ '000	Water supply network		Sewerage network		Total	
	2023	2022	2023	2022	2023	2022
<b>Opening balance</b>	<b>16,555</b>	25,360	<b>4,834</b>	3,852	<b>170,590</b>	<b>152,255</b>
Transfers from/(to) another asset class	–	–	–	–	1,077	–
Purchases (GBV)	504	–	–	–	17,692	20,452
Depreciation and impairment	(591)	(689)	(138)	(98)	(4,445)	(3,033)
Asset Revaluation	1,231	(8,116)	362	1,081	9,273	916
Rounding	–	–	1	(1)	2	–
<b>Closing balance</b>	<b>17,699</b>	16,555	<b>5,059</b>	4,834	<b>194,189</b>	<b>170,590</b>

### Highest and best use

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

## E3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

##### (i) Defined benefit superannuation contribution plans

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

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

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

##### *Description of the funding arrangements.*

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

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

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

\* For 180 Point Members, Employers are required to contribute 8.0% of salaries for year ending 30 June 2023 (increasing to 8.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

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

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

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

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

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

### E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2023 was \$15,605.01. The last valuation of the Scheme was performed by Richard Boyfield FIAA on 30 June 2022, and covers the period ended 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$12,898.80. Council's expected contribution to the plan for the next annual reporting period is \$18,528.00.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,290.9	
Past Service Liabilities	2,236.1	102.4%
Vested Benefits	2,253.6	101.7%

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

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

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	6.0% per annum for FY 22/23 2.5% per annum thereafter

\* Plus promotional increases

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

#### (ii) Statewide Limited

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

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

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

#### (iii) StateCover Limited

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

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

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

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

#### (iv) Other guarantees

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

## E3-1 Contingencies (continued)

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### 2. Other liabilities

#### (i) Third party claims

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

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

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

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

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

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

### ASSETS NOT RECOGNISED

#### (i) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2023	2022
<strong>Compensation:</strong>		
Short-term benefits	572	618
Post-employment benefits	57	61
Other long-term benefits	5	5
<strong>Total</strong>	<strong>634</strong>	<strong>684</strong>



**F1-2 Councillor and Mayoral fees and associated expenses**

<b>\$ '000</b>	<b>2023</b>	<b>2022</b>
----------------	-------------	-------------

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

Administrator fee	<b>135</b>	138
Other Administrator expenses	<b>30</b>	22
<b>Total</b>	<b>165</b>	<b>160</b>

## F2 Other relationships

### F2-1 Audit fees

\$ '000	2023	2022
---------	------	------

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

	53	75
<b>Total Auditor-General remuneration</b>	<b>53</b>	<b>75</b>
 Total audit fees	 <b>53</b>	 <b>75</b>

## G Other matters

### G1-1 Statement of Cash Flows information

#### Reconciliation of net operating result to cash provided from operating activities

\$ '000	2023	2022
<b>Net operating result from Income Statement</b>	<b>25,328</b>	20,499
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	<b>5,951</b>	4,524
(Gain) / loss on disposal of assets	—	(114)
Unwinding of discount rates on reinstatement provisions	<b>(24)</b>	652
Share of net (profits)/losses of associates/joint ventures using the equity method	<b>65</b>	208
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	<b>(12,105)</b>	3,869
Increase / (decrease) in provision for impairment of receivables	<b>73</b>	(114)
(Increase) / decrease of inventories	<b>(259)</b>	(138)
Increase / (decrease) in payables	<b>1,485</b>	85
Increase / (decrease) in other accrued expenses payable	<b>(49)</b>	172
Increase / (decrease) in other liabilities	<b>37</b>	238
Increase / (decrease) in contract liabilities	<b>1,092</b>	(3,325)
Increase / (decrease) in employee benefit provision	<b>142</b>	18
<b>Net cash flows from operating activities</b>	<b>21,736</b>	<b>26,574</b>

## G2-1 Commitments

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### Capital commitments (exclusive of GST)

Council made no material forward commitments during the year, other than completion of major road improvements to Pooncarie Road which are largely funded by capital grants.

### G3-1 Events occurring after the reporting date

---

Council is unaware of any material or significant events that would affect the financial results, financial position, or disclosures in these financial statements.



## G4 Statement of performance measures

### G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2023	Indicator 2023	Indicator 2022	Benchmark
<b>1. Operating performance ratio</b>				
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2</sup>	<b>5,618</b>	<b>14.95%</b>	7.01%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>37,579</b>			
<b>2. Own source operating revenue ratio</b>				
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>13,272</b>	<b>23.18%</b>	33.12%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>57,262</b>			
<b>3. Unrestricted current ratio</b>				
Current assets less all external restrictions	<b>16,050</b>	<b>2.94x</b>	3.12x	> 1.50x
Current liabilities less specific purpose liabilities	<b>5,461</b>			
<b>4. Debt service cover ratio</b>				
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>11,667</b>	<b>43.53x</b>	12.74x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>268</b>			
<b>5. Rates and annual charges outstanding percentage</b>				
Rates and annual charges outstanding	<b>340</b>	<b>12.12%</b>	9.08%	< 10.00%
Rates and annual charges collectable	<b>2,806</b>			
<b>6. Cash expense cover ratio</b>				
Current year's cash and cash equivalents plus all term deposits	<b>12,154</b>	<b>4.89 months</b>	7.58 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<b>2,485</b>			

(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

	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
\$ '000	2023	2022	2023	2022	2023	2022	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>16.82%</b>	8.69%	<b>(31.47)%</b>	(39.12)%	<b>0.29%</b>	48.39%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>21.58%</b>	31.39%	<b>48.89%</b>	60.97%	<b>100.00%</b>	100.00%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>2.89x</b>	3.12x	<b>0.69x</b>	2.26x	<b>(0.05)x</b>	0.34x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>42.16x</b>	11.66x	∞	∞	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	<b>25.78%</b>	13.95%	<b>(63.33)%</b>	4.32%	<b>(54.86)%</b>	4.74%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>4.48</b>	7.17	<b>0.00</b>	0.00	<b>82.69</b>	141.58	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>months</b>	months	<b>months</b>	months	<b>months</b>	months	months

(1) - (2) Refer to Notes at Note 25a above.

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

**End of the audited financial statements**

## H Additional Council disclosures (unaudited)

### H1-1 Council information and contact details

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**Principal place of business:**

**21 Reid Street**  
Wilcannia NSW 2836

**Contact details**

Mailing Address:  
PO Box 165  
Wilcannia NSW 2836

**Opening hours:**

9:00am - 5:00pm  
Monday to Friday

**Telephone:** 08 8083 8900

**Facsimile:** 08 8091 5994

**Internet:** [www.centraldarling.nsw.gov.au](http://www.centraldarling.nsw.gov.au)

**Email:** [council@centraldring.nsw.gov.au](mailto:council@centraldring.nsw.gov.au)

**Officers**

**General Manager**  
Gregory Hill

**Acting Responsible Accounting Officer**

Kevin Smith

**Public Officer**

Kevin Smith (Acting)

**Auditors**

Audit Office of NSW  
Level 19 Tower 2 Darling Park  
201 Sussex St  
Sydney NSW 2000

**Other information**

**ABN:** 65 061 502 429



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Central Darling Shire Council

To the Councillors of Central Darling Shire Council

### Opinion

I have audited the accompanying financial statements of Central Darling Shire Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

### Basis for Opinion

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

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

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



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

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

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

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

### **Other Information**

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

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

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

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



Manuel Moncada

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

30 November 2023  
SYDNEY



Mr Bob Stewart  
Administrator  
Central Darling Shire Council  
PO Box 165  
WILCANNIA NSW 2836

Contact: Manuel Moncada  
Phone no: 02 9275 7333  
Our ref: R008-16585809-48991

30 November 2023

Dear Administrator

**Report on the Conduct of the Audit  
for the year ended 30 June 2023  
Central Darling Shire Council**

I have audited the general purpose financial statements (GPFS) of the Central Darling Shire Council (the Council) for the year ended 30 June 2023 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2023 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

**INCOME STATEMENT**

**Operating result**

	<b>2023</b>	<b>2022</b>	<b>Variance</b>
	<b>\$m</b>	<b>\$m</b>	<b>%</b>
Rates and annual charges revenue	2.4	2.3	↑ 4.3
Grants and contributions revenue	44.0	31.0	↑ 41.9
Operating result from continuing operations	25.3	20.5	↑ 23.4
Net operating result before capital grants and contributions	5.6	2.0	↑ 180

Council's operating result (\$25.3 million including the effect of depreciation and amortisation expense of \$6 million) was \$4.8 million higher than the 2021–22 result. This was mainly due to increased revenue from grants.

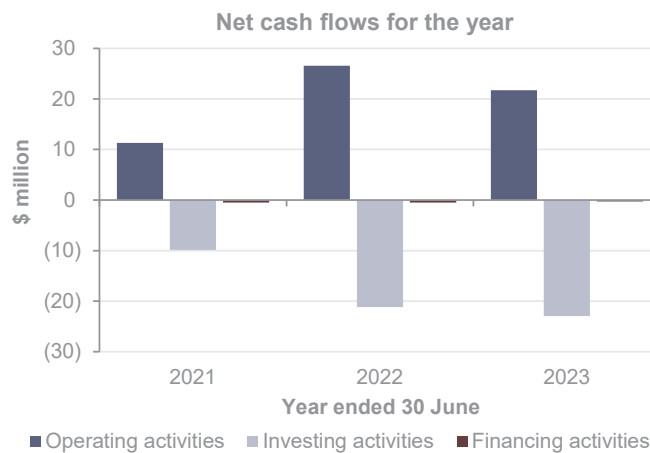
The net operating result before capital grants and contributions (\$5.6 million) was \$3.6 million higher than the 2021–22 result. This was due to the receipt of additional grants provided for operating purposes.

Rates and annual charges revenue (\$2.4 million) increased by \$0.1 million (4.3 per cent) in 2022–2023.

Grants and contributions revenue (\$44 million) increased by \$13 million (41.9 per cent) in 2022–2023. This was mainly due to the receipt of additional funding for flood damage and road repairs.

## STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash decreased by \$1.5 million to \$12.2 million at the close of the year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2023	2022	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>12.2</b>	<b>13.6</b>	<ul style="list-style-type: none"> <li>External restrictions include unspent specific purpose grants and domestic waste management charges, and sewerage funds</li> </ul>
Restricted cash and investments:			<ul style="list-style-type: none"> <li>Council has not set aside any internally restricted funds</li> </ul>
• External restrictions	11.0	4.9	
• Internal allocations	-	-	

## PERFORMANCE

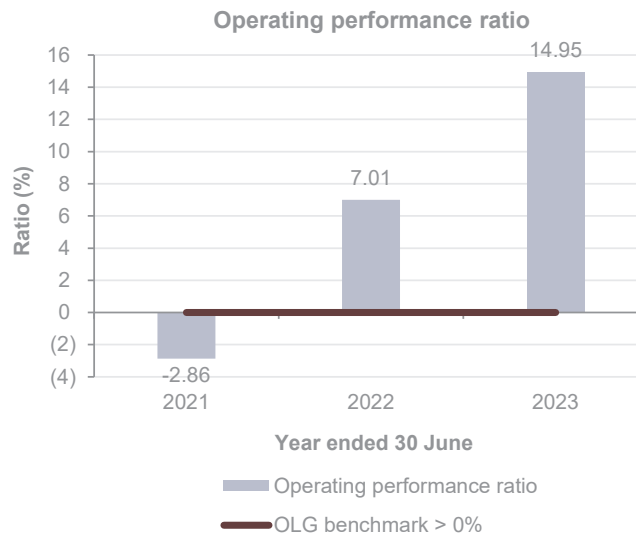
### Performance measures

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

#### Operating performance ratio

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

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



#### Own source operating revenue ratio

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

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

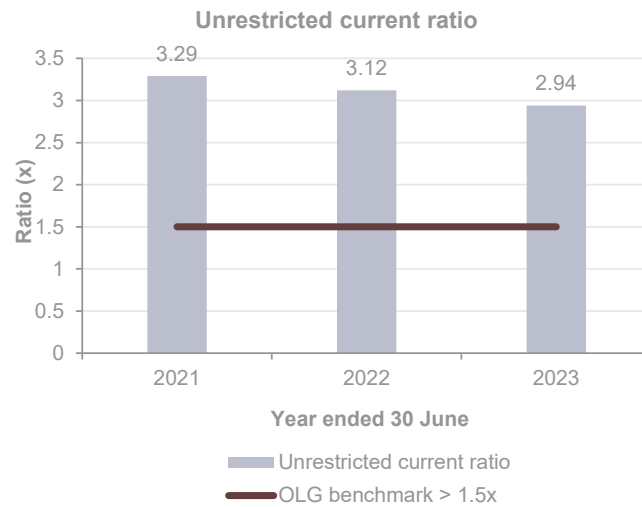




### Unrestricted current ratio

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

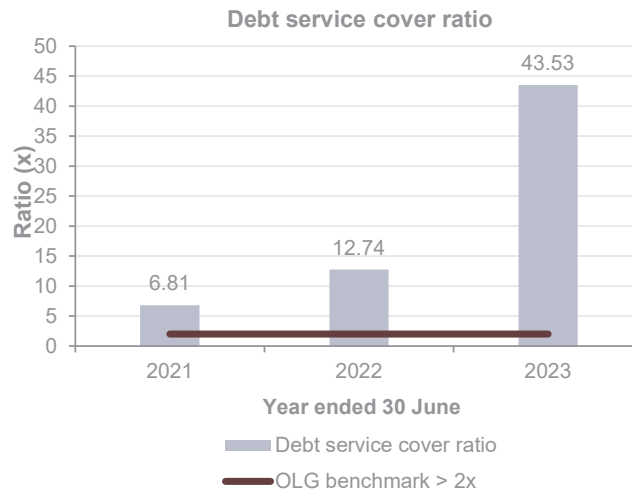
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Debt service cover ratio

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

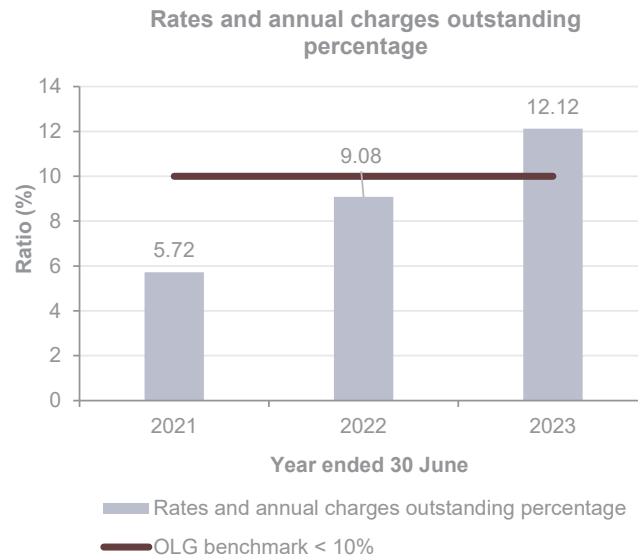
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



### Rates and annual charges outstanding percentage

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

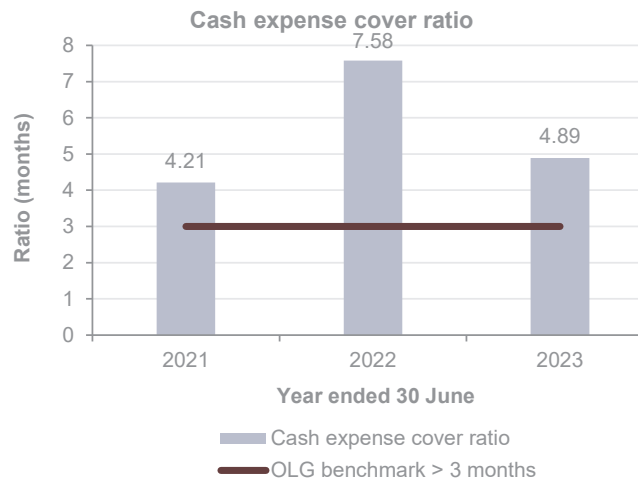
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional councils.



### Cash expense cover ratio

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

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



### Infrastructure, property, plant and equipment renewals

- Council's asset renewal additions for the year were \$8.6 million compared \$11.8 million for the prior year
- The level of asset renewals during the year represented 154 percent of the total depreciation expense (\$5.6 million) for the year.

## OTHER MATTERS

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

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

The Council's:

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

A handwritten signature in black ink, appearing to read 'Manuel Moncada', with a stylized flourish at the end.

Manuel Moncada

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

# Central Darling Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2023

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## Central Darling Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2023

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#### Background

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

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

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

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

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

## Central Darling Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2023

### Statement by Councillors and Management

---

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 25 September 2023.



**Robert Stewart**  
**Administrator**  
15 November 2023



**Gregory Hill**  
**General Manager**  
15 November 2023



**Kevin Smith**  
**Acting Responsible Accounting Officer**  
15 November 2023



## Central Darling Shire Council

## Income Statement of water supply business activity

for the year ended 30 June 2023

\$ '000	2023	2022
<b>Income from continuing operations</b>		
Access charges	670	622
User charges	389	438
Fees	3	–
Interest and investment income	26	29
Other income	59	–
<b>Total income from continuing operations</b>	<b>1,147</b>	<b>1,089</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	18	–
Materials and services	777	699
Depreciation, amortisation and impairment	591	689
Other expenses	122	127
<b>Total expenses from continuing operations</b>	<b>1,508</b>	<b>1,515</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(361)</b>	<b>(426)</b>
Grants and contributions provided for capital purposes	1,199	697
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>838</b>	<b>271</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>838</b>	<b>271</b>
<b>Surplus (deficit) after tax</b>	<b>838</b>	<b>271</b>
<b>Plus accumulated surplus</b>	<b>10,522</b>	10,251
<b>Plus adjustments for amounts unpaid:</b>		
<b>Closing accumulated surplus</b>	<b>11,360</b>	<b>10,522</b>
<b>Return on capital %</b>	<b>(1.6)%</b>	<b>(2.2)%</b>
<b>Subsidy from Council</b>	<b>1,246</b>	1,147
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	838	271
Less: capital grants and contributions (excluding developer contributions)	(1,199)	(697)
<b>Surplus for dividend calculation purposes</b>	<b>–</b>	<b>–</b>
<b>Potential dividend calculated from surplus</b>	<b>–</b>	<b>–</b>

## Central Darling Shire Council

## Income Statement of sewerage business activity

for the year ended 30 June 2023

\$ '000	2023	2022
<b>Income from continuing operations</b>		
Access charges	278	256
User charges	5	–
Fees	2	1
Interest and investment income	6	4
Other income	58	142
<b>Total income from continuing operations</b>	<b>349</b>	<b>403</b>
<b>Expenses from continuing operations</b>		
Materials and services	124	76
Depreciation, amortisation and impairment	138	98
Other expenses	86	34
<b>Total expenses from continuing operations</b>	<b>348</b>	<b>208</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1</b>	<b>195</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1</b>	<b>195</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1</b>	<b>195</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(49)
<b>Surplus (deficit) after tax</b>	<b>1</b>	<b>146</b>
<b>Plus accumulated surplus</b>	<b>2,443</b>	<b>2,249</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	–	48
<b>Closing accumulated surplus</b>	<b>2,444</b>	<b>2,443</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>3.6%</b>
<b>Subsidy from Council</b>	<b>227</b>	<b>4</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1	146
<b>Surplus for dividend calculation purposes</b>	<b>1</b>	<b>146</b>
<b>Potential dividend calculated from surplus</b>	<b>–</b>	<b>73</b>

## Central Darling Shire Council

### Statement of Financial Position of water supply business activity

as at 30 June 2023

\$ '000	2023	2022
<b>ASSETS</b>		
<b>Current assets</b>		
Receivables	1,072	170
<b>Total current assets</b>	<b>1,072</b>	<b>170</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	22,005	19,688
<b>Total non-current assets</b>	<b>22,005</b>	<b>19,688</b>
<b>Total assets</b>	<b>23,077</b>	<b>19,858</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	1,449	—
Bank overdraft	85	—
Payables	28	359
<b>Total current liabilities</b>	<b>1,562</b>	<b>359</b>
<b>Total liabilities</b>	<b>1,562</b>	<b>359</b>
<b>Net assets</b>	<b>21,515</b>	<b>19,499</b>
<b>EQUITY</b>		
Accumulated surplus	11,360	10,522
Revaluation reserves	10,155	8,977
<b>Total equity</b>	<b>21,515</b>	<b>19,499</b>

## Central Darling Shire Council

### Statement of Financial Position of sewerage business activity

as at 30 June 2023

\$ '000	2023	2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,447	1,286
Receivables	52	14
<b>Total current assets</b>	<b>1,499</b>	<b>1,300</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	5,667	5,442
<b>Total non-current assets</b>	<b>5,667</b>	<b>5,442</b>
<b>Total assets</b>	<b>7,166</b>	<b>6,742</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	339	279
<b>Total current liabilities</b>	<b>339</b>	<b>279</b>
<b>Total liabilities</b>	<b>339</b>	<b>279</b>
<b>Net assets</b>	<b>6,827</b>	<b>6,463</b>
<b>EQUITY</b>		
Accumulated surplus	2,444	2,443
Revaluation reserves	4,383	4,020
<b>Total equity</b>	<b>6,827</b>	<b>6,463</b>

## Note – Significant Accounting Policies

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

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

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

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

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1

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

Nil

#### Category 2

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

##### a. Combined Water Supply

The Central Darling Shire Water Supply comprises the operations and assets of Council's Water Supply System which services the towns of Wilcannia, Ivanhoe and White Cliffs.

##### b. Sewerage Services

The Central Darling Shire Sewerage Service comprises the whole of the operations and assets of Council's Sewerage Reticulation and Treatment System servicing the township of Wilcannia.

### Taxation equivalent charges

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

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

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

## Note – Significant Accounting Policies (continued)

### Notional rate applied (%)

#### Corporate income tax rate – 25% (21/22 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.

**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 and Environment (DPE) - Water's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

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

### Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25% (21/22 25%).

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

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

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

### Local government rates and charges

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

### Loan and debt guarantee fees

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

#### (i) Subsidies

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

#### (ii) Return on investments (rate of return)

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

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



## Note – Significant Accounting Policies (continued)

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The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

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**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 4.02% at 30/6/23.

### (iii) Dividends

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

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

Each dividend must be calculated and approved in accordance with the DPE – Water's regulatory and assurance framework and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2023 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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



## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the special purpose financial statements**

#### **Central Darling Shire Council**

To the Councillors of Central Darling Shire Council

### **Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of Central Darling Shire Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2023, the Statement of Financial Position of each Declared Business Activity as at 30 June 2023 and Significant accounting policies note.

The Declared Business Activities of the Council are:

- Water supply
- sewerage

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2023, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2022–23 (LG Code).

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

### **Basis for Opinion**

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

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

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

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

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

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

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

## **Emphasis of Matter - Basis of Accounting**

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

## **Other Information**

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Manuel Moncada', with a stylized flourish at the end.

Manuel Moncada

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

30 November 2023  
SYDNEY

# Central Darling Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2023

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Central Darling Shire Council

Special Schedules

for the year ended 30 June 2023

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<b>Special Schedules:</b>	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2023	6



## Central Darling Shire Council

## Permissible income for general rates

\$ '000	Notes	Calculation 2022/23	Calculation 2023/24
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	884	885
Plus or minus adjustments <sup>2</sup>	b	(1)	-
<b>Notional general income</b>	c = a + b	<b>883</b>	<b>885</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	0.70%	3.70%
Or plus rate peg amount	i = e x (c + g)	6	33
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>889</b>	<b>918</b>
Plus (or minus) last year's carry forward total	l	(6)	(2)
<b>Sub-total</b>	n = (l + m)	<b>(6)</b>	<b>(2)</b>
<b>Total permissible income</b>	o = k + n	<b>883</b>	<b>916</b>
Less notional general income yield	p	885	912
<b>Catch-up or (excess) result</b>	q = o - p	<b>(2)</b>	<b>4</b>
<b>Carry forward to next year <sup>3</sup></b>	t = q + r + s	<b>(2)</b>	<b>4</b>

**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) 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 *Local Government Act 1993*. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Central Darling Shire Council

To the Councillors of Central Darling Shire Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Central Darling Shire Council (the Council) for the year ending 30 June 2024.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2022–23 (LG Code) and is in accordance with the books and records of the Council.

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

### Basis for Opinion

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

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

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

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

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

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

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

### Emphasis of Matter - Basis of Accounting

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

### Other Information

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2023'.

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

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

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

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Schedule**

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

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

### **Auditor's Responsibilities for the Audit of the Schedule**

My objectives are to:

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

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

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

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

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



Manuel Moncada

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

30 November 2023  
SYDNEY

## Central Darling Shire Council

### Report on infrastructure assets as at 30 June 2023

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2022/23 Required maintenance <sup>a</sup> \$ '000	2022/23 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Buildings</b>	Buildings	2,000	—	—	—	15,908	41,196	6.0%	65.0%	25.0%	4.0%	0.0%
	Buildings – non-specialised	450	—	93	335	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Buildings – specialised	100	—	31	33	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Community Services	1,200	—	31	13	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Council Housing	2,000	—	21	75	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Water	400	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Economic Activity	750	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Transport	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Amenities / Toilets	80	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>6,980</b>	<b>—</b>	<b>176</b>	<b>456</b>	<b>15,908</b>	<b>41,196</b>	<b>6.0%</b>	<b>65.0%</b>	<b>25.0%</b>	<b>4.0%</b>	<b>0.0%</b>
<b>Other structures</b>	Other structures	—	—	270	212	4,413	7,338	22.0%	0.0%	78.0%	0.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>—</b>	<b>—</b>	<b>270</b>	<b>212</b>	<b>4,413</b>	<b>7,338</b>	<b>22.0%</b>	<b>0.0%</b>	<b>78.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Roads</b>	Roads	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sealed roads	2,000	—	1,422	1,016	71,841	94,317	20.0%	48.0%	15.0%	15.0%	2.0%
	Unsealed roads	10,500	—	1,800	6,504	61,654	66,105	5.0%	40.0%	20.0%	30.0%	5.0%
	Bridges	300	—	—	—	15,234	22,895	0.0%	100.0%	0.0%	0.0%	0.0%
	Footpaths	600	—	33	22	1,119	2,111	0.0%	25.0%	50.0%	25.0%	0.0%
	Other road assets	280	—	—	—	2,571	5,527	50.0%	0.0%	40.0%	10.0%	0.0%
	Bulk earthworks	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Kerb and Gutter	300	—	—	—	2,594	4,092	5.0%	60.0%	20.0%	15.0%	0.0%
	Aerodromes	280	—	205	136	7,950	13,420	75.0%	25.0%	0.0%	0.0%	0.0%
	Other road assets (incl. bulk earth works)	—	—	40	226	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>14,260</b>	<b>—</b>	<b>3,500</b>	<b>7,904</b>	<b>162,963</b>	<b>208,467</b>	<b>16.9%</b>	<b>48.4%</b>	<b>15.1%</b>	<b>17.1%</b>	<b>2.5%</b>
	Water supply network	3,400	—	80	88	5,726	22,976	0.0%	0.0%	25.0%	50.0%	25.0%
	Other	—	—	36	40	875	1,396	95.0%	5.0%	0.0%	0.0%	0.0%
	Treatment Plants	5,800	—	298	339	707	3,806	0.0%	0.0%	0.0%	50.0%	50.0%
	Bores	50	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%

continued on next page ...

## Central Darling Shire Council

### Report on infrastructure assets as at 30 June 2023 (continued)

Asset Class	Asset Category	Estimated cost		2022/23 Required maintenance <sup>a</sup>	2022/23 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					
<b>Water supply network</b>	Weirs, Storage Tanks, Dams	8,450	–	1	1	9,586	16,705	0.0%	0.0%	0.0%	5.0%	95.0%
	Pump Station	650	–	108	139	805	2,395	0.0%	0.0%	0.0%	100.0%	0.0%
	<b>Sub-total</b>	<b>18,350</b>	<b>–</b>	<b>523</b>	<b>607</b>	<b>17,699</b>	<b>47,278</b>	<b>2.8%</b>	<b>0.1%</b>	<b>12.1%</b>	<b>35.2%</b>	<b>49.9%</b>
<b>Sewerage network</b>	Sewerage network	480	–	52	9	1,323	2,259	0.0%	0.0%	0.0%	100.0%	0.0%
	Other	180	–	30	13	358	586	0.0%	0.0%	0.0%	100.0%	0.0%
	Pumping Station	650	–	3	76	837	1,036	0.0%	0.0%	0.0%	100.0%	0.0%
	Treatment Plants	150	–	6	25	2,541	3,429	0.0%	0.0%	0.0%	100.0%	0.0%
	<b>Sub-total</b>	<b>1,460</b>	<b>–</b>	<b>91</b>	<b>123</b>	<b>5,059</b>	<b>7,310</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>
<b>Stormwater drainage</b>	Stormwater drainage	120	–	295	114	720	1,599	0.0%	0.0%	50.0%	50.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Box Culverts	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Pipes	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Pits	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Outlets	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Gross Pollutant Traps	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>120</b>	<b>–</b>	<b>295</b>	<b>114</b>	<b>720</b>	<b>1,599</b>	<b>0.0%</b>	<b>0.0%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>0.0%</b>
<b>Open space / recreational assets</b>	Swimming pools	650	–	202	205	938	4,904	0.0%	35.0%	0.0%	0.0%	65.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Recreation	350	–	128	144	–	–	0.0%	0.0%	50.0%	50.0%	0.0%
	<b>Sub-total</b>	<b>1,000</b>	<b>–</b>	<b>330</b>	<b>349</b>	<b>938</b>	<b>4,904</b>	<b>0.0%</b>	<b>35.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>65.0%</b>
<b>Total – all assets</b>		<b>42,170</b>	<b>–</b>	<b>5,185</b>	<b>9,765</b>	<b>207,700</b>	<b>318,092</b>	<b>12.8%</b>	<b>40.7%</b>	<b>17.0%</b>	<b>19.5%</b>	<b>10.0%</b>

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

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Central Darling Shire Council

Report on infrastructure assets as at 30 June 2023 (continued)

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



## Central Darling Shire Council

## Report on infrastructure assets as at 30 June 2023

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2023	Indicator 2023	Indicator 2022	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals <sup>1</sup>	8,615	159.01%	282.93%	> 100.00%
Depreciation, amortisation and impairment	5,418			
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	42,170	19.32%	19.49%	< 2.00%
Net carrying amount of infrastructure assets	218,289			
Asset maintenance ratio				
Actual asset maintenance	9,765	188.33%	161.95%	> 100.00%
Required asset maintenance	5,185			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	—	0.00%	0.00%	
Gross replacement cost	318,092			

(\*) 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.

Central Darling Shire Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (by fund)						
\$ '000	General fund		Water fund		Sewer fund	
	2023	2022	2023	2022	2023	2022
<b>Buildings and infrastructure renewals ratio</b>						
Asset renewals <sup>1</sup>	183.73%	354.84%	0.00%	0.00%	0.00%	0.00%
Depreciation, amortisation and impairment						> 100.00%
<b>Infrastructure backlog ratio</b>						
Estimated cost to bring assets to a satisfactory standard	11.77%	10.58%	81.18%	108.40%	25.76%	28.20%
Net carrying amount of infrastructure assets						< 2.00%
<b>Asset maintenance ratio</b>						
Actual asset maintenance	197.66%	158.23%	116.06%	217.67%	135.16%	190.00%
Required asset maintenance						> 100.00%
<b>Cost to bring assets to agreed service level</b>						
Estimated cost to bring assets to an agreed service level set by Council	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gross replacement cost						

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